

GWŶS Y CYNGOR

Rydych dan wŷs trwy hyn i ddod i gyfarfod CYNGOR DINAS A SIR ABERTAWA i'w gynnal yn Siambr y Cyngor, Neuadd y Ddinas, Abertawe Dydd Mawrth, 1 Tachwedd 2016 am 5.00 pm

Cynigir trafod y materion canlynol:

1. **Ymddiheuriadau am absenoldeb.**
2. **Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/Datgeliadaubuddiannau
3. **Cofnodion.** **1 - 8**
Cymeradwyo a llofnodi cofnodion y cyfarfod(ydd) blaenorol fel cofnod cywir.
4. **Ymatebion ysgrifenedig i gwestiynau a ofynnwyd yng Nghyfarfod Cyffredinol Diwethaf y Cyngor.** **9 - 10**
5. **Cyhoeddiadau'r Aelod Llywyddol.**
6. **Cyhoeddiadau Arweinydd y Cyngor.**
7. **Cwestiynau gan y Cyhoedd.**
Rhaid i'r cwestiynau ymwneud â materion ar ran agored agenda'r cyfarfod, ac ymdrinnir â hwy o fewn 10 munud.
8. **Cyflwyniad Cyhoeddus - CREST.**
9. **Datganiad Cyllideb Tymor Canolig 2016/17.** **11 - 45**
10. **Adolygiad o'r Cronfeydd Cyllid Wrth Gefn a'r Polisi Cronfeydd Wrth Gefn.** **46 - 67**
11. **Adroddiad Blynyddol 2015/16 - Cyfarwyddwr y Gwasanaethau Cymdeithasol.** **68 - 123**
12. **Aelodaeth Pwyllgorau.** **124 - 125**
13. **Cwestiynau gan y Cynghorwyr.** **126 - 136**
14. **Rhybudd o gynnig - Cynghorwyr R C Stewart, J E Burtonshaw, C Richards, J P Curtice, D W W Thomas, A S Lewis, J E C Harris, J A Hale, M Thomas, C Anderson, M C Child & R Francis-Davies.**
Gwneud y cyfrifiad nesaf ar gyfer ein cymuned Lluoedd Arfog

Cynnig Drafft i gefnogi *Count Them In*

Mae'r cyngor hwn yn nodi:

1. Y rhwymedigaethau sy'n ddyledus ganddo i gymuned y Lluoedd Arfog yn Ninas a Sir Abertawe fel a nodwyd yng Nghyfamod y Lluoedd Arfog; sef ni ddylai cymuned y Lluoedd Arfog wynebu anfantais wrth ddarparu gwasanaethau a bod ystyriaeth arbennig yn briodol mewn rhai achosion, yn enwedig rheiny sydd wedi rhoi fwyaf.
2. Diffyg ystadegau swyddogol a chynhwysfawr ar faint, neu ddemograffeg cymuned y Lluoedd Arfog yn Ninas a Sir Abertawe. Mae hyn yn cynnwys personél rheolaidd a'r rhai wrth gefn, cyn-filwyr, a'u teuluoedd.
3. Bydd argaeledd data o'r fath yn cynorthwyo'r cyngor, asiantaethau partner lleol, y sector gwirfoddol, a Llywodraeth genedlaethol wrth gynllunio a darparu gwasanaethau i ddiwallu anghenion unigryw cymuned y Lluoedd Arfog yn Ninas a Sir Abertawe.

Yn sgîl yr uchod, mae'r cyngor hwn yn symud i gefnogi a hyrwyddo galwad Y Lleng Brydeinig Frenhinol i gynnwys pwnc newydd yng nghyfrifiad 2021 sy'n ymwneud â'r gwasanaeth milwrol ac aelodaeth gymuned y Lluoedd Arfog. Rydym ni hefyd yn galw ar Lywodraeth y DU, a fydd yn cymeradwyo holiadur terfynol cyfrifiad drwy ddeddfwriaeth yn 2019, i sicrhau bod cyfrifiad 2021 yn cynnwys cwestiynau ynglŷn â chymuned y Lluoedd Arfog.



Huw Evans
Pennaeth Gwasanaethau Democrataidd
Dydd Llun, 18 Hydref 2016

I: Bob Aelod o'r Cyngor

CITY AND COUNTY OF SWANSEA

MINUTES OF THE COUNCIL

HELD AT COUNCIL CHAMBER, GUILDHALL, SWANSEA ON
THURSDAY, 22 SEPTEMBER 2016
AT 5.00 PM

PRESENT: Councillor D W W Thomas (Presiding Officer) Presided

Councillor(s)	Councillor(s)	Councillor(s)
C Anderson	J C Bayliss	P M Black
R A Clay	U C Clay	A C S Colburn
D W Cole	A M Cook	S E Crouch
J P Curtice	N J Davies	A M Day
P Downing	W Evans	E W Fitzgerald
R Francis-Davies	F M Gordon	J A Hale
J E C Harris	T J Hennegan	C A Holley
P R Hood-Williams	B Hopkins	D H Hopkins
L James	M H Jones	A J Jones
S M Jones	J W Jones	E J King
E T Kirchner	M B Lewis	R D Lewis
A S Lewis	C E Lloyd	P Lloyd
P N May	P M Meara	H M Morris
G Owens	D Phillips	T H Rees
I M Richard	C Richards	P B Smith
R V Smith	R C Stewart	D G Sullivan
G J Tanner	C Thomas	C M R W D Thomas
L G Thomas	M Thomas	L J Tyler-Lloyd
G D Walker	L V Walton	T M White
N M Woollard		

Apologies for Absence

Councillor(s): J E Burtonshaw, M C Child, C R Doyle, V M Evans, C R Evans, Y V Jardine, D J Lewis, K E Marsh, P M Matthews, J Newbury, C L Philpott, J A Raynor and R J Stanton

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

The Deputy Head of Legal and Democratic Services gave advice regarding the potential personal and prejudicial interests that Councillors and / Officers may have on the agenda.

The Head of Democratic Services reminded Councillors and Officers that the "Disclosures of Personal and Prejudicial Interests" sheet should only be completed if the Councillor / Officer actually had an interest to declare. Nil returns were not required. Councillors and Officers were also informed that any declarable interest must be made orally and in writing on the sheet.

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

- 1) Councillor R Francis Davies, C Richards and R C Stewart declared a Personal Interest in Minute 56 "Public Questions";
- 2) Councillor T J Hennegan declared a Personal Interest in Minutes 58 "Report of the Wales Audit Office - Audit of Financial Statements Report - City & County of Swansea";
- 3) Councillor T J Hennegan declared a Personal Interest in Minutes 59 "Report of the Wales Audit Office - Audit of Financial Statements Report - City & County of Swansea Pension Fund";
- 4) Councillors C Anderson, R A Clay, T J Hennegan, P R Hood-Williams, L James, J W Jones, P M Meara, D Phillips, R V Smith, C Thomas, L V Walton and T M White declared a Personal Interest in Minute 60 "Audit Committee Annual Report 2015/16";
- 5) Councillors P M Black, C A Holley and L G Thomas declared a Personal Interest in Minute 68 "Councillors' Questions".

52. **MINUTES.**

RESOLVED that the following Minutes be approved and signed as a correct record:

- 1) Ceremonial Meeting of Council held on 28 July 2016 subject to Councillor N M Woollard being added to those Councillors present;
- 2) Ordinary Meeting of Council held on 28 July 2016 subject to Minute 38 "Announcements of the Presiding Member", "3) Council Meetings" being amended to read:

"The Presiding Member stated that the Council Meeting scheduled for 25 August 2016 has been cancelled.

He also stated that the Ceremonial Meeting of Council (Inauguration of the Lord Mayor) scheduled for 19 May 2017 has been re-scheduled. The meeting will now be held at 2.00pm on Friday, 26 May 2017."

53. **WRITTEN RESPONSES TO QUESTIONS ASKED AT THE LAST ORDINARY MEETING OF COUNCIL.**

The Deputy Head of Legal and Democratic Services submitted an information report setting out the written responses to questions asked at the last Ordinary Meeting of Council.

54. **ANNOUNCEMENTS OF THE PRESIDING MEMBER.**

1) Condolences

a) Jeremy Thomas, Former Directorate Lawyer, Head of Scrutiny and Cabinet Secretary

The Presiding Member referred with sadness to the recent death of Jeremy Thomas. Jeremy was a former Directorate Lawyer, Head of Scrutiny and Cabinet Secretary with the Authority prior to leaving in 2005 to take up the Head of Law and Governance role with Oxford City Council.

Sadly, Jeremy died while participating in Bike Oxford's 50-mile cycling event and tragically died later that day, aged 47.

All present stood as a mark of sympathy and respect.

2) Congratulations

a) Team GB – Rio Olympics 2016

The Presiding Member congratulated Team GB for their recent success in the Rio Olympics 2016. Team GB came 2nd in the Medal Table with 67 Medals, 27 of which were Gold.

b) GB Paralympian – Aaron Moore – Rio 2016

The Presiding Member congratulated Swansea based Paralympian Aaron Moore for winning a Gold Medal in the 100m breaststroke SB14 final.

c) Team GB – Rio Paralympics 2016

The Presiding Member congratulated Team GB for their recent success in the Rio Paralympics 2016. Team GB came 2nd in the Medal Table with 147 Medals, 64 of which were Gold.

d) Prisoners' Education Trust – Prisoner Learning Alliance Award Winners

The Presiding Member stated that in November 2012, the Prisoners' Education Trust set up the Prisoner Learning Alliance (PLA) with the aim of providing expertise and strategic vision to inform future priorities, policies and practices relating to prison education, learning and skills.

The PLA wished to recognise and reward those people who go the extra mile to promote and encourage learning in prison; and therefore established the Prisoner Learning Alliance Awards Ceremony.

He congratulated Vicky Dickeson and Valerie Samuel (both of the Swansea Library Service) for winning awards in the "Outstanding Individuals" category

at the Prisoner Learning Alliance Awards Ceremony. Both were present to receive the award.

e) School Attendance Poster Competition

The Presiding Member congratulated Cora Ellacott for winning the recent poster competition to highlight the importance of good attendance in schools across the Authority.

Cora's winning design was one of hundreds of entries from pupils for our recent attendance poster competition. The design and super-hero "Mighty Attender" will be the focal point of the Authority's Incentivising Attendance Programme. The IAP will launch shortly and aims to boost and promote attendance throughout all Swansea schools.

Cora Ellacott was present to receive the award.

f) Swansea in Bloom Winner 2016

The Presiding Member stated that the Swansea in Bloom Committee was a voluntary group which is supported by the Authority. It runs an annual competition to encourage businesses, schools and residents to decorate their premises with beautiful floral displays, making their local community and Swansea as a whole, a more attractive place to live, work and visit.

He announced that the City and County of Swansea received a special award from the Committee for the displays of wildflowers that have spread across the City and made a huge improvement to the environment for residents and visitors.

The Authority has been running the wildflower scheme for about 5 years and is now in almost 200 sites across the City. Local Councillors and Community / Town Councils part fund the cost of material and installation and as you will note from the number of sites the scheme has been a fantastic success.

Peter Lewis, David Smith and Dave Stares were present to receive the award.

g) Swansea Family Information Service (FIS)

The Presiding Member announced that the Swansea Family Information Service (FIS) has recently been awarded the Families First Quality Award for helping local families get the information they need to make the most of their lives.

The Families First Quality Award is a national quality assurance process and quality improvement tool designed to help keep families at the heart of our practice and help FIS to provide gold standard information.

The award was developed by the National Association of Family Information Services (NAFIS) in conjunction with Department of Education (DfE) and

Suffolk County Council as a tool to measure the effectiveness of a local authority Family Information Service (FIS) and demonstrates how it meets statutory obligations in the Childcare Act 2006 (Information Duty Section 27) and the SEND Code of Practice 2014.

The Welsh Government also acknowledged the importance of the information Duty as part of its own Childcare Act and has supported NAFIS as it works with the 22 FIS in Wales to ensure that the standards facilitate a dual assessment role against the requirements of section 27 (the information duty) of the childcare Act for Wales.

Allison Williams, Claire Bevan, Gary Mahoney, Christopher Jones, Sian Fennell and Finley the Bear were present to receive the award.

4) Ceremonial Meeting of Council

The Presiding Member reminded Council that a Ceremonial Meeting of Council has been arranged for 5.00 pm on Thursday, 20 October 2016. The meeting will be the ceremonial conferring of Honorary Freedom of the City on Chris Coleman.

5) Best Wishes and Speedy Recovery

The Presiding Member wished Councillors V M Evans and P M Matthews best wishes and a speedy recovery from their respective illnesses.

6) LC, Swansea Gold Award

The Leader of the Largest Opposition Political Group advised the Presiding Member and Council of the LC's recent Gold Award.

The LC Swansea was awarded a coveted Gold Award under the Visit Wales Visitor Attraction Quality Assurance Scheme (VAQAS). The scheme sees attractions in Wales independently assessed against national standards, according to customer experience, with 11 venues in Swansea currently sporting a VAQAS award.

55. ANNOUNCEMENTS OF THE LEADER OF THE COUNCIL.

1) City Deal Update

The Leader of the Council updated Council as to the progress of the Swansea Bay City Deal bid.

2) Visit by Delegation from Wuhan, China

The Leader of the Council referred to a recent visit from a delegation from Wuhan, China. He stated that it was an important visit and had many potential benefits for the Authority. Discussions had commenced in relation to creating a Friendship Agreement.

3) Honorary Freedom Dinner for Chris Coleman

The Leader of the Council reminded Councillors that tickets were still available for the Honorary Freedom Dinner for Chris Coleman at the Brangwyn Hall on 20 October 2016. He also announced that the Manic Street Preachers would be playing their music at the dinner.

4) Cabinet – 20 October 2016

The Leader of the Council stated that the Cabinet meeting scheduled for Thursday, 20 October 2016 would commence at 3.00pm.

56. PUBLIC QUESTIONS.

A number of questions were asked by members of the public. The relevant Cabinet Member responded accordingly. Those questions requiring a written response are listed below:

1) Tony Beddow asked the Leader of the Council a question in relation to Minute 58 "Report of the Wales Audit Office – Audit of Financial Statements Report – City and County of Swansea":

i) What is the current value of the Liberty Stadium, Swansea?"

The Leader of the Council stated that a written response would be provided.

57. PUBLIC PRESENTATION - NONE.

No Public Presentations were received.

58. REPORT OF THE WALES AUDIT OFFICE - AUDIT OF FINANCIAL STATEMENTS REPORT - CITY & COUNTY OF SWANSEA.

John Herniman, Wales Audit Office (WAO) presented the "Wales Audit Office, Audit of Financial Statements Report 2015-2016 for the City and County of Swansea".

John Heriman (WAO) responded to questions of a technical nature whilst Mike Hawes (Section 151 Officer) responded to questions relating to the position of the City and County of Swansea.

59. REPORT OF THE WALES AUDIT OFFICE - AUDIT OF FINANCIAL STATEMENTS REPORT - CITY & COUNTY OF SWANSEA PENSION FUND.

John Herniman, Wales Audit Office (WAO) presented the "Wales Audit Office, Audit of Financial Statements Report 2015-2016 for the City and County of Swansea Pension Fund".

John Heriman (WAO) responded to questions of a technical nature whilst Mike Hawes (Section 151 Officer) responded to questions relating to the position of the City and County of Swansea.

60. **AUDIT COMMITTEE ANNUAL REPORT 2015/16.**

The Chair of the Audit Committee, Alan Thomas presented the Audit Committee Annual Report 2015-2016 for information. The report set out the work of the Audit Committee during the period.

61. **STATEMENT OF ACCOUNTS 2015/16.**

The Section 151 Officer submitted a report which detailed the timescale involved in the completion and audit of the Council's Statement of Accounts for 2015-2016. He advised that in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014, the Council had to approve the Statement of Accounts 2015-2016 on or before 30 September 2016.

RESOLVED that the 2015-2016 Statement of Accounts be approved.

62. **TREASURY MANAGEMENT ANNUAL REPORT 2015/16.**

The Section 151 Officer submitted an information report which detailed the Council's Treasury Management activities during 2015-2016 and compared actual performance against the strategy laid down at the start of the year.

Note: Councillor J W Jones referred to Appendix 1 on Page 79 of the report and asked what the original figure of the Authorised Limit for External Debt was prior to it being revised to "606,216,000."

The Section 151 Officer stated that a written response would be provided.

63. **ANNUAL GOVERNANCE STATEMENT 2015/16.**

The Section 151 Officer submitted a report which outlined the annual review of governance arrangements for 2015-2016.

RESOLVED that the:

- 1) Annual Governance Statement 2015-2016 be approved.

64. **SUSTAINABLE DEVELOPMENT REPORT 2015/16.**

The Transformation and Performance Cabinet Member submitted a report which outlined the Sustainable Development Report 2015-2016.

RESOLVED that the:

- 1) Report content be approved for publication alongside the Annual Statement of Accounts.

65. **APPOINTMENT OF CHIEF TRANSFORMATION OFFICER.**

The Chief Executive submitted a report which sought ratification of the recommendation from the Appointments Committee regarding the appointment of the Chief Transformation Officer following the recruitment and selection process undertaken.

RESOLVED that:

- 1) Sarah Caulkin as recommended by the Appointments Committee at its meeting on 25 August 2016 be confirmed in post as the Chief Transformation Officer.

66. **MEMBERSHIP OF COMMITTEES.**

The Transformation and Performance Cabinet Member submitted a report which sought approval of the nominations / amendment to the membership of Council Bodies.

He referred to the report stating that the Leader of the Council had not made any changes to the membership of the Authority's Outside Bodies.

RESOLVED that the membership of the Council Bodies listed below be amended as follows:

- i) **Social Services Rota Visits**
Remove Councillor R D Lewis.

67. **SCRUTINY DISPATCHES – QUARTERLY IMPACT REPORT**

The Chair of the Scrutiny Programme Committee submitted an information report setting out the Scrutiny Dispatches - Quarterly Impact Report.

68. **COUNCILLORS' QUESTIONS.**

1) Part A 'Supplementary Questions'

Eleven (11) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

No supplementary question(s) required a written response.

2) Part B 'Questions not requiring Supplementary Questions'

One (1) Part B 'Questions not requiring Supplementary Questions' was submitted.

The meeting ended at 7.15 pm

CHAIR

Report of the Interim Head of Legal and Democratic Services

Council – 1 November 2016

WRITTEN RESPONSES TO QUESTIONS ASKED AT THE LAST ORDINARY MEETING OF COUNCIL

The report provides an update on the responses to Questions asked during the last Ordinary Meeting of Council on 22 September 2016.

FOR INFORMATION

1. INTRODUCTION

- 1.1 It was agreed at Council on 8 April 2010 that a standing item be added to the Council Summons entitled “Written Responses to Questions Asked at the Last Ordinary Meeting of Council”.
- 1.2 A “For Information” report will be compiled by the Democratic Services Team collating all written responses from the last Ordinary Meeting of Council and placed in the Agenda Pack;
- 1.3 Any consequential amendments be made to the Council Constitution.

2. RESPONSES

- 2.1 Responses to questions asked during the last ordinary meeting of Council are included as Appendix A.

Background Papers: None

Appendices: Appendix A (Questions & Responses)

**Providing Council with Written Responses to Questions at Council
22 September 2016**

1.	<p>Tony Beddow What is the current value of the Liberty Stadium, Swansea.</p> <p>Response of the Leader The carrying value as at 31 March 2016 in the Council's accounts is £370,250 which reflects a valuation based on the current lease arrangement and rental expectations.</p> <p>Any actual commercial valuation for sale would clearly be in excess of that and would relate to a number of issues such as the potential buyer, existence of existing leases/covenants and the purpose envisaged by the prospective purchasers.</p>
2.	<p>Councillor J W Jones Referred to Appendix 1 on Page 79 of the report and asked what the original figure of the Authorised Limit for External Debt was prior to it being revised to "606,216,000".</p> <p>Response of the Section 151 Officer The original estimate for the Authorised limit 2015/16 presented to Council in Feb 2015 was £601,314,000 which was subsequently revised at Council in February 2016 to £606,216,000.</p>

Report of the Section 151 Officer

Council – 1 November 2016

MID-TERM BUDGET STATEMENT 2016/17

Purpose: To present to Council a statement which outlines current year financial performance together with an updated assessment of likely savings requirements over the period of the Medium term Financial Plan.

Policy Framework: Sustainable Swansea

Reason for Decision: The report is presented in order to provide Members with a view of current financial performance and the likely financial planning scenarios that will influence budget and service decisions over the period of the MTFP.

Consultation: Cabinet Members, Executive Board, Legal and Access to Services.

Recommendation: It is recommended that:-

- 1 the comments made in this report are noted and that the revised resources forecast, and forecast of spending pressures, are adopted in terms of future budget planning.
2. The financial forecast in relation to the current year is noted and that Council endorses whatever actions are required in order to move towards a more balanced revenue outturn for 2016/17.
3. Comments in relation to the funding of the capital programme set out in the report are noted and the funding shortfall continue to be addressed by a policy encompassing all asset sales.

Report Author: Mike Hawes

Finance Officer: Mike Hawes

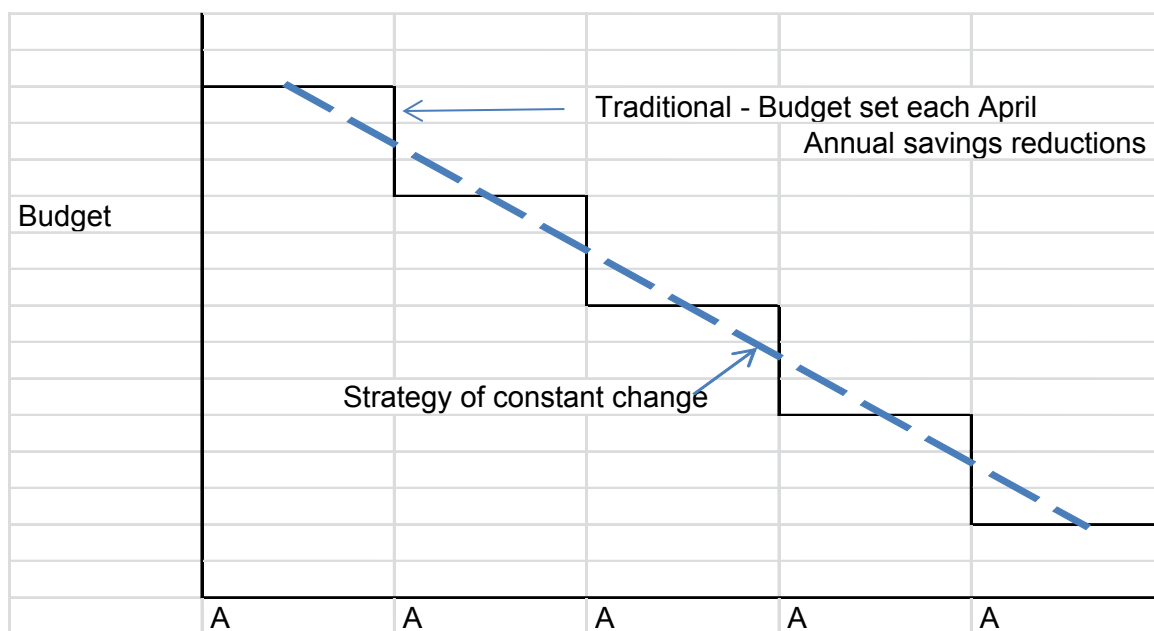
Legal Officer: Tracey Meredith

Equalities Officer: Sherill Hopkins

Section 1 – Introduction and background

- 1.1 This statement is intended to provide a strategic and focussed assessment of current year financial performance and an update on strategic planning assumptions over the next three financial years. The clear benefits of this statement are:-
- **Enhanced Local Accountability:** it will enable the Council to have a “state of the nation” type debate, increasing accountability about what has been achieved and what is planned
 - **Clear Strategic Direction:** it will enable the Council to update and/or confirm strategic direction in response to in year external and internal changes, providing clear direction for the development of budgets and savings options prior to the Annual budget meeting of Council
 - **Better Medium Term Financial Planning:** it will enable the Council to publically update its financial assessment mid-year, in response to national announcements or changing assumptions, rather than wait until February
 - **In Year Budget Changes:** it will enable the Council to make in year changes to budgets to respond to the increasing financial challenges – we cannot wait until February each year to do this
 - **Transparency:** it will enable a clear and unambiguous public assessment of savings performance against targets
 - **Remedial Action:** it will enable the Council to increase the pace in dealing with identified budget and/or savings variances
- 1.2 The Council has a clear and accepted strategy for addressing the budget savings it needs to achieve – ***Sustainable Swansea – Fit for the Future***. However, it is clear that the strategy has to increase in both scale and pace if the Council is to address the very real financial challenges that it currently faces and will face moving forward.
- 1.3 It is also clear that at present the Council remains attached to a policy of addressing its financial affairs via the annual budget cycle rather than accepting the medium term financial outlook and, in doing so, moving to a position where it operates in advance of annual savings targets. This has been partly addressed via the introduction of Service Commissioning Reviews designed to look strategically at future service delivery options in order to develop outcomes that are sustainable operationally and financially.
- The scope of the Commissioning Reviews needs to be expanded as we move forward in order to far better address whole Council delivery of corporate priorities without the impediment of Directorate or Service boundaries.
- 1.4 It is clear that those Councils who are successfully dealing with savings requirements highlighted in the MTFP, in all forms, are doing so by adopting a strategy of constant in year savings implementation set against the annual budget cycle. The inevitable result of that is a tendency to achieve

annual in year budget underspends due to actions being taken early to address the long term downward trend in net expenditure.



1.5 The above table contrasts Councils that operate via traditional annual budget cycles with an annual April budget reduction with the expenditure path taken by those who adopt a strategy of constant change. Those that adopt the strategy recognise and accept a net reduction in expenditure as a certainty over the medium term financial plan period.

1.6 There is some evidence that the Council is moving towards a strategy of constant change evidenced by its ability to meet in year budget challenges following early forecasts of significant overspend. However, this is a largely re-active rather than pro-active action at this stage.

1.7 This Statement is intended to form a logical flow from an assessment of current year anticipated performance through each step of a structured planning process for future years and as such it specifically details:-

Section 2 - Revenue financial forecast 2016/17

Section 3 - Service/Financial risks currently identified in relation to the delivery of the 2016/17 Revenue Budget

Section 4 - A revised Medium term Resource and Funding forecast for the period 2017/18 to 2019/20 based on latest known decisions and Council decisions

Section 5 – A brief assessment of risk and potential movements on specific grants

Section 6 - An assessment of medium term spending pressures

Section 7 - The medium term financial forecast

Section 8 - Medium Term Financial planning for Schools

Section 9 - An assessment of reserves

Section 10 - Capital programme and funding

Section 11 – Summary of Actions and Decisions required/Legal implications/Access to services implications

1.8 This report should be read in the context of the Council's overarching budget strategy – ***Sustainable Swansea – Fit for the Future.***

Section 2 – Revenue Financial Forecast 2016/17

The purpose of this section is to provide a high level assessment of the projected 2016/17 revenue outturn position as an essential precursor to forward financial planning assumptions.

An analysis of the current position is given in sections 2.1 to 2.8 below.

Conclusions and recommendations are given in sections 2.9 and 2.10 below.

- 2.1 The first quarter budget monitoring report presented to Cabinet on 18th August 2016 highlighted a forecast service overspend for 2016/17 of £9.6m, with some immediate action proposed to offset £2.4m of that pressure. Whilst it is implicit within the Council's Financial Procedure Rules that it is the duty of Responsible Officers to manage budgets within agreed limits, that report highlighted that it is unlikely that recovery of overspends in the areas of Education and Social Services can be delivered in the current year.
- 2.2 The Revenue outturn report for 2015/16 detailed a net Council underspend for 2015/16 of some £2.3m. The report highlighted the one-off impact of Corporate items on this outturn position and also drew attention to the fact that overspends within adult services and education, unless addressed, were likely to impact adversely on the 2016/17 budget position. The areas of overspend – particularly around Education and Mental Health and Learning Disability – continue to overspend in 2016/17. It is therefore essential that either the specific issues in these areas are addressed or the Council recognises a longer term funding pressure which simply adds to the overall Council forecast deficit going forward.
- 2.3 The first quarter budget monitoring report also highlighted the significant gap around the cross cutting savings relating to Terms and Conditions (£1m) and Stopping Services (£2m). Given the lead in time for both and appropriate consultation requirements it is extremely unlikely that these savings will be achieved in 2016-17 and will therefore have to fully roll into baseline gaps for 2017/18. With regard to further work on Terms and Conditions, it is considered necessary that the current exercise to introduce the single status pay model and associated appeals processes is completed before any further issues are addressed, this inevitably slows the pace at which any such future potential change can be implemented .
- 2.4 Work must be undertaken to try and mitigate projected overspends in the Directorates effected by savings elsewhere but it is very unlikely that a fully balanced outturn can be achieved for 2016/17 at this point in time.
- 2.5 The position regarding the use of the Contingency Fund and the Corporate Inflation provision is largely in line with that reported at first quarter, that is it is fully extinguished, or committed elsewhere, to help rebalance the in-year

budget position. The final Contingency Fund position, however, will be largely determined by the scale of ER/VR/Redundancy costs incurred later in the year, and if, as is likely, exceeds the amount available, the excess will be charged to the Restructuring Reserve.

- 2.6 Anticipating both current and future year spending pressures, the Section 151 Officer has, and will continue, to make formal reports to Cabinet and Council highlighting the significant escalation in risks arising from projected funding reductions and known spending pressures and informing Council, based on his view of the changing risk profile, of his recommendation on the use, or otherwise, of earmarked reserves.
- 2.7 The Council continues to pursue claims through HMRC in relation to VAT, although at the current time there are no anticipated receipts from these claims in 2016/17.
- 2.8 During 2016/17 the Council has reported on a detailed savings tracker which is designed to monitor delivery of specific savings proposals contained within the 2016/17 budget report. This activity is separate but entirely complimentary to the standard budget monitoring process. The clear indication at this point is that against an extended savings target of £22.513m the Council is anticipating less than 70% achievement which, given the scale of the challenge faced, is a significant achievement. However, whilst manageable in the short-term, this is outside of ongoing sustainable budget affordability. Work is in hand to try and identify in year savings to offset against this overspend.
- 2.9 **Overall the key message is that the Council, subject to the high level risks and issues below, will struggle to deliver within the overall resources identified to support the budget in 2016/17 and will need to significantly accelerate its efforts in terms of scale and pace in order to implement the *Sustainable Swansea* delivery programme into 2017/18 and beyond. In terms of projected outturn, much will depend on the willingness and ability of the Council to reduce and restrict ongoing expenditure across all areas for the remainder of 2016/17.**
- 2.10 **In determining the high level budget strategy for 2017/18 onwards the MTFP discussed later in this report considers the impact of specific variances in year.**

Section 3 – Current year Financial and Service risks

The purpose of this section is to provide an overview of the identified high level financial and service risks which could impact on the 2016/17 revenue outcome as detailed in section 1 above. It is critical in understanding the potential for in year variances.

An analysis of the current position is given within the tables in section 3.1 below.

Conclusions and recommendations are that the Council remains at risk around the identified areas and where appropriate further assessments of likelihood and scale of impact have been undertaken.

3.1 The Council continues to carry a number of financial risks arising out of both Corporate and Service issues:-

Corporate Financial Risks

Issue	Scale/Risk	Mitigation/Funding
Equal pay payments/Backpay	£2.5m+/Medium	
<p>The Council is in the process of settling residual equal pay claims covering a number of categories of claimants.</p> <p>The current financial position suggest adequate funding exists subject to settlement rates on grievance claims.</p>		<p>Current analysis of settled and projected claims suggests inadequate funding exists based on agreed settlement rates. Any movement upwards on these rates introduces a potential additional cost over and above sums currently set aside.</p> <p>Any additional funding would be a call on one-off savings for 2016/17 or reserves. The latter is currently proposed with £2.5m reallocated from the Restructuring Reserve to the Job Evaluation Reserve</p>
Pay awards	£0/ Very Low	Effective 1% pay cap imposed nationally to 2020
A two year settlement including backdating was implemented in April 2016 covering the period to March 2018. Risks are		Would have to be met from contingency fund, one off savings identified during 2017/18 or reserves. Reduction in

minimal in terms of additional costs in current year although there has been a supplemental national pay claim made around national minimum wage levels.		service budgets would be difficult due to timing.
Job Evaluation Appeals		
The Council is continuing a significant appeals process following the introduction of Single Status from April 2014. The budget report approved by Council approved the Revenue Budget for 2016/17 which contained a clear statement that <i>'any additional costs that may potentially arise out of the appeals process will be met from within existing Directorate Budgets'</i> .	£2m+/Medium	No corporate provision exists to meet the ongoing costs of successful JE appeals. Whilst the majority of appeals will be heard by the end of 2016/17, the ongoing incremental effect of successful appeals will inevitably impact on revenue costs going forward. In effect this translates into an additional savings requirement on each service of the Council.

Service Financial/operational risks

Issue	Scale	Mitigation/Funding
Key areas of spend around Social Services (particularly at this stage in Adult Services/Mental Health services) remain volatile in terms of demand.	£4m+ if not adequately resolved by planned management action being implemented to seek to fully rebalance the position	Discussed at Corporate Management Team. Action being taken to manage demand in the current year with long term plans in place to further manage demand.
Key areas of education spend around out of school tuition show continued signs of overspend without current mitigation.	£1,700k	Progress is being made to deliver savings in these areas albeit delayed against original plan.
The size and scale of savings targets allocated to Corporate Services,	£1,200k latest estimate	Progress in delivering the Business Support Model is progressing in an initial

<p>including an additional £1m relating to Business Support savings, means that a balanced budget cannot be achieved in the Directorate. This is partly a timing issue and reflects also the fact that savings in the area of Business Support will inevitably flow from cross cutting measures.</p>		<p>three phases covering September and December 2016 and march 2017.</p>
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Section 4 – Revised Medium Term Core Funding Forecast

The purpose of this section is to provide an update on the latest known position regarding the potential levels of Aggregate External Funding Going Forward together with an impact across a range of assumptions both in terms of Aggregate External Finance and potential Council Tax levels.

An analysis of the current position is given in sections 4.1 to 4.5 below.

Conclusions and recommendations in respect of planning assumptions are given in section 4.6 below and are based around an assumed annual medium term reduction of 2% in AEF (albeit there may be a less draconian, more flat settlement for 2017-18, with pain deferred to later years) and an indicative annual 3% rise in Council tax which is consistent with assumptions contained within the Medium Term Financial Plan.

4.1 Existing position 2016-17

The net revenue budget requirement set for 2016-17 excluding Community Councils was £413m. It was financed as follows:

2016-17	£m	%	Determined
Aggregate External Finance	308	75	By Welsh Government
Council Tax – Swansea	105	25	By CCS - with constraints
Total Financing	413	100	

This paper considers the strategic position regarding the budget for 2017/18 to 2019/20 and presents figures rounded to £m. A stylised presentation and assumption in all cases is made of a low, medium and high outcome, albeit the parameters of each component are different.

4.2 Implications of “Taking Wales Forward”

Recent announcements by the First Minister on ‘Taking Wales Forward’ make for interesting (and complex) reading as to their overall purpose, intent, and more crucially consequential service and financial impacts, as follows:

Local Government

Build a shared understanding of the challenges facing local government and wider public services, and on the need for innovation, to develop a wider conversation about the reform needed, the models and pace of delivery and the pace of change.

Change the relationship between Welsh Government, WLGA and local government, slash numbers of performance indicators we collect, cut guidance and reform external audit and inspection.

Provide funding to put in place a floor for future local government settlements.

Reform local government funding to make councils more sustainable and self-sufficient using the findings of the independent commission on local government finance and Welsh Government's Finance Futures Panel.

Work with local government to review council tax to make it fairer so that people with low and moderately valued properties pay less than they do now.

4.3 Aggregate External Finance

4.3.1 Prior announcements for 2017-18 - Autumn Budget Statement planning assumptions

Previous UK government Autumn Budget Statements have predicated on all government departments making preparations for cuts scenarios for unprotected spending. On a national scale, there is a new Prime Minister and a new Chancellor of the Exchequer and the consequences and planning for Brexit will loom large in any future spending announcements.

If the austerity agenda is confirmed to be continued, then there will be consequential reductions for the Welsh Government of similar magnitude. Given UK Government relative protection to the NHS and Education there is likely to be some similar degree of prioritisation in Welsh Government budgets and local government can therefore continue to expect to fare relatively badly in any settlement.

Any mitigation in the scale of reduction will only be likely if schools continue to receive further funded relative protection which will in turn limit our ability to make savings in our largest area of spend.

In announcing the 2016/17 final Local Government grant settlement no indicative figures were given for 2017/18 and beyond.

It is understood that this year there will be an indicative local government finance settlement on or around the 19th October 2016.

The timing of the national Autumn Statement (23rd November 2016) means that Local Government in Wales is unlikely to have indicative consequential implications for in year 2017-18 changes or future funding levels available until the end of December 2016 when the final settlement will be confirmed.

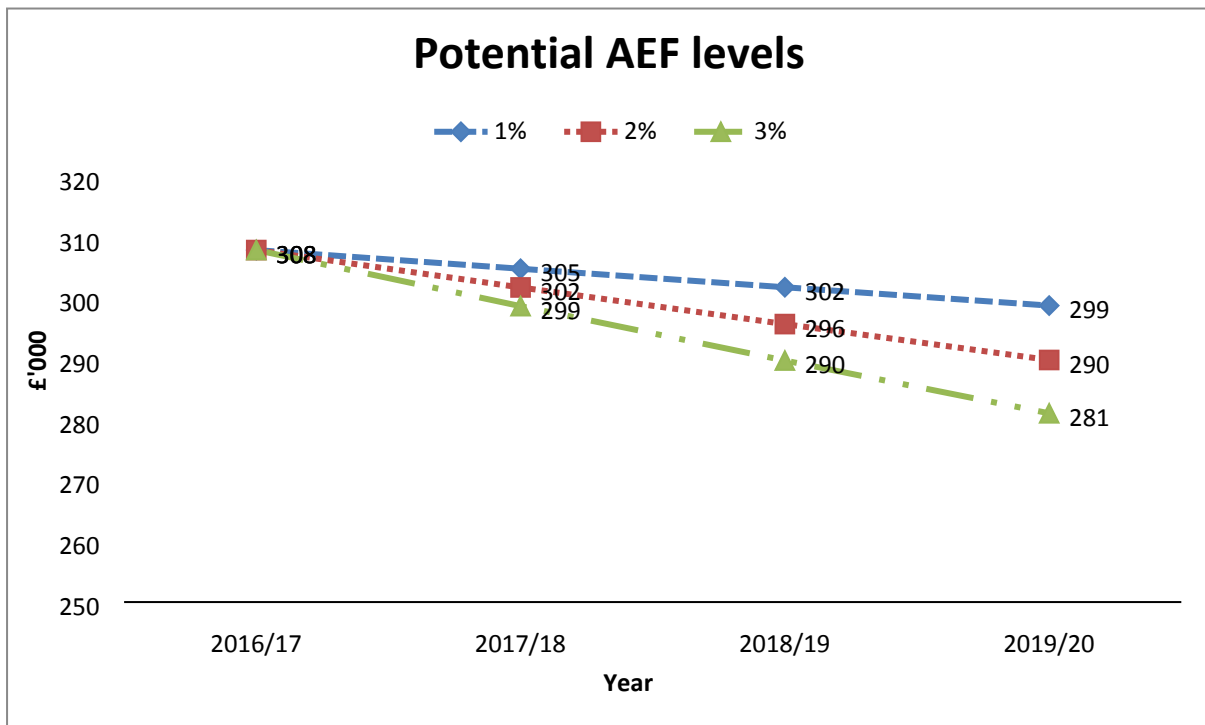
4.3.2 Assumptions around 2017/18 and beyond

There are uncertainties around the **SCALE** of reductions and **TIMING** of budget announcements. The latter cannot be influenced but it is essential that, in planning future spend, account is taken of what will inevitably be a significant and sustained reduction in Welsh Government core funding. The

question is not **IF** there will be a reduction it is **HOW MUCH** that reduction will be.

We cannot plan in a vacuum. Therefore it is clear that at the present time we have to make assumptions around future core funding.

The following graph illustrates annual and cumulative effects of reductions of 1%, 2% and 3% per annum respectively:-



At the present time it would be realistic to assume the middle funding scenario – i.e. a compounded annual reduction of 2% although this is simply a planning assumption. There remains great risk attached to this assumption and, indeed, an assumed upper reduction limit of an average 3% p.a. cuts could be perfectly possible over the medium term. The reality of the situation is that the Council remains dependent on the outcome of funding decisions both by the Westminster Government and Welsh Government with absolutely no guarantee that these decisions will be made in a timescale that offers sensible planning timetables.

4.4 Council Tax – Swansea

Budgeted gross council tax yield for Swansea for 2016-17 is £104,833,000, which we have rounded up to £105 million. This remains prudent as we are seeing reductions in single persons discounts, following a targeted and forensic reassessment of eligibility, and we have not seen any reduction in collection rates (as we might have first feared) as a result of the all Wales Council Tax Support Scheme.

This remains the gross yield on Council Tax and it must be borne in mind that any Council Tax increases results in a corresponding increase in the local

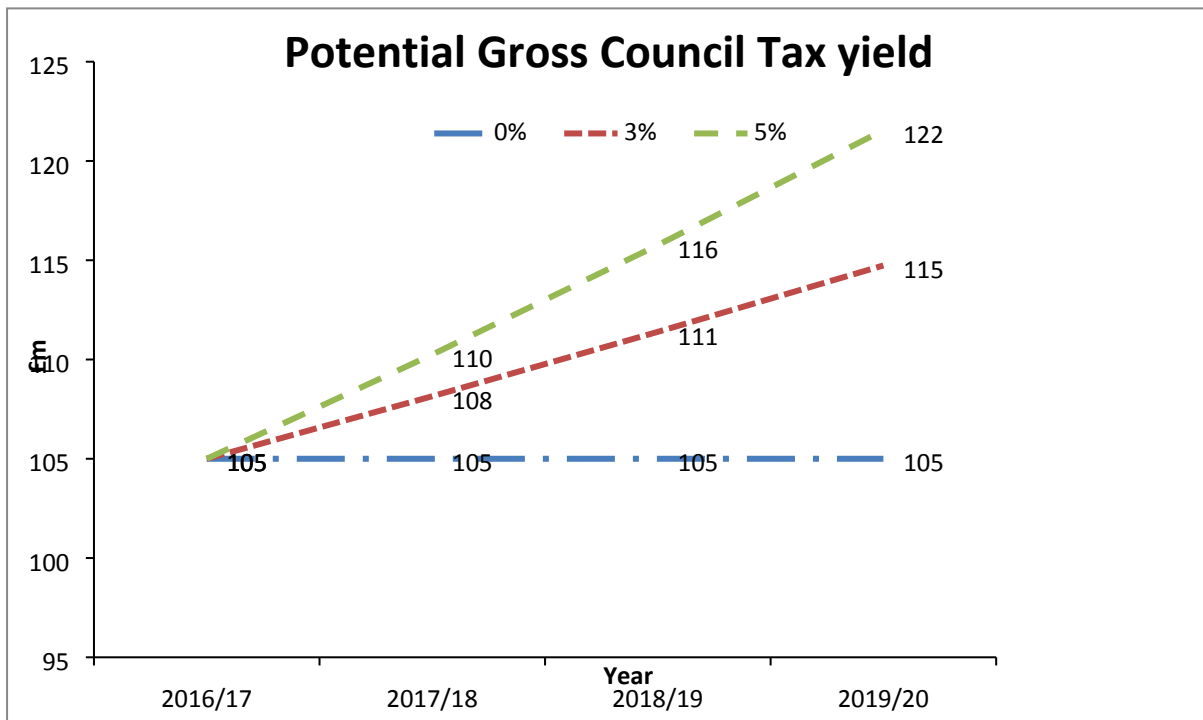
cost of the Council Tax Support Scheme, and that will have to be met as expenditure by the City and County of Swansea. This will be flagged as a spend pressure when we consider the spend side of the budget plan.

To be prudent and err on side of caution we will not, for broad strategic planning purposes at this stage, make any assumption about additional growth in the Council Tax base beyond the slight increase implied by rounding the starting point up to the nearest £1 million. This is essential in that the allocation of Local Authority block grant takes account of relative changes to the Council tax base for individual Councils on an annual basis.

Policy decisions on the level of Council Tax will of course remain a matter for full Council to determine on an annual basis and it is always relatively challenging to set out a published range of Council Tax options years in advance, so what follows can only be an indicative assumption to give a plausible range of planning scenarios, to aid the overall understanding of the financial plan.

The following stylised planning assumptions are made:

- As in the past, there is no formal published upper limit to annual Council Tax increases but Welsh Government reserve powers and hints of action taken against what could be deemed to be excessive rises, place an effective top end cap at 5% per annum. This is assumed to be the absolute high end of any potential increases for scenario planning;
- Given the sheer scale of spending reductions needed to set a future balanced budget it is considered equally implausible (albeit theoretically not impossible) that Council Tax levels will be cut. This provides a lower limit of 0% per annum;
- To provide a middle ground option, the stylised assumption is 3%. This provides continued consistency with the current single assumption set out in the existing medium term financial plan.



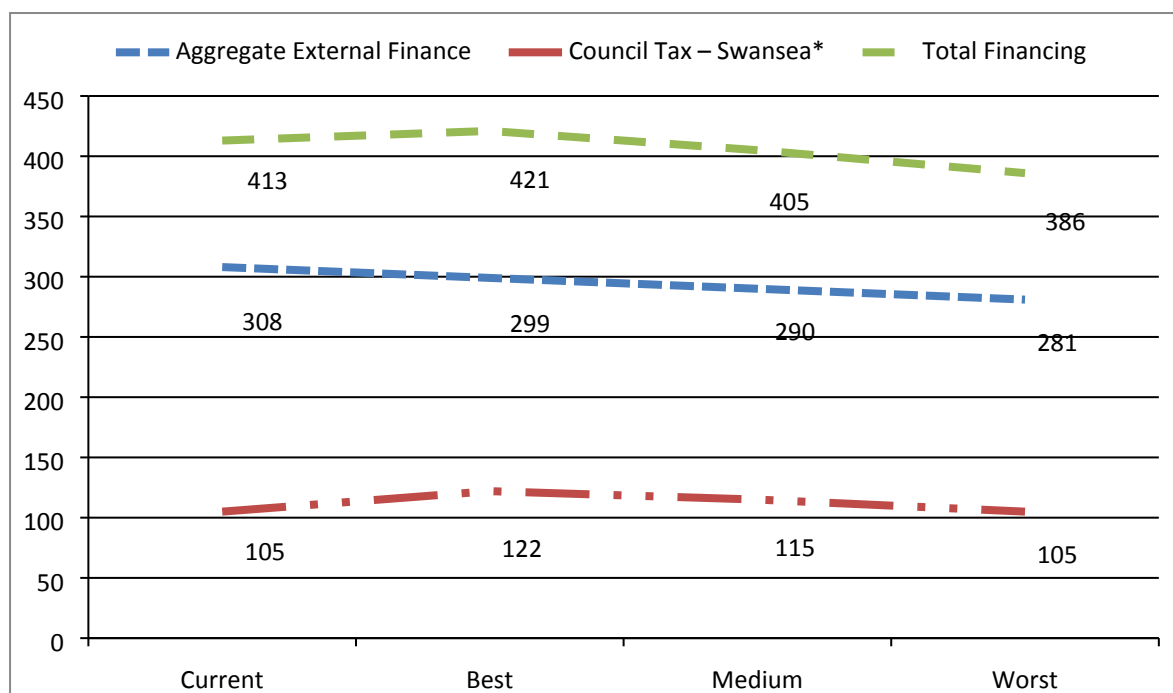
4.5 Combining the assumptions around the resource forecasts

We have set out a range of low, medium and high stylised assumptions for each of the core components of the overall resources available, which does ultimately constrain and determine the budgets we can anticipate setting.

Whilst all or none of these three stylised assumptions may come to pass and indeed it is more likely that the final outcome is one that is either a mix of all permutations, or none at all rather than any one single stylised set of low, medium or high outcomes. It provides a bounded range and a mid point to try to capture relative sensitivities, for the first time in our planning assumptions.

In sensibly combining the components it must be borne in mind, there is a need to align running orders of the three scenarios. So a worst overall case scenario is one which combines high scenario cuts in Aggregate External Finance and low scenario increases in Council Tax income. The converse is also true, an overall best case (solely in terms of resource availability) is one which combines high increases in Council Tax income with low reductions in Aggregate External Finance. This realignment is marked in the following table by *.

Future Resources - Cumulative three year effect



* Running order reversed so best increase aligned to worst cut and vice versa

4.6 Commentary on the resource scenarios

In combining the three sets of stylised assumptions, crucially in the correct order, we are saying:

- If there is no change in Council Tax levels for three years and there is a 3% per annum reduction per annum in Aggregate external Finance then we face a £27 million cumulative reduction in resources, before we even factor in any spend and inflation pressures whatsoever.
- The mid range scenario results in a loss of resources, before any spend and inflation pressures of a cumulative £8 million.
- The best case resources scenario, of low 1% reductions in Aggregate External Finance, combined with an implausibly high 5% per annum Council Tax increase, could mean a theoretical cumulative increase of cash resource of £8 million, before factoring in inflation and spend pressures.

Note: the Council has a clear policy to be more commercial and to increase income to seek to offset some of the financial pressures that we face. Although this should mitigate the position in the medium term, it is unlikely that the level of increased income that we can achieve will make a significant contribution in the next 1/2 years. It is equally clear that in terms of the scale of the savings requirements facing the Council then any increase in Commercial activity will potentially contribute to the solution but in no way will it provide the solution on its own.

4.7 Prudent planning assumptions.

At this point, it would be prudent to assume an average annual reduction in AEF of 2%, and hope for a more flat settlement in 2017-18, with probably pain deferred to future years.

At an average rise of 3% in Council Tax per annum, the net reduction in funding over the three year period, not taking into account spending pressures detailed elsewhere in this report, would be £8m and this forms the basis of planning for the rest of this report.

Section 5 – Updating assessments of specific grants

The purpose of this section is to provide an assessment of the potential impact on the Councils medium term resources in respect of potential reductions in specific grants.

An analysis of the current position is given in sections 5.1 to 5.4 below.

Conclusions and recommendations in respect of planning assumptions are given in section 5.5 below.

Our successive budgets and medium term financial plans have made one assumption about specific grants: effectively that spend plans are aligned to specific grants and if specific grants reduce, expenditure will reduce to neutralise the loss of grant. That remains an explicit assumption but emerging evidence in terms of the pace and scale of reductions in specific grants requires us to more robustly capture and model risks around specific grant reduction and indeed cessation.

5.1 Existing position 2016-17

Underpinning the net budget set for 2016-17 were substantial specific grants. The most consistent method for capturing and reporting specific grants is to utilise the statutory budget returns (RA returns) which all local authorities have to complete. There are some inherent risks in such an approach:

- Not all grants are firmly agreed at the time of the return
- New grants emerge
- Some grants change (in terms of focus or target or amount) after the budget is set
- Some smaller and ancillary grants can be omitted from the data collection process

The total specific grants underpinning the 2016-17 budget, with broadly matched expenditure were £166,840,000.

2016-17	£m	Determined
Specific Grants	167	By Welsh Government
Total Specific Grants	167	

The nature and range of grants is incredibly diverse. They range in size from, through and to:

- Private sector and HRA housing benefit subsidy £89m;
- Supporting People £14m;
- Education Improvement Grant £10m;
- Concessionary fares £6m;
- Bus Services £6m;
- Waste Grant £5m;
- A range of very small grants worth a few thousand pounds each.

A stylised presentation and assumption in all cases is made of a low medium and high outcome, albeit the parameters of each component are different.

5.2 Past history and recent announcements

A raft of announcements and experiences lead us to conclude it remains wholly inappropriate to not recognise the scale of specific grants underpinning our spending and work. Particularly given the size of some of the reductions proposed or to come.

5.3 Taking a view on specific grants

The most likely scenario is there will be further reductions in specific grants in total value. Some will reduce, some will cease and some new ones will spring up. Given their nature and the timing of announcements it is problematic to capture these in a forward strategic plan given they direct resources to Ministerial priorities which ebb and flow over time.

The following table shows the current level of specific grant funding to CCS together with the specific area of impact per Directorate/delegated budget.

Possible outcomes at the moment cannot be individually guessed at and, following the table, overall assumptions around potential reductions are exemplified.

Specific grants – Swansea - £ millions

	Current value £m	Possible outcome	Impact on
Education Improvement Grant	10	?	Delegated
Families First	3	?	People
Post 16 schools provision	6	?	Delegated
Pupil Deprivation Grant	7	?	Delegated
Concessionary Fares	6	?	Place
Bus Services Support	6	?	Place
Supporting People	14	?	People
Flying Start	6	?	People
Community Housing	4	?	Place
Work Based Learning	2	?	People
Waste Grant	5	?	Place

European Rural Development Plan	2	?	Place
Housing Benefit (inc. admin subsidy)	89	?	Corporate/HRA
Other	7	Miscellaneous	
Total	167		

5.4 On balance it is felt prudent to model the following three outcomes based on ASSUMPTIONS only at this stage:

- A reduction of 3% per annum;
- A reduction of 2% per annum;
- A reduction of 1% per annum;

In all cases the explicit assumption is that the overall loss of grant will be offset by a range of reductions in service expenditure equivalent to the overall loss of grant.

Specific Grants - Swansea - £ millions

	Current	2017-20 – cumulative 3 year effect £m		
		-1% pa	-2% pa	-3% pa
Grant income	167	162	157	152
Assumed spend*	-167	-162	-157	-152
Net cost	0	0	0	0

* This ignores the relatively small number of cases where there is an obligation to match fund specific grants with core resources. There are also instances where the authority voluntarily spends more on services currently than the level of specific grant and this is then recorded as net spend within the overall cost of services.

Specifically, whilst there is no overall financial impact if spend is reduced at the same rate as grant is reduced, we are recognising explicitly the propensity to need to remove spending and activity and this will have consequential impacts on residents and communities. However, this assumption is caveated in two ways:-

- To the extent that specific grant underpins services considered to be essential in contributing to the Council's agreed priorities, decisions to cut expenditure in those areas may be difficult and potentially subject to challenge.

- The ad-hoc nature of funding announcements means that remedial action often cannot be taken in time to meet any reduction that occurs. There is both a service and timing risk that exists.

If specific grants fell on average by 2% per annum, £10 million of less spending will need to be undertaken by the authority by year three. That would be in addition to any spend reductions relating to loss of core funding and spend pressures highlighted elsewhere in this report.

- 5.5 Of course by their very nature each grant is considered and awarded through a different section of Welsh Government. Each of those separate Departments will be subject to varying overall reductions in core funding and will separately have the ability to vire funding across various service areas on an annual basis.
- 5.6 The result is that reductions in specific grant funding may be far more draconian than the initial modelling suggests.
- 5.7 Equally from the tables above it is clear that the impact of grant reductions should they occur will fall heavily on Schools' delegated budgets. This will have to be taken account of when forecasting the potential Schools position regarding the allocation of future core CCS funding.

Section 6 – Revised Medium Term spending pressures forecast

The purpose of this section is to provide an update on the known and assumed spending pressures which will impact the Councils Revenue Budget in the medium term. To make clear, the savings targets that the Council will have to make in the coming years arises due to funding reductions detailed in the previous two sections of this report together with the need to fund additional spending pressures which are detailed in this section.

An analysis of the current position is given in within the tables in sections 6.1 to 6.3.9 below.

Conclusions and recommendations in respect of planning assumptions are given in section 6.3.10 below which results in a significantly larger level of spending pressures largely as a result of externally influenced decisions regarding levels of the Apprenticeship Levy, the National Living Wage and likely increased employers LGPS pension contributions.

6.1 The starting position is a review of the stated included and excluded assumptions in the published MTFP as approved by Council on 25th February 2016.

Existing published projected spending pressures 2017/18 – 2019/20

		<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Future cost of pay awards		1,700	4,100	7,500
Pay and grading scheme		2,700	5,400	5,400
Cumulative contract inflation		1,000	2,000	3,000
Capital charges		1,750	3,250	5,000
Schools pay award		1,200	3,600	6,000
Use of General Reserves		0	0	0
Demographic and Service pressures		3,000	6,000	9,000
Apprenticeship Levy		1,000	1,000	1,000
Total known pressures		12,350	25,350	36,900
Aggregate External Finance movement at 2% reduction		6,155	12,247	18,279

Cumulative budget shortfall		18,505	37,597	55,179
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The above spending pressures were accompanied by extensive notes not included for brevity in this paper but they remain extant.

6.2 Assessment of the assumptions and material changes to make

6.2.1 Pay awards

It was prudent to provide for 1% pay awards for staff and a similar pay award for teachers for 2018/19 and 2019/20. Recent commentary by the Governor of the Bank of England indeed indicates that pay growth is likely to accelerate over the next few years as slack is eroded from the economy. Of course the risk of shocks to the economy re Brexit also pervade. Nonetheless this potential for pay growth has to be contrasted with the past six year's experience which is an effective public sector pay freeze or pay cap of 1% each year (the last being a 2.2% two year deal), and the Budget 2015 announcement of a renewed effective cap at 1% until 2020. Having due regard to our employee budgets it is considered equally likely that future pay awards could be at nil or 1% as opposed to the current 2%. Each 1% less is worth £2.9m per annum including schools. Compounding 1% less for the latter two years is over £5 million.

On balance it feels that an appropriate solution is to assume the mid point 1% per annum and if increases go higher then the cost of those increases will have to be mitigated by agreeing to budget for yet lower numbers of staff employed.

6.2.2 Pay and Grading Scheme

This provides an estimate of the cost of implementing a pay scale where the majority sit on the bottom of the new pay scale and progress up to the top of pay scale. There is no material reason to modify the assumptions made.

6.2.3 Contract inflation

Inflation has proven muted and lower than expected. All efforts should be made to seek to contain contract increased through a more commercial approach with suppliers and accordingly no general inflation provision is planned to be made. Any actual inflationary pressures will fall to be met from the contingency fund.

6.2.4 Capital charges

No reason to change existing assumptions at this stage but there will be a need to fully review and consider options around the overall approach to capital charges having due regard to emerging practices adopted in other

authorities and regard to the Wellbeing and Future Generations ACT to ensure there is a fair and equitable allocation of future costs for paying for capital schemes of benefit to current and future generations

6.2.5 Schools pay award

Same comments apply to pay generally as stated above.

6.2.6 Schools capital charges contribution

No reason to change the assumptions

6.2.7 Use of Reserves

No reason to change the assumptions

6.2.8 AEF Movement

This should be removed as a spend pressure as it has been more accurately reclassified and separately considered as part of resource availability elsewhere in this paper.

6.3 New considerations to factor in to the forecast

6.3.1 New pressures

Directorates have been asked to identify new pressures and emerging themes are already apparent.

6.3.2 Items identified

Are as follows (summary to date):

City Centre Regeneration

LDP Examination costs – one off

Equalising Fostering Allowances in Social Services

Deprivation of Liberty Safeguards in Social Services

Social Services and Wellbeing Act implementation

Prevention Strategy implementation costs for People Directorate

Waste Vehicle Replacement – on going costs following lost grant

None of these are specifically included additionally at this stage in the mid-term plan. Some will be covered as part of demographics pressures in social services in particular. The rest will have to be considered as additional budget bids for additional resources in the budget round but given the overall budget

position they are only likely affordable if equal and opposite budget reductions are made elsewhere.

6.3.3 National Living Wage

The stepped increases in the National Living Wage by 2020 doubly complicates things. There will be a need to bottom load national pay awards for local government and implement locally at a level up to almost the whole of Grade 4. By 2019-20 this is forecast to cost an additional £3m on the direct pay bill. More significant will be the cost on contracts predominantly incurring costs on staffing by contractors at or near minimum wage, especially in the care sector. By 2019-20 this is forecast to add £5m to contract costs over and above inflationary pressures (£2m provided for in 2016-17).

6.3.4 Older people demographics

It is recognised the population in Western Europe, the UK and Wales is getting increasingly elderly and even more so at the higher dependency higher cost over 85 level. Further more detailed and sophisticated work needs to be done on elderly demographics but it is reasonable to flag the need for additional volume spending, growing at a stylised rate of £2m per annum.

6.3.5 Childrens services

Notwithstanding the demographic trends in the elderly population, there is also an emerging theme of longer term demographic pressures in childhood ages and this is forecast to particularly affect three Welsh authorities, including Swansea. This has implications for both children's social services and for schools, albeit the latter to some extent have the benefit of surplus capacity places so it is expected the overall impact for education is somewhat deferred (because in the short run extra school places can be accommodated in existing schools and the formula grant allocation will respond relatively to increasing school age populations).

Furthermore there is an inevitability that given well documented serious child protection failures in some English authorities that there is a likelihood of increased spend pressures flowing from reporting of concerns by the wider public, vigilance by staff within and without social services and by other stakeholders and law enforcement bodies and systems assurance required in our own aspects of child protection.

Overall it is considered reasonable to make a stylised assumption of a further spend pressure at a growing rate of an additional £1m per annum.

6.3.6 Taxation

There are no material enough pressures beyond normal measures (e.g. land fill tax) to require additional and specific large scale uprating of our spend pressures.

6.3.7 Council Tax Support Scheme

Elsewhere in this paper we have separately considered three scenarios for annual increases in Council Tax. It is emphasised these were on the gross Council Tax yield. Under the Council Tax Support Scheme a sum was transferred into aggregate external finance to pay for the costs of the support scheme. All future increases in costs have to be met locally. Crucially as we have budgeted for gross increase in Council Tax income we need to budget for the increased local costs of providing Council Tax support to those on low incomes. CTSS amounts to approximately £20 million. A 1% per annum Council Tax increase for three years adds about £0.6 million to our spending cumulatively. A 5% per annum increase adds £3.2 million cumulatively. A mid range 3% per annum adds £1.9 million cumulatively.

6.3.8 Specific grants

We have separately factored in elsewhere in this report an explicit assessment of specific grants and the likelihood of loss of resources for the first time.

6.3.9 Employer Pension Contributions

Based on the current triennial valuation of the Pension Fund the current assumption is an annual increase in Employers contributions of some 1.3% (£1.7m) each year for the period 2017/18 to 2019/20. This will be refined as final valuation advice is received but will not differ materially from the indicative figures.

6.3.10 Reassessing the spending pressures

Combining the various assumptions and updates above we have the following updated assessment:

		<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Future cost of pay awards		1,700	3,400	5,100
Pay and grading scheme		2,700	5,400	5,400
National Living Wage – own pay bill		0	700	2,400

National Living Wage – contracts		1,000	2,000	3,000
Capital charges		1,750	3,250	5,000
Schools pay award		1,200	3,600	6,000
Use of General Reserves		0	0	0
Demographic and Service pressures		3,000	6,000	9,000
Apprenticeship Levy		1,000	1,000	1,000
<i>Increased Employers Pension Cost</i>		1,700	3,400	5,100
Council Tax Support Scheme		600	1,200	1,900
<i>Total known pressures</i>		14,650	29,950	43,900

Where each of these items represents a new or increased burden then it will be necessary to stretch the targets in relation to the appropriate Workstream within the Sustainable Swansea programme.

Items in bold italic above represent areas of changes in assumptions/new items compared to the original MTFP and are open to debate and potential change.

Section 7 – The Medium Term Financial Forecast

The purpose of this section is to combine the assumptions highlighted in Sections 4, 5 and 6 above to provide a high level set of planning assumptions around resource requirements going forward.

An analysis of the current position is given in sections 7.1 to 7.4 below.

Conclusions and recommendations in respect of the forecast are given in section 7.5 - 7.8 below which identifies a potential minimum additional funding deficit for the period of the MTFP critically assuming that:-

- All current planned savings both at Directorate level and through workstreams are achieved
- Any specific grant reductions are matched by equivalent specific service reductions
- All other planning assumptions remain valid.

Specifically it would be prudent at this time to envisage savings some £20m in excess of current savings plans for 2017/18 alone as set out in the Sustainable Swansea update in July 2015. None of these are yet assured.

7.1 Having assessed the potential spending pressures and likely resourcing scenarios we need to combine the two to determine the overall resource gap.

7.2 Whilst the resourcing side has been sensitivity tested with a range of scenarios, for the purposes of establishing both a single medium term forecast and an annual target for each year the explicit assumption is made that the mid-range forecast is used.

7.3 The forecast resource gap is as follows

		<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Total known pressures (as above)		14,650	29,950	43,900
Loss of block grant AEF		6,155	12,247	18,279
Loss of specific grant (ultimately assumed funded by reduced		3,000	6,000	10,000

<i>spend to match grant)</i>				
Resource gap		23,805	48,197	72,179

7.4 We can set against this revised resource gap existing and agreed measures, including the existing proposals set out in the medium term financial plan approved in February 2015, the updated assessment to Cabinet in July and the assumptions set out in this paper on future levels of Council Tax.

		<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	Note	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Council tax increase (gross)		3,145	6,384	9,721
Reduction in spend on services funded by specific grant (ultimately to match grant reductions)		3,000	6,000	10,000
Specific savings proposals already agreed and set out in MTFP*		0	0	0
Resource gap currently addressed at best		6,145	12,384	19,721

*Currently shown as nil as there are no specific agreed proposals though in reality this will be heavily informed by and influenced by existing Sustainable Swansea plans so will include all mapped commissioning review savings (including business support), senior staff savings (year 2), more commercial approach (third party savings and income generation), existing agreed budget plans re stopping services.

7.5 This leaves the following gap to be addressed by further savings measures.

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Remaining minimum resource gap	17,660	35,813	52,458

As stated, this remaining minimum resource gap needs to be delivered via the various work-streams within the 'Sustainable Swansea – Fit for the Future' work programme as detailed in previous reports to Cabinet and Council

This is entirely consistent with the forecast MTFP

7.6 In terms of addressing the shortfall, Council identified within the mtfp an indicative three year savings target across Directorates as follows:-

Service	Current Budget £m	Percentage Reduction/Increase over 3 Years	Amount Realised £m
Schools	135.2	2.3	+3.2
Rest of Education	21.1	-15	-3.2
Social Care – Child & Families	38.3	-15	-5.8
Social Care- Adults	66.4	-20	-13.3
Poverty & Prevention*	4.8	+5	+0.2
Place	52.7	-50	-26.4
Corporate Services	23.5	-50	-11.7
Total	342.0m		-57.0m

It is clear that the overall savings target is in line with expectations and the above table effectively quantifies and re-iterates the broad scale and distribution of savings required. Any subsequent decision to lower savings targets in one area will carry a requirement for an equal (but potentially disproportionate) increase in others.

7.7 However, it remains the case that plans for additional expenditure particularly in the areas of Education and Social Services continue to be developed despite the explicit and real pressures on the Councils overall budget. Without specific and real mitigating savings it is difficult at best to contemplate additional spend for whatever reason.

7.8 It is increasingly and abundantly clear that the only options available to this Council to address this continuing scale of gap are:

- **Different services**
- **Provided fundamentally differently**
- **Cross cutting reviews across all areas of the Council (no exceptions or exemptions)**
- **Maximising use of digital solutions**
- **With a radical, transformative, commercial agenda**

OR

- **Wide scale service reduction and ultimately service cessation of probably all bar minimal statutory provision in the longer term**

Section 8 – Medium term Financial Planning for Schools

The purpose of this section is to initially highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools budgets as a precursor to any debate around additional savings targets for 2017/18 and beyond.

An analysis of the current position is given in sections 8.1 to 8.3 below.

Conclusions and recommendations in respect of schools budgets given in sections 8.4 and 8.5 below.

The additional potential budget reductions to schools arising out of the areas described above form PART OF the overall budget deficit as highlighted.

- 8.1 The annual projected funding deficit for the period 2017/18 to 2019/20 shown in section 7 above reflects the Gross funding requirement for the Council as a whole including expenditure relating to the Schools' delegated budgets.
- 8.2 In understanding the potential pressure on Schools budgets prior to any allocation of potential budget reductions it is important to understand the implications of both reductions in specific grants and estimated spending pressures
- 8.3 The following table, building upon information given in sections 5 and 6 above, shows the spending pressures identified as part of the overall funding pressures that are applicable to delegated budgets:-

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Schools pay award	1,200,000	3,600,000	6,000,000
Contribution to capital charges	1,000,000	2,000,000	2,000,000
Total budget strain	2,200,000	5,600,000	8,000,000

- 8.4 These budgets pressures are based on current assumptions and reflect realistically the spending pressures that Schools are likely to face at the current time.
- 8.5 Whilst there would appear to be no specific Ministerial guarantee on funding for schools for 2017/18 such a guarantee cannot be ruled out during the budget process.

- 8.6 It is important to note that the above table assumes NO reduction in specific grants which may form part of the delegated budgets to Schools.
- 8.7 The budget strategy adopted by the council as part of its MTFP assumed a 15% reduction in overall education funding (i.e. 5% p.a.) over the MTFP period. Specific decisions on levels of school funding will have to be considered by Council as part of the coming budget round to determine whether any special treatment of schools funding is to continue either on a national or local level.

Section 9 – Use of Reserves

The purpose of this section is to highlight the current planned use of General Reserves to support the 2016/17 Revenue Budget and to outline the relationships between known risks and earmarked reserves and its effect on planning assumptions.

An analysis of the current position is given in sections 9.1 to 9.5 below.

Conclusions and recommendations in respect reserves usage is given in section 9.6 below.

- 9.1 The current 2016/17 Revenue Budget is underpinned by no proposed use of general reserves.
- 9.2 The likelihood of this continuing to be the case will entirely hinge on the ability or otherwise to bring the forecast 2016-17 budget position back into balance. At this stage the risks are on the downside, i.e. that **there will be** a residual over spend position and **some need to draw from** general reserves to cover the in-year shortfall.
- 9.3 In terms of planning assumptions, there is no assumption of ongoing availability, or use, of General Reserves for next year or beyond.
- 9.4 With respect to earmarked revenue reserves, a separate report to Council has will be presented by the Section 151 Officer outlining the reclassification of reserves following an updated assessment of risks currently facing the Council. Based on that report it is not envisaged any support for the Revenue budget being provided by the use of earmarked reserves at this time.
- 9.5 It remains the position that until these significant risks are fully mitigated then any additional planned use of earmarked reserves to support general revenue budget deficits would be inappropriate.
- 9.6 At this point in time, in line with previous years, any consideration regarding use of reserves should relate to General Reserves only and previous planning assumptions remain extant. That is, there **should be no planned (budgeted) take** from General Reserves.

Section 10 – General Fund Capital programme and financing

The purpose of this section is to highlight the continuing funding deficit across the period of the current capital programme and to reaffirm the need for accelerated and increased Capital receipts to support the programme.

An analysis of the current position is given in within the tables in sections 10.1 to 10.9 below.

Conclusions and recommendations in respect reserves usage is given in section 10.10 - 10.14 below.

- 10.1 The General Fund Capital Programme approved at Council on 25th February 2016 highlighted potential in year funding deficits for both Directorate Services and Schools improvement programme of some £11.156m for 2016/17 assuming achievement of budgeted capital receipts of some £11.533m.
- 10.2 The overall deficit in financing highlighted for the period covered by the forward capital programme is some £38.680m after allowing for assumed capital receipts of some £24.965.
- 10.3 Previous reports have highlighted the need to accelerate the rate and scale of asset disposals in order to mitigate the above requirement which includes substantial funding requirements relating to the Schools Improvement Programme.
- 10.4 Again as highlighted in previous reports the revenue effect of the above has to be taken in conjunction with the annual debt repayment being made by the Council and, in particular, the level of net debt held at any point in time.
- 10.5 A further and continuing pressure on annual Revenue Capital charges is arising from the need to extend the need for additional external borrowing to replace current internal borrowing as the levels of general and earmarked reserves of the Council – and hence cash backed balances – are expected to decrease over the current year.
- 10.6 By way of explanation, where the Council carries surplus cash funding, largely arising from the existence of cash backed reserves and provisions, then rather than invest such surpluses at current historically low interest rates it makes sense as part of good financial management and best practice to use such surpluses instead of using additional external borrowing to support the Capital programme.

However, given the financial outlook of the Council it is likely that the level of cash backed balances is likely to decrease substantially over the period of the MTFP resulting in increased replacement external borrowing with a consequent increase in capital charges.

- 10.7 Future Capital charges are forecast to increase as part of the MTFP as shown in Section 6 of this report. The potential increases shown in that section are considered no better than a best assessment at this time and are dependent wholly on the shape and funding of the future capital programme going forward and the profile of Capital receipts. It is clear however, that a move to externalise current internal borrowing alone would add some £3.5m p.a. to annual interest charges if fully implemented.
- 10.8 There may be some mitigation possible in terms of reviewing the lifetime over which we provide for debt repayment through the minimum revenue provision. This has the effect of either increasing or reducing up front costs of borrowing, albeit with an opposite effect in later years.
- 10.9 Some councils have modified their approach to MRP and there is increasing interest from outside stakeholders in the emerging disparity of treatment between Councils. Some financial re-engineering can appear attractive when faced with potentially more unpalatable short term decisions but it will be necessary to strike the correct balance, based on professional advice, between consistency, prudence and having due regard to the Well Being and Future Generations Act to ensure that the costs of paying for the benefits of capital schemes are appropriately matched to the beneficiaries, now, and in the future.
- 10.10 Until such time as additional asset sales materialise both spending pressures and recovery of debt charges arising from the schools programme via reductions in delegated budgets remain part of the revenue funding planning of the Council.
- 10.11 Aggressive pursuit of asset sales is essential to funding both the current and future capital programmes
- 10.12 It remains the case that other than further receipt of capital grants or a substantial increase in asset disposals there is no headroom going forward in terms of the general fund capital programme.
- 10.13 This funding position is thus challenging when set in the context of an aspiration to invest substantially into the City Centre and a wider Swansea Bay City Region unless there is substantial additional, viable private sector and/or Welsh Government funding made available on top of any resources the authority could itself realistically muster on top of existing capital commitments.
- 10.14 Notwithstanding this, as an indication of the level of commitment towards the developing city centre regeneration plans a nominal amount has been identified in the revenue pressures section of this report.

Section 11 – Summary of actions required

- 11.1 There needs to be immediate and sustained action to control and reduce budgeted spend across the Council in order to achieve a balanced revenue outturn for 2016/17 in line with overall approved budget totals.
- 11.2 Rebalancing the 2016/17 budget position is key to being able to have a firm base from which to build a credible budget strategy in what remain challenging financial circumstances through 2017/18 – 2019/20 and, in all likelihood, beyond.
- 11.3 The Council has adopted a clear strategy in order to address savings requirements going forward coupled with the need to continue to provide sustainable services to the public. However, the delivery of that plan, as reported and repeated, needs to be increased in both scale and pace if the Council is to remain financially sound.
- 11.4 The Council needs to adopt a clear methodology of identifying and delivering savings as part of normal in year business rather than as part of an annual budget cycle. That requires implicit acceptance of the mtfp as a firm planning document. This acceptance allows the Council to be proactive rather than reactive to announcements on funding reductions and known budget pressures.

Legal implications

There are no legal implications arising from this report other than the need for the Council to set and maintain a balanced budget

Equality and Engagement implications

There are no direct implications arising from this report. The Equality Impact Assessment process and requirements for consultation and engagement continue to be legal requirements and are applied to budget proposals at the service level.

Agenda Item 10.

Report of the Section 151 Officer

Council – 1 November 2016

REVIEW OF REVENUE RESERVES

Purpose:	To undertake a mid-year review of the Revenue Reserves position and to agree any suggested reclassification of reserves based on current requirements
Policy Framework:	Sustainable Swansea Budget Plan 2016/17
Reason for Decision:	It is a requirement of the Section 151 Officer to regularly review both the level of Earmarked and General Reserves held by the Council and the purpose for which they are held in the light of an ongoing assessment of future financial risks facing the Council
Consultation:	Cabinet Members, Corporate Management Team, Legal and Corporate Equalities Unit.
Recommendation:	It is recommended that the recommendations made in this report in Section 3.14 are considered and approved
Report Author:	Mike Hawes
Finance Officer:	Mike Hawes
Legal Officer:	Tracey Meredith
Equalities Officer:	Sherill Hopkins

1. Introduction and Context

- 1.1 Local Authorities have a corporate responsibility to operate within available resources and to remain financially sound over the short, medium and longer term.
- 1.2 One of the key tools available to Authorities in managing its affairs is the creation and use of both General and earmarked reserves to assist in delivering services over a period longer than one financial year.
- 1.3 In terms of guidance on the review and management of reserves, the Chartered Institute of Public Finance and Accountancy (CIPFA), via the

Local Authority Accounting Panel, issued a bulleting in July 2014 (LAAP 99) intended to give guidance to Local Authorities on the management and review of Reserves. This bulletin is considered best practice in terms of Local Authority Financial administration and effectively must be followed. A copy of the bulletin is at Appendix 'A' to this report.

- 1.4 Within the existing statutory and regulatory framework, it is the responsibility of Chief Financial Officers to advise Local Authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 1.5 It is the duty of the Chief Finance Officer to specifically report on the robustness of estimates and reserves when the Council considers its budget requirement and, as such, the Revenue Budget approved by Council in February 2016 made specific references to the adequacy of Reserves at that point in time.
- 1.6 Notwithstanding that specific statutory requirement, it is the duty of the Chief Finance Officer to regularly review the position regarding available reserves of the Authority having specific regard to:
- a) The original and current need for each category of reserve held
 - b) An assessment of current and future risks (both operationally and financially) facing the Council
 - c) The impact of known and predicted funding levels likely to impact on the Council going forward.
- 1.7 This report considers the position regarding both General and earmarked reserves as at 31st March 2016 and makes specific recommendations in respect of reclassification of elements of those specific reserves.

2. Position as at 31st March 2015

- 2.1 The draft Statement of Accounts as presented to our external Auditors as at 31st March 2016 included the following entries in respect of reserves:

Usable Reserves	£'000	Purpose
General Fund	12,360	Used as an overall contingency to cushion the impact of unexpected events or emergencies and as a means of smoothing out annual budgets where there is significant change
Earmarked Revenue Reserves	56,021	Consisting of sums set aside for specific purposes to support Corporate and Service needs

Capital receipts Reserve	7,898	Capital monies received by the Council set aside for funding ongoing Capital schemes per the Capital. Programme. These sums are committed to current schemes and cannot be used to support Revenue expenditure
Capital Grants unapplied Account	18,750	Relates to committed funding on Capital schemes and cannot be used to support Revenue spending
Housing Revenue Account	15,233	Exists to support expenditure for Housing Revenue Account purposes only and cannot be used to support General Fund Council Revenue or Capital Expenditure
Total usable reserves	110,262	

- 2.2 In addition the Council holds a net £382.246m in unusable reserves arising purely from accounting technicalities. **These cannot be used to support revenue or capital expenditure of the Council in any form.**
- 2.3 The General Fund Balance of the Council as detailed above takes account of decisions made by Cabinet based on the 2015/16 Revenue outturn position considered on 21st July 2016.
- 2.4 The draft Statement of Accounts as presented to our external Auditors (PWC) on 30th June included an analysis of earmarked reserves with the proviso that each reserve was subject to strategic review by the Section 151 Officer based on an analysis of current need and changing Council risks.
- 2.5 This report is the result of that strategic review.

3. Outcomes and recommendations

- 3.1 The Medium Term Financial Plan approved by Council in February 2016 forecast a cumulative deficit on General Fund Revenue Expenditure of some £55m by 2019/20 with an immediate savings requirement of £18.5m for 2017/18. This is in addition to the current year Directorate savings requirement of £22.513m.
- 3.2 However, there is clear and compelling evidence that savings planned in the areas of Social Services, Education and Corporate Services are unlikely to be achieved in the current year which puts future years in jeopardy. Savings targets for the current year also included a notional sum of £2m relating to stopping services.

- 3.4 To put it into context, if all planned savings for 2016/17 are achieved it still leaves a gap of £18.5m to be addressed for 2017/18.
- 3.5 The Council's strategy for dealing with ongoing budget reductions and Service reforms – Sustainable Swansea – is ongoing and it is clear that, whether as a result of commissioning reviews or emergency action being required to produce a balanced budget going forward, there is likely to be considerable cost in relation to change, together with potential significant investment in digital technology solutions.
- 3.6 Dealing with the cost of future structural change is a significant financial risk facing the given the scale and pace of budget reductions to be addressed by the Council.
- 3.7 Traditionally exit costs in relation to downsizing the organisation has been dealt with through the use of the annual contingency fund, currently standing at an annual contribution of £5.4m. However, early indications in the current year indicate substantial probable overspends in Directorate Services and it is likely that, in future, use of the contingency fund will be required to mitigate the effect of service spending variations.
- 3.8 In assessing both the level and use of Earmarked and General reserves The LAAP bulleting sets out some of the factors that should be considered including:-
- The treatment of demand led pressures
 - The treatment of planned efficiency savings/productivity gains
 - The financial risks inherent in any significant new funding Partnerships or changes in service delivery
 - The general financial climate to which the Authority is subject.
- 3.9 Having considered the above, and in the context of a medium term financial plan that shows ongoing and sustained budget reductions, it is the opinion of the Section 151 Officer that the Council needs to continue to prepare for significant changes in service delivery that will inevitably impact on direct employment levels going forward.
- 3.10 Indications from Local Authorities in England typically suggest a reduction in the directly employed workforce of around 30% based on experience of the austerity agenda, which includes transfers where appropriate to alternative service providers and/or job losses. Current indications are that to date CCS has seen reductions of around 10% in terms of FTE staffing numbers.
- 3.11 Changes on such a scale will inevitably come with substantial up-front costs and it is important at this time that the Council plans operationally and financially to meet those changes.
- 3.12 The Council is expecting to complete settlement of all outstanding equal pay claims by the end of December 2016 including those related to School based non-teaching staff.

- 3.13 It is likely that the final cost of settlement will exceed resources set aside for that purpose by some £2.5m (including extended costs of the equal pay team) and it is suggested that this additional sum is met from the restructuring reserve established in September 2015.
- 3.14 **To this extent, and following a review of current earmarked reserves, the following re-classification of earmarked reserves is recommended:-**

Category of Earmarked Reserve	Current Balance 31/3/15 £'000	Proposed Change £'000	Recommended Position £'000
Technical/Third party	1,027	0	1,027
Insurance	14,092	0	14,092
Job evaluation	0	2,500	2,500
Transformation and efficiency	2,292	0	2,292
Schools delegated reserves	9,547	0	9,547
Equalisation reserves	52	0	52
Commuted sums	5,122	0	5,122
Repair and Renewal funds	2,935	0	2,935
Profit share on disposals	1,121	0	1,121
Service earmarked reserves	4,840		4,840
Capital Reserves	5,496	0	5,496
Restructuring costs reserve	9,497	-2,500	6,997
Total earmarked reserves	56,021	0	56,021

4. Valuation of Reserve requirements

- 4.1 A number of the reserves highlighted above have been set aside for specific purposes; These include the Insurance reserve set aside to meet the potential cost of excess payments should a claim on external insurers materialise or should the Council have to meet claims from its own resources (The insurance reserve is currently undergoing an actuarial valuation to assess the appropriateness of the level of reserves maintained for future losses.), repair and renewal Funds set aside to meet future major repair and renewal costs on strategic assets (LC, Wales National Pool, Quadrant Bus Station) and Reserves set aside for profit share on disposals of assets where reclamation has been funded by the WDA/Welsh Government.
- 4.2 It is essential that monies set aside for the above purposes are regularly reviewed in order to confirm their accuracy and relevance.

4.3 To that extent Formal assurance will be sought on adequacy of these reserve levels as part of the annual budget setting process.

4.4 At the same time a formal review will be carried out of all service earmarked reserves again to test their continued relevance and value.

5. Legal implications

5.1 There are no direct legal implications arising from this report. However, Section 151 of the Local Government Act 1972 requires each Local Authority to make arrangements for the proper administration of its financial affairs and that the Chief Finance Officer (in our case the Head of Finance and Delivery) has responsibility for those affairs.

5.2 Under guidance detailed at Appendix 'A' to this report the Chief Finance Officer is required at all times to monitor the purpose and use of Reserves.

6 Access to Service implications

6.1 Having assessed the current planned use of earmarked reserves there are no significant equalities implications arising from these proposals

Appendix A – LAAP bulletin 99

LAAP BULLETIN 99

Local Authority Reserves and Balances

July 2014

The Local Authority Accounting Panel issues LAAP Bulletins to assist practitioners with the application of the requirements of the Code of Practice on Local Authority Accounting, SeRCOP and Prudential Code, and to provide advice on emerging or urgent accounting issues. Bulletins provide influential guidance that is intended to be best practice, but are not prescriptive and do not have the formal status of the Code, SeRCOP or Prudential Code.

Please address any queries to CIPFA Technical Enquiry Service for CIPFA members and students
technical.enquiry@cipfa.org.uk

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INTRODUCTION AND BACKGROUND

1. LAAP Bulletin 55 (Guidance note on local authority reserves and balances) was issued in February 2003. This was followed by its replacement in 2008 by LAAP Bulletin 77. LAAP Bulletin 77 included a number of events and changes that occurred including the publication of the Prudential Code and the beginnings of the financial downturn. Since the issue of LAAP Bulletin 77, the IFRS-based Code¹ has been published and this bulletin has been updated to reflect the new requirements of that Code. In addition, during a period of financial austerity for the public sector, the Local Authority Accounting Panel considers that it is necessary to update the guidance on local authority reserves and balances.
2. The “New Reporting Framework” described in LAAP Bulletin 55 has now largely been overtaken by statutory requirements, but is included in Appendix A for information.
3. The advice previously provided by LAAP Bulletin 77 which focussed on the financial impact of flooding is included in Appendix B.
4. Further resources and information are provided at Appendix C.
5. Relevant extracts from the IFRS-based Code are provided at Appendix D.

PURPOSE

6. This bulletin provides guidance to local authority chief finance officers in England, Northern Ireland, Scotland and Wales on the establishment and maintenance of local authority reserves and balances.

APPLICATION

7. In England, Scotland and Wales the guidance is applicable to local authorities, joint committees and joint boards of principal authorities.
8. In England and Wales the guidance is applicable to Police and Crime Commissioners, Chief Constables and fire and rescue authorities.
9. In Northern Ireland the guidance applies to all district councils.
10. The general principles set out in this guidance apply to an authority’s General Fund, Council Fund, Police Fund and, where appropriate, to the Housing Revenue Account (HRA).
11. The advice in this bulletin relates to reserves, not provisions. The Code definitions of provisions and reserves are included in Appendix D to this bulletin for information.
12. This bulletin replaces LAAP Bulletin 77.

¹ *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

LEGISLATIVE / REGULATORY FRAMEWORK

13. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Section 93 of the 1992 Act requires Scottish authorities, in calculating council tax, to take into account 'any means by which those expenses may otherwise be met or provided for'. This includes reserves.
14. In Scotland there are explicit statutory powers under schedule 3 of the Local Government (Scotland) Act 1975 permitting certain local authorities to establish a renewal and repair fund, an insurance fund and a capital fund alongside a requirement, as in England and Wales, to maintain a General Fund (section 93 of Part VII of the Local Government (Scotland) Act 1973). LASAAC has published guidance on reserves which is available from the LASAAC website. In Northern Ireland, Section 9 of the Local Government Finance Act (Northern Ireland) 2011 enables councils to maintain other funds in addition to the General Fund. Local authorities may however ' earmark' specific parts of the General Fund reserve. This earmarking of a proportion of the General Fund is referred to in this Bulletin as Earmarked Reserves.
15. There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:
 - the balanced budget requirement:
 - England, sections 31A, 42A of the Local Government Finance Act 1992, as amended
 - Wales, sections 32 and 43 and Scotland, 93 of the Local Government Finance Act 1992 and
 - section 85 of the Greater London Authority Act 1999
 - chief finance officers' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales)
 - chief finance officers' duty to report on the robustness of estimates and the adequacy of reserves (under sections 4 and 6 of the Local Government and Finance Act (Northern Ireland) 2011
 - the legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer / proper officer has responsibility for the administration of those affairs section 151 of the Local Government Act 1972, section 95 of the Local Government (Scotland) Act 1973 and section 1 of the Local Government and Finance Act (Northern Ireland) 2011
 - the requirements of the Prudential Code.
16. These requirements are reinforced by section 114 of the Local Government Finance Act 1988 which requires the chief finance officer in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. Indeed, the authority's full council must meet within 21 days to consider the s114 notice and

during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

17. Whilst it is primarily the responsibility of the local authority and its chief financial officer to maintain a sound financial position, external auditors will confirm that there are no material uncertainties about going concern. Even where as part of their wider role auditors have to report on an authority's financial position, it is not their responsibility to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.
18. CIPFA's Prudential Code requires chief finance officers in local authorities to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long term revenue commitments. Indeed, in considering the affordability of its capital plans, the authority is required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.

ROLE OF THE CHIEF FINANCE OFFICER (PROPER OFFICER IN SCOTLAND)

19. Within the existing statutory and regulatory framework, it is the responsibility of chief finance officers (proper officer in Scotland) to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
20. CIPFA and the Local Authority Accounting Panel consider that local authorities should establish reserves including the level of those reserves based on the advice of their chief finance officers. Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.
21. Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for local authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty. This accords with CIPFA's view that a generally applicable minimum level is inappropriate, as a minimum level of reserve will only be imposed where an authority is not following best financial practice (including the guidance in this bulletin).

TYPES OF RESERVE

22. When reviewing their medium term financial plans and preparing their annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:
 - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;

- a means of building up funds, often referred to as earmarked reserves (or earmarked portion of the general fund in Scotland - see below), to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance.
Insurance reserves (note that the Insurance Fund is a statutory fund in Scotland)	Self-insurance is a mechanism used by a number of local authorities. In the absence of any statutory basis (other than in Scotland) sums held to meet potential and contingent liabilities are reported as earmarked reserves where these liabilities do not meet the definition of a provision under the requirements of the Code's adoption of IAS 37 <i>Provisions, Contingent Assets and Liabilities</i>).
Reserves of trading and business units	Surpluses arising from in-house trading may be retained to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use	Authorities may have internal protocols that permit year-end underspendings at departmental level to be carried forward.
Reserves for unspent revenue grants	Where revenue grants have no conditions or where the conditions are met and expenditure has yet to take place. The Code Guidance Notes recommend that these sums are held in earmarked reserves (see paragraph 29 below).
Schools balances	These are unspent balances of budgets delegated to individual schools.

FINANCIAL REPORTING FOR RESERVES

23. The IFRS-based *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of the authority analysed into usable reserves, (eg General Fund, HRA Balances and earmarked reserves) and unusable reserves (see paragraph 24 below).
24. Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements.

These reserves², which are not resource-backed and cannot be used for any other purpose, are described below:

Revaluation Reserves

- The Revaluation Reserve - this is a reserve that records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. Local authorities might benefit from these gains in the future from the continued use of the assets or from their sale. The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.
- The Available-for-Sale Financial Instruments Reserve – this is a reserve that records unrealised revaluation gains arising from holding available-for-sale investments, plus any unrealised losses that have not arisen from impairment of the assets. Local authorities might benefit in the future from the gains when the investments mature or are sold or they might be lost in falls in value.

Adjustment Accounts

- The Pensions Reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes in accordance with those schemes' requirements and the net change in the authority's recognised liability under the Code's adoption of IAS 19 – *Employee Benefits*, for the same period. A transfer is made to or from the pensions reserve to ensure that the charge to the General Fund reflects the amount required to be raised in taxation. For example, the debit balance on the Reserve shows that an authority has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
- The Capital Adjustment Account - this is a specific accounting mechanism used to reconcile the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. Statute requires that the charge to the General Fund is determined by the capital controls system. For example, the credit balance on the Account shows that an authority has generally financed capital investment in advance of receiving the benefits of that investment. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.
- The Financial Instruments Adjustment Account – this is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund. For example, the debit balance on the Account shows that an authority has incurred expenses on borrowings that the Government has permitted it to spread over future years.

² In addition to the Reserves included in this list authorities may hold the deferred capital receipts reserve and the accumulated absences account. Further details on these reserves are included in the *Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2013/14 Accounts*.

- The Unequal Pay Back Pay Account - this is a specific accounting mechanism used to reconcile the different rates at which payments in relation to compensation for previous unequal pay are recognised under proper accounting practice and are required by statute to be met from the General Fund. This account is not applicable to Scotland.
 - Collection Fund Adjustment Account – this is a specific accounting mechanism used to reconcile the differences arising from the recognition of council tax and non-domestic rates income (England)) in the Comprehensive Income and Expenditure Statement to those amounts required to be charged by statute to the General Fund. For example, the credit balance on the Account shows that more tax has been collected on behalf of the authority and the precepting bodies (and central government in England for non-domestic rates income) than an authority is permitted to transfer out of the Collection Fund by 31 March. This account is not applicable to Scotland.
25. Other such reserves may be created in future where developments in local authority accounting result in timing differences between the recognition of income and expenditure under proper accounting practice and under statute or regulation.
26. In addition authorities will hold the following two usable reserves:
- a Major Repairs Reserve (England and Wales), where relevant – in England this reserve records the unspent amount of HRA balances for capital financing purposes in accordance with statutory requirements for the Reserve. In Wales this represents the amounts unspent from the Major Repairs Allowance capital grant.
 - a Capital Receipts Reserve (Capital Fund in Scotland³) – this reserve holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations⁴ in England, Northern Ireland and Wales and for capital purposes in Scotland.
27. The Code recommends that earmarked reserves are reported on the face of the Movement in Reserves Statement. Particularly significant movements might need to be reported individually on the face of the Statement to ensure key messages are presented clearly to users. However, effective reporting may either as an alternative or as a supplementary report necessitate similar disclosures in the notes to the financial statements (see paragraphs 3.4.2.41 and 3.4.2.42 of the Code which are also included in Appendix D for ease of reference).
28. When establishing reserves, local authorities need to ensure that they are complying with the Code and in particular the need to distinguish between reserves and provisions. Definitions of reserves and provisions are included in Appendix D of this Bulletin.
29. The introduction of the IFRS-based Code on 1 April 2010 has meant that grant income should be recognised in the Comprehensive Income and Expenditure Statement (and therefore against the General (Council) Fund or HRA Balances for

³ *The Statutory Basis for Accounting and Disclosing Reserves in Local Authorities in Scotland* [LASAAC, 2005] states "Useable capital receipts reserves are considered to be allowable under the power contained within Schedule 3, para 22 of the 1975 Act. Such a reserve effectively acts as a subset of the capital reserve specifically permitted by legislation."

⁴ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended and the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011.

revenue grants) where grant payment is unconditional or grant conditions have been satisfied⁵. The Code Guidance Notes recommend⁶ that where these grants have been received prior to the expenditure having taken place authorities should consider establishing earmarked reserves. This will ensure that amounts are set aside from the General (or Council) Fund and HRA balances in earmarked reserves to provide financing to meet the requirements of the grant. The amounts set aside will be posted back from earmarked reserves to meet General Fund and HRA expenditure in future years. It is likely therefore that since the introduction of the IFRS-based Code there is an increased tendency to hold earmarked reserves.

30. The statutory reporting regime described earlier and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and therefore in addition to the financial reporting requirements above, LAAP recommends that for each earmarked reserve (earmarked portion of the general fund in Scotland) held by a local authority there should be a clear protocol setting out:
- the reason for / purpose of the reserve;
 - how and when the reserve can be used;
 - procedures for the reserve's management and control; and
 - a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

PRINCIPLES TO ASSESS THE ADEQUACY OF RESERVES

31. In order to assess the adequacy of unallocated general reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority. Where authorities are being reorganised, this assessment should be conducted on the basis that the services will continue to be provided, and adequate reserves will therefore be required by successor authorities. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings. In England and Wales, statutory provisions require authorities to review at least once in a year the effectiveness of their system of internal control, which will include risk management. The CIPFA/SOLACE framework *Delivering Good Governance in Local Government* details an approach to giving assurance that risk, control and governance matters are being addressed in accordance with best practice.
32. The Codes of Audit Practice in England, Wales, Scotland and Northern Ireland make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks should be assessed in the context of the authority's overall approach to risk management.

Budget Assumptions	Financial standing and management assessment/impact
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates)

⁵ See Code of Practice on Local Authority Accounting in the United Kingdom Section 2.3.

⁶ See *Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2013/14 Accounts*, paragraphs C39 and C40.

	<p>etc.). Rises in the prices of some commodities, eg fuel, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.</p>
<p>Estimates of the level and timing of capital receipts</p>	<p>The authority's track record in budget and financial management including the robustness of the medium term plans. Authorities will also need to take into account changes in the property market, and adjust estimates and assumptions for reserves accordingly.</p>
<p>The treatment of demand led pressures</p>	<p>The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.</p>
<p>The treatment of planned efficiency savings/ productivity gains</p>	<p>The strength of the financial information and reporting arrangements. The authority should also be in a position to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.</p>
<p>The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments</p>	<p>The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.</p>
<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p>The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.</p>
<p>The general financial climate to which the authority is subject</p>	<p>External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will</p>

	need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.
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Whilst many of these factors relate to setting the annual budget, the level of risk and uncertainty associated with these factors will be relevant in determining an appropriate level of reserves.

33. Authorities have been faced by increasing financial pressures since 2008. This has been followed by a period of significant reduction in government funding which is anticipated to continue for some time, ie the spending review 2013 announced that the government will reduce total spending in 2015/16, 2016/17 and 2017/18 in real terms at the same rate as during the spending review 2010 period. Demands on local government services continue to increase. In addition to reduction in government funding other pressures include:

- councils striving to constrain council tax increases,
- reductions of income,
- new service demands and responsibilities such as:
 - the transfer of public health functions
 - the localisation of non-domestic rates retention, council tax freezes and council tax benefits/support
- severe weather and floods.

Furthermore, events such as the losses in Icelandic banks and the problems in global financial markets are likely to mean that Councils will focus on cautious investment strategies. Council budgets and reserves have remained under pressure and are likely to continue to do so for some time.

34. The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority. The Audit Commission Report (December 2012) *Striking a Balance* makes a number of recommendations to both Chief Finance Officers and elected members to better assist councils in their decision making. Similarly the Accounts Commission in its report *An overview of local government in Scotland 2014*⁷ commented that more needs to be done to provide information on why reserves are held, how this fits with the councils financial strategy and how they will be used. The principles and financial reporting established in this and the previous LAAP bulletins on reserves will provide for the information requirements and an appropriate framework for this.

35. The advice should be set in the context of the authority's risk register and medium term plans and should not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed

⁷ Issued by the Accounts Commission in March 2014

to finance recurrent expenditure. CIPFA has commented⁸ that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term.

36. Events such as the floods and severe weather that occurred earlier this year (2014) and previously in the floods during the summers of 2007 and 2008 have emphasised the need for authorities to be prepared for major unforeseen events. Adequate insurance cover combined with appropriate levels of reserves will enable authorities to manage the demands placed on them in such circumstances. However, these arrangements need to take account of all possible scenarios. An example quoted in the Audit Commission report *Staying Afloat* is that the total cost of the flooding was reduced where authorities had specifically considered the impact of a wide scale, serious event affecting many assets, and had taken appropriate action, for example, negotiating insurance policies that capped the total excesses linked to one event.
37. Part of the risk management process involves taking appropriate action to mitigate or remove risks, where this is possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures. This balance should form part of the risk management process and be considered as part of the annual budget process.
38. Emergency financial assistance from central government may be available to assist authorities in dealing with the immediate consequences of major unforeseen events, normally under the Emergency Financial Assistance to Local Authorities scheme (commonly known as the 'Bellwin' scheme). However, there is no automatic entitlement to financial assistance, and where financial assistance is given, it will not cover all of the costs even in exceptional circumstances. Further details of the scheme are available on the relevant government web sites (links can be found in Appendix C of this bulletin). Authorities should plan to have access to sufficient resources (through reserves, insurance or a combination of both) to cover the costs of recovering from events that are likely to be unavoidable.
39. When considering the level of reserves, it would be appropriate for authorities to take into account the likely level of Government support that would be available, and to consider how the balance would be funded in the event of an unforeseen event occurring.
40. Flooding, the effects of severe weather and the impact of the problems experienced by the global financial markets are examples of external risks which local authorities may need to take into account in setting levels of reserves and wider financial planning. An assessment of external risks should not be limited to those issues, but should range more widely, to take account of all significant external risks identified through the authority's risk management processes.

⁸ See comments by CIPFA Chief Executive *Building up council reserves to protect the public from future financial problems is good financial management* – CIPFA <http://www.cipfa.org/about-cipfa/press-office/latest-press-releases/building-up-council-reserves>

EXTRACT FROM LAAP BULLETIN 55

7 A New Reporting Framework

- 7.1 The finance director has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.
- 7.2 The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the finance director⁹. To enable the Council to reach its decision, the finance director should report the factors that influenced his or her judgement, and ensure that the advice given is recorded formally. Where the finance director's advice is not accepted this should be recorded formally in the minutes of the council meeting.
- 7.3 It is recommended that:
- the budget report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure
 - this should be accompanied by a statement from the finance director on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy
 - a statement reporting on the annual review of earmarked reserves (including schools' reserves) should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.

⁹ LAAP Bulletin 99 normally refers to Chief Finance Officers – previous editions of this Bulletin referred to Finance Directors.

EXTRACT FROM LAAP BULLETIN 77

27. "...Alternative arrangements, for example mutual aid agreements, may help to reduce the reliance on reserves or insurance. The Pitt Review into the 2007 floods, although specifically focused on England, will be of relevance to all local authorities. This recommended that "Local authorities should continue to make arrangements to bear the cost of recovery for all but the most exceptional emergencies, and should revisit their reserves and insurance arrangements in light of last summer's floods." The Government's position remains that it is primarily the local authority's responsibility to bear such costs, and authorities should note this position when considering the appropriate level of reserves."

28. "... However, both the Pitt Review and Staying Afloat noted that most central government assistance provided to local authorities in relation to the 2007 floods was ad hoc in nature. The government has been keen to stress that they should not be seen as setting a precedent and should not be relied on in the future. Authorities will therefore need to make their own assessments of the likely level of support. "

FURTHER INFORMATION:

The Pitt Review can be downloaded from:

http://webarchive.nationalarchives.gov.uk/20100807034701/http://archive.cabinetoffice.gov.uk/pittreview/thepittreview/final_report.html

Staying Afloat can be downloaded from:

http://archive.audit-commission.gov.uk/auditcommission/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/StayingAfloat_REP14Dec07.pdf

Both reports provide additional advice to local authorities on planning for and managing the financial impacts of exceptional events.

LASAAC Guidance on Reserves in Scotland can be downloaded from:

<http://www.cipfa.org/regions/scotland/policy-and-technical/local-authority-scotland-accounts-advisory-committee/guidance-and-publications/accounting-for-interest-on-reserves>

Details of the Emergency Financial Assistance (Bellwin) Scheme can be downloaded from:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210953/The_Bellwin_Scheme_of_Emergency_Financial_Assistance_to_Local_Authorities.pdf

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/Bellwin>

<http://wales.gov.uk/topics/localgovernment/finandfunding/emergency/publications/efas-guidance-notes-14-15/?lang=en>

The Audit Commission Report *Striking a Balance* can be downloaded from:

<http://www.audit-commission.gov.uk/2012/12/striking-a-balance-improving-councils-decision-making-on-reserves/>

Accounts Commission *An overview of local government in Scotland 2014* (March 2014) can be accessed at:

http://www.audit-scotland.gov.uk/docs/local/2014/nr_140327_local_government_overview.pdf

Appendix D

CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM DEFINITIONS (AND RELEVANT EXTRACTS OF) RESERVES AND PROVISIONS

CHAPTER TWO: CONCEPTS AND PRINCIPLES

2.1.2.25 Reserves – the residual interest in the assets of the authority after deducting all its liabilities. The Movement in Reserves Statement shows the true economic cost of providing the authority's services, represented by the line 'Surplus or (deficit) on the provision of services'. Some income and expenditure is required to be recognised on a different basis or in a different accounting period (ie in accordance with legislation) in the General Fund and Housing Revenue Account. These differences are shown in the line 'Adjustments between accounting basis and funding basis under regulations'. Voluntary transfers to or from the General Fund Balance and Housing Revenue Account Balance also affect the amount to be funded from council tax or council dwelling rents; these are shown in the line 'Transfers to or from reserves available to fund services'. The Movement in Reserves Statement also shows Other Comprehensive Income and Expenditure, for example revaluation gains.

CHAPTER THREE: FINANCIAL STATEMENTS

3.4.2.41 The classification of reserves presented in the Movement in Reserves Statement shall include the following items; authorities may choose to present additional items on the face of the statement:

- a) General Fund Balance (in Scotland, includes earmarked portion of General Fund Balance)
- b) Earmarked General Fund Reserves (not Scotland) (recommended but not mandatory)
- c) Housing Revenue Account Balance (in Scotland, includes earmarked portion of Housing Revenue Account Balance)
- d) Earmarked Housing Revenue Account Reserves (not Scotland) (recommended but not mandatory)
- e) Major Repairs Reserve (England and Wales)
- f) Revenue statutory funds (Scotland)
- g) Capital Receipts Reserve (England and Wales); Capital statutory funds (Scotland)
- h) Capital Grants Unapplied Account
- i) Total usable reserves
- j) Unusable reserves
- k) Total reserves of the authority
- l) Authority's share of the reserves of subsidiaries, associates and joint ventures (Group Accounts only)
- m) Total reserves (Group Accounts only).

3.4.2.42 A local authority shall present, either in the Movement in Reserves Statement or in the notes, an analysis of the amounts included in each item of the classification of reserves required by paragraph 3.4.2.41. This analysis shall present amounts held for capital purposes separately from those held for revenue purposes, and shall separately identify the total reserves held by schools.

CHAPTER EIGHT: LIABILITIES

8.2.2.9 A **provision** is a liability of uncertain timing or amount.

8.2.2.12 A provision shall be recognised when:

- an authority has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

8.2.2.13 If the above conditions are not met, no provision shall be recognised.

8.2.2.14 In some cases it is not clear whether there is a present obligation. In these cases, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the reporting date. A past event that leads to a present obligation is called an obligating event.



City and County of Swansea

Annual Report Director of Social Services



2015/16 version 5

A City that Cares

The people of Swansea are our first priority.

They make our city unique.

We nurture our young, safeguard the vulnerable and lend support to the frail because it's the right thing and the moral thing to do.

We are part of the Healthy Cities network promoting good health and addressing health inequality in our communities.

Our city is hard-working, caring, cosmopolitan and ambitious. Our communities speak more than 100 languages and we're proud of our cultural diversity and community cohesion.

We are proud to embrace those from around the world who today see our city as a beacon of hope and a haven from hate or persecution.

Together with our communities we are challenging poverty, promoting learning and supporting all our residents to make the most of their talents so they can live independent lives, happy, healthy and safe.

Also Swansea Council is the first in Britain to sign up to the United Nations Rights of the Child and we are the first Welsh City of Sanctuary.

Taken from The Swansea Story – a story developed by senior officers and Cabinet Members to give a simple and clear view of the city and what the Council is aiming to achieve.

Social Services Annual Report 2015-16

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1. Welcome to City and County of Swansea

Annual Report of the Director of Social Services

This Annual Report is a report on how Social Services has performed during the period April 2015 – March 2016, and how well prepared the Council is to implement the Social Services and Well-being (Wales) Act by 6th April 2016.

The Annual report gives the citizens of City and County of Swansea information about how well the Council has been performing in meeting its social care responsibilities, and the difference these social services have made to the quality of life for the people we support. It also outlines areas in which we are making further improvements. **There is a Summary of Progress in 2015/16 in Section 2.** All our efforts are geared towards the implementation of the new Act which came into force in 6th April 2016. **Section 3 looks in detail at Swansea's Readiness for the Social Services and Well-being (Wales) Act 2014**

This Act introduces a new legal framework, such as increased rights for carers, a duty to provide preventative services and new duties to provide extended information and advocacy services. Most importantly it introduces a national eligibility framework for assessing whether people meet the threshold for managed care and support. Swansea is well prepared to meet these new requirements, keeping citizens informed of changes that might affect them.

During this period of change, it is particularly important to have a stable and effective management team. We have now achieved this during the year. Julie Thomas has been confirmed as Head of Child and Family Services, and together with her senior management team, has done a tremendous job of leading further improvements in Children Services. It remains the case that the single most important measure of our success is the quality of practice that takes place each time we knock on someone's door. I continue to receive numerous examples of compliments received by staff in Children Services recounting stories of social work practice, working with the most vulnerable children and their families, which are absolutely inspiring. The **Report by Head of Child and Family Services Section 4** looks back on some of these achievements and then sets out the priorities for the year ahead.

There are plans to continue to drive forward change in how Children Services, working with partners from prevention and early intervention, health,

education, police and the third sector, can further improve our collective support to families. **Tackling domestic abuse** has been identified by the new Public Services Board, as a strategic priority locally. Swansea has a 3yr Domestic Abuse Delivery Plan (2014 – 2017) together with Annual Action Plans which details the steps we are taking in partnership to combat domestic abuse and the wider issues of violence against women locally. Prevention and Early Intervention (PEI) is a priority area with Child & Family services and PEI teams to develop appropriate timely intervention responses. We aim to build on our existing work in schools, youth clubs etc to enable all children and young people to receive sessions on healthy relationships and respect. The new Violence Against Women, Domestic Abuse and Sexual Violence Act will have some duties placed on education which will enhance our work.

In relation to Adult Services, Alex Williams is completing her first year as our Head of Adult Services, and working with the service to reflect on their own journey and to use this feedback in shaping a new vision for change, the **Adult Services Improvement Programme** to support this agenda.

This programme will be vital in changing how citizens and communities can access care and support, and Alex is busy finalising a management team to deliver this scale of change. I am confident that the new management structure will leave us well placed deliver better outcomes, to support staff to continue delivering excellent social work and social care practice, and to meet the aspirations of the Social Services and Well Being Act. **The report of Head of Adult Services can be found in Section 5.**

In these challenging economic times, our priority remains ensuring that our most vulnerable citizens are safe and supported, and that carers have access to the best possible support. We have to manage our resources effectively. Part of our response to the challenges we face has been an increased focus on how we can work most effectively with the range of Health partners in primary and secondary care. Arrangements are well developed in Swansea for increased joint working within the local GP community network areas to improve communication and sharing of information across health and social care.

Since April 2013, we have been working closely with our ABMUHB colleagues on plans for an integrated model of health and social care. The aim is to develop a fully integrated approach to care provision, one which will improve the experience of people. In short, health and social care will be co-ordinated, and work together in the best interest of our citizens

The Act also brings welcome changes to services for looked after children, and takes our social workers into new places such as secure estates, for example prisons, to assess the social care and support needs of prisoners awaiting release. Through the Western Bay Partnership Board, and locally, we will continue to work through the many implications of the Social Services Act and to make sure we are following through on the new requirements.

Safeguarding, coproduction, recognising strengths, building resilience, working within supportive families and communities, promoting safe independence and well-being for citizens and carers are all key concepts threading through the improvement programmes in social services. Under the leadership of a People Directorate, Swansea has established a Future Generations Board to ensure that all service delivery holds the same public service values, and is focused on well-being goals to achieve a better and lasting quality of life for all.

We have to stay firmly on course on the journey of safeguarding those most vulnerable people, of working closely with the families of children and young people, of integrating care and support pathways with partners to make effective use of early help and preventative support all of which is targeted work aimed at building resilience.

We will carry on building on the significant service changes already put in place through our improvements plans and by testing out innovative ways of working. The main aim is to improve our performance, to achieve better outcomes for people and safely managing the increasing demand arising out of a demographic trend of an ageing population often with multiple, complex needs. **The Latest Performance and Activity Tables are available in Section 6.**

We will continue to reduce our service costs where possible through effective commissioning, whilst at the same time ensuring that services are positively experienced by those who use and visit them, and delivered to the highest possible standards. I aim to visit as many services and teams as possible during the year, and to listen to these experiences first hand.

Clearly the transformation of social services is a crucial part of the Sustainable Swansea- Fit for the Future programme, and we are working more closely than ever to drive change within core functions such as financial assessments, charging, business process change, procurement and commissioning.

Finally I would like to take the opportunity to thank all social services staff, our corporate management team, cabinet members, and elected members for their engagement, commitment and particularly the support that social services has continued to receive over the past year, which is vital in helping to continue to improve and deliver our services in the face of increasing demand and pressures.

There has been a lot of work and positive change to report over the last 12 months, and this progress will continue next year and beyond. We hope you find this Annual Report both interesting and informative.

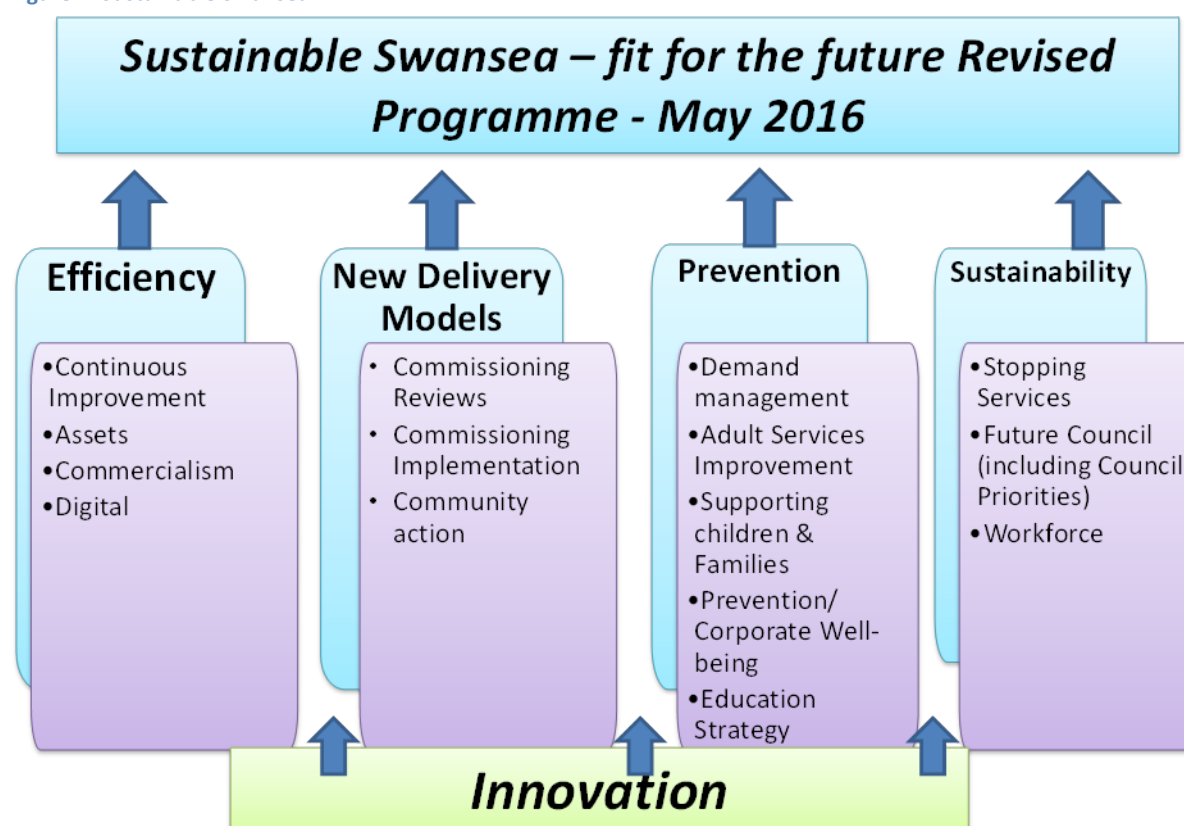
**David Howes,
Chief Social Services Officer
July 2016**

2. Readiness for the Social Services and Well-being (Wales) Act

This section sets out the key priorities for change in Swansea, and how these are supporting the requirements of the Social Services and Well-being (Wales) Act, which comes into effect on 6th April 2016.

2a) City and County of Swansea's Transformation Sustainable Swansea – fit for the future programme

Figure 1. Sustainable Swansea



The Top 5 City and County of Swansea Corporate Priorities (taken from **Corporate Plan 2015-17**) are:

1. **Safeguarding Vulnerable People**
2. **Improving Pupil Attainment**
3. **Creating a vibrant and viable city centre**
4. **Tackling Poverty**
5. **Building Sustainable Communities**

Sustainable Swansea –Fit for the Future is a whole council approach, an agile transformation programme that aims to ensure we are well placed to meet current and future changes. The main objectives of the programme are to:

- transform services
- deliver better outcomes for citizens
- achieve financial sustainability

Within this programme, social services are fully engaged across all four pillars, and within many of the work-streams, such as prevention and well-being. Welsh Government has a national picture and approach to prevention through new legislation within the Social Services and Wellbeing Act and the Future Generations Act. The strategic priorities for Sustainable Swansea’s corporate approach to prevention, set as outcomes, and taken from **Swansea Council’s Prevention Strategy June 2016 (draft)** are:

- Every child has the best start in life, and is ready for school
- Every adult is able to maintain their independence for as long as possible
- Every young person reaches their full potential in education, learning and employment
- Ensuring every child and young person can maximise their speech and language skills
- Ensuring children, young people and their families are supported based on need, in the right way, at the right time, by the right person.
-

This ‘whole Council’ approach aims to improving people’s wellbeing, and promote access to universal services in order to stop or delay more complex services being needed. It also emphasises a localised approach to prevention and early intervention, through a tiered approach. The **Swansea model** is illustrated on **Page 33**.

Swansea’s Focus on Prevention & Early Intervention

An example of this is the expansion of **Local Area Co-ordination**.

Swansea is working closely with local communities to ensure that people can be supported in their own homes at an earlier stage, to be less isolated, gain access to a wider range of support services, and to remain as independent for as long as possible.

Additional Local Area Co-ordinators have been recruited and trained, with aim being for this work to take place across all Swansea’s Wards/Locality areas.

Also as part of the Council's Sustainable Swansea program, there are currently five commissioning reviews being undertaken within Social Services. These important reviews cover domiciliary care, older people's day services, all other day services, residential care and family support services.

2b) Safeguarding vulnerable people in Swansea

The challenges facing social services are mirrored locally in safeguarding our most vulnerable people, which is why the City and County of Swansea has this as the number one corporate priority.

Where there are significant financial pressures, welfare reforms and organisations changing rapidly in striving to 'do more with less', there is the potential for increased risks of abuse and harm.

The main focus, rightly, of the Regional Safeguarding Boards' attention over the past year has been preparing for the implementation of the Social Services and Well-being (Wales) Act 2014, which from 6th April 2016 placed the Regional Board onto a statutory footing for the first time.

Western Bay has built strong partnerships within the Councils, Health, Police, Probation and the Third Sector amongst others, as each Regional Board ensures that there are robust arrangements in place to address the increasing number of complex issues our communities face, e.g. human trafficking, child sexual exploitation, domestic abuse

In looking to the future, the Western Bay Safeguarding Boards have been reviewing their leadership, structures, funding arrangements, membership and terms of reference, and setting the priorities for work programmes.

There has already been much progress, with auditing and monitoring of safeguarding cases/outcomes to improve practice, providing more training for health and social care staff in the areas of Safeguarding, Mental Capacity and Deprivation of Liberty Standards, raising the awareness of safeguarding issues to improve prevention

City and County of Swansea has been busy strengthening its corporate safeguarding governance and policy to support the "everybody's business" approach we adopted some years ago. This area of work ensures that all the

Council's public facing services and Council representatives have safeguarding in the forefront when interacting with citizens and in our communities. There are safeguarding leads/ champions in each Council service area who can help staff deal with issues they encounter and direct these to expert help when necessary.

Looking ahead to our priorities in 2016/17, many are highlighted in the Heads of Service reports. I would personally note:

- increased user and carer engagement in the safeguarding processes
- developing Quality Assurance and improved Performance information to support safeguarding activities
- strengthening arrangements across partner agencies to learn the lessons from cases, complaints and practice reviews

I would like to take this opportunity to acknowledge the hard work and commitment of the members of the Regional Safeguarding Board, the Corporate Safeguarding Group, the support of our partner agencies and the hard work of our staff in meeting these challenges on a daily basis.

2c) What Swansea citizens are telling us?

Swansea is developing and implementing a fully 'citizen centred', sustainable model of social care. This approach is about people having choice and control over the support they need to live their life as independently as possible. It is likely to take a number of years to fully embed a citizen-centred approach, but already the changes are apparent and achieving positive outcomes. These are significant changes for social services staff, providers, service users, carers and families as they are placed at the centre of their care and support planning. Feedback from the children, young people older adults, carers and families who are the recipients of social work is central to how we work and we use this experience, the stories of achievements and also where things haven't gone so well to focus learning and to continuously improve practice.

To ensure people have a strong voice and control, we have carried out a lot of engagement work with citizens and communities throughout Swansea. We are currently mapping out the range and products of this work in readiness for next year's population assessment. An important example of how we work is Swansea's use of Local Area Coordination, in which local communities are empowered to work on shared issues and to determine their own response.

Citizen volunteers have been fully involved in the recruitment of the LAC Coordinators for each of the first three areas of the project, which has now been extended to six areas of the city.

The Older People's Commissioner set out a Framework for Action to improve the quality of life and care of older people living in care homes in Wales. These improvement priorities are at the heart of Swansea's adult service improvement programme, the commissioning review and within the Council's focus on safeguarding as the number one priority that is "everybody's business".

2d) Western Bay Regional Partnership Board

Social Services, Health and other key partners such as the Third Sector are expected to work in partnership to improve individual and population well-being. In order to do this, local authorities must promote co-operation' across its services and with, 'relevant partners.' A new Regional Partnership Board has been established to improve outcomes and well-being of people, as well as improving the commissioning of services to meet future needs. Amongst the key aims of the board will be to facilitate cooperation, partnership with third sector and integration of health and social care.

Western Bay Regional Partnership Board, though a steering group will oversee the production of a population assessment that will identify the extent to which there are citizens and carers who need care and/or support and future trends. This assessment will identify the extent to which needs across target groups are not being met both locally and regionally, and the range and level of services required to meet their needs in the future, to develop the range of preventive services and how more services can be delivered in the Welsh language.

Youth Offending Service (YOS) There is now a Western Bay Youth Justice and Early Intervention Service (WBYJ&EIS) and Management Board, and all local management arrangements have ceased. There is an expectation that YOS can reduce the number of children and young people entering the youth justice system year on year. The Western Bay Service achieved this in year, reducing the number across the region by 36.6% compared with a South Wales average reduction of 19% and Welsh average of 31%. There are two areas of local

improvement: young people accessing education training and employment (ETE) and tackling the new emotional and mental health measures.

Western Bay Regional Adoption Service aims to increase the recruitment of local adopters by 100% on a phased approach given the high number of looked after children across the Western Bay region. This can then significantly reduce the time that children spend waiting for an adoptive placement. Despite staffing issues having placed pressures on the service since it became operational, there are positive trends across the service's effectiveness measures. The service is also making a positive impact in reducing the time it takes to place children from the Placement Order being granted to placement date.

2e) Social Services and Well-being (Wales) Act Implementation plan

The Social Services and Well-being Act 2014 is a once-in-a-lifetime opportunity to move away from traditional models of delivering social care services to one which 'promotes the wellbeing of citizens and carers who need care and/or support.' Act guidance states that 'where intervention is needed, it should always be proportionate and timely' and that 'local authorities must consider personal outcomes and co-produce solutions with people themselves.' Under the act, social workers must see the people we serve as the greatest resource, to identify their strengths as assets and work with them to find the solutions that help them to achieve 'what matters to them'. We must ensure people have greater voice and control over the care and/or support they receive. Where people are socially isolated or lack capacity we must consider the offer of an independent advocate to help agree the care and support they need.

There is no doubt that implementation of the Act is a challenge for City and County of Swansea, and one that requires changes in culture, and in how we operate. We are making important changes locally, and the reports by Heads of Service in this Annual Report will look at how each service area is getting ready for the making the changes needed. At the same time implementation of the Act is taking place on a regional basis through a Regional Partnership Board.

2f) Meeting the support needs of Carers

The new Act promotes the well-being and support needs of carers and young carers, all of whom make a vital contribution to Swansea's sustainable model of social care. Our social work staff, who work within local communities, and the range of partners, including commissioned services such as Swansea Carers Centre and Crossroads, identify and support carers on a daily basis.

We take time out during each year to draw carers together to share their experiences and requests for change. Carers' Rights Day and Carers' Week are used as opportunities for engagement and Swansea has been successfully facilitating events for a number of years. As well as promoting preventative opportunities for carers, indirect assistance is available to promote well-being and to access support. Carers can expect to be offered an assessment of need if they appear to have support needs in their own right regardless of whether they live with the cared for person.

2g) Delivering the Active Offer/ Mwy Na Geiriau

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with certain standards in relation to the Welsh language and the "Active Offer" to citizens.

Based on the 2011 census, 11.4% of Swansea's population, around 27,000 people, are Welsh speakers.

As a whole Council, Swansea is fully aware of the requirements of the Welsh Language (Wales) Measure 2011, and staff are endeavouring to put into place systems are in place systems to ensure compliance. Health and Social Care services are also subject to Mwy na Geiriau (More than Just Words), the follow-on strategy. Social Services are focused on the importance of language need and delivering the active offer, as part of Information, Advice and Assistance, through the assessment of need and within services. Senior managers have placed a strong emphasis on supporting staff to be able to meet the requirements of both Mwy na Geiriau and the Welsh Language Standards.

Whilst some of the requirements of the Welsh Language Measure and Mwy na Geiriau framework are already being carried out, we need to ensure

consistency. The biggest challenges and priorities are to ensure compliance with all of the standards across all services in the prescribed timescales within the resources we have available.

Swansea has a corporate lead for Equalities and the Welsh Language, and works in conjunction with a Social Services Welsh Champion on an implementation plan to progress this work.

Some key issues are likely to remain as challenges for some time:

- The reasonableness and proportionality of some of the proposed standards in the context of fewer resources
- The limited number of Welsh speakers currently employed by the Council
- How staff are deployed to match potential demand for take up of the active offer.
- A particular shortage of Welsh speakers in key front line roles; though we do have systems in place to mitigate this, e.g. front door and duty teams have agreed to share access to a named Welsh speaker.

Swansea's difficulties in attracting appropriately fluent Welsh speaking officers to key posts will have to be addressed through regional and corporate workforce development strategies.

h) Workforce Development

A Regional Workforce Development Steering Group has now been established, comprising of existing partners from local SCWDP partnerships across Western Bay, together with project leads from within the Western Bay Programme. A launch event 'Workforce Learning & Development Strategy – Setting the Direction for Western Bay to Deliver on the Social Services and Well-being (Wales) Act' took place in September to engage with the wider regional partnership and encourage continued membership from and extend wider membership within Health partners and providers.

The Western Bay Partnership Board is fully committed to the aims and objectives of the Social Care Workforce Development Plan and the way in

which structured development and training can support strategic objectives and delivery of high quality social services. A training programme, to make sure frontline staff are fully engaged in duties under the Social Services and Well-being (Wales) Act 2014, and to ensure they will be competent to operate under the new framework, has begun and will continue throughout 2016-17. Signs of Safety (SoS) and Solution Focussed Thinking (SFT) continue to be implemented and embedded in practice as part of the Looked After Children's Reduction Strategy in Swansea and the tools are incorporated into all training delivered to staff working in Child and Family Services.

Swansea has become the first authority in Wales to be able to deliver accredited Positive Behaviour Management (PBM) training to staff working with specific client groups such as people with learning disabilities and dementia who have expressive behaviours that challenge services. Approximately 200 staff have now been trained in the theory and practical elements.

We aim to work together across the health and social care sector to ensure that as many staff as possible take advantage of the many learning opportunities available to them. We also continue to work in partnership with ABMU in relation to the delivery of PBM across learning disability services, with the opportunity to train an additional PBM Trainer later this year.

Swansea Workforce Data

	Adult Services	Children & Young People Services	Other staff
No. of employees	1257	361	162

3. Summary of progress in 2015/16

This section sets out the main areas of progress within social services during the past year.

Between 2014 and 2015, Swansea's population increased by approx. 1,100 (+0.45%) to 242,400. This is higher than the average increase across Wales (+0.23%) and the fifth highest annual growth rate (%) of Wales' 22 authorities. Swansea remains the second most populated local authority in Wales with the latest level of growth (2014-15) behind only Cardiff. The supporting data released with the estimates suggests that Swansea's population growth during the year to June 2015 was driven by net international in-migration (+1,100).

3a) Summary of Achievements

Much of the performance across Children and Adult Services has been really strong this year. Whilst national performance indicators play only a small part in how we measure improvement, it is still significant that our end of year performance has been the best ever in many of the areas that Welsh Government count, and that our activity levels remain high.

Managers, together with our performance team and a number of business support colleagues, have been working extremely hard to develop a performance framework for Adult Services that matches what has worked well in Child and Family Services for a number of years, and which properly reflects all of the hard work that is taking place and will allow us to make sure we target our resources to best effect.

This is a period of major change in social care in Wales. The Social Services and Wellbeing (Wales) Act 2014, implemented on 6th April 2016, introduces significant changes to legislation at the same time as we face budget challenges, higher service demand due to economic demographic changes, improved survival rates and higher expectations, funding and capacity issues in the third sector, and increasingly complex pathways between agencies supporting children and families. Swansea is well placed to meet these challenges, having demonstrated improvements over recent years alongside efforts to transform services with partners to meet future requirements.

We have recently received hugely positive feedback from inspection of our commissioning arrangements for domiciliary care and supporting people, our flexible support team, our fostering service and our care planning arrangements.

The Youth Offending and the Adoption Services, both now delivered within the Western Bay Partnership, have both recently reported strong and improving performance post regionalisation.

Our arrangements to develop a post-16 service through a genuine collaboration between children services, the third sector and other partners are well advanced and expected to leave us well placed to start genuinely innovative support to some of the most vulnerable young people in Swansea.

Social Services have received numerous compliments in relation to the work of staff and services across Children Services in relation to their expert practice with children and families; within adult services compliments include work taking place in residential care, day services, the assessment and care management teams, intake and other services.

Our commissioning team and the integrated community hubs did a fantastic job in safely managing the transfer of care packages following the recent failure of a local domiciliary care provider. We are working with providers and partners to build up resilience, early warning and quality monitoring within the local and regional social care market.

Following the unanticipated ending of the regional arrangements for commissioning a direct payments service, staff from across the Council have worked to a really challenging deadline to establish an in-house direct payments service. These new arrangements will provide a great opportunity to be creative in supporting more people to use direct payments as a better alternative to more traditional packages of care.

Colleagues from Swansea and the region presented a workshop showcasing Local Area Coordination at the national Association of Directors of Social Services Annual Conference. There continues to be wide interest in these developments, which could change how communities access care and support.

Swansea has a strong presence on the International Signs of Safety stage, and staff are regularly attending the Gatherings (learning events) to present and

share on how we are applying the Signs of Safety methodology to ensure children and families are genuinely at the centre of planning during case conferences and looked after children reviews.

3b) How well did we perform in 2015/2016?

Overall, the performance for Adult Services is improving:

- Although for **SCA001 Delayed Transfers of care**, Swansea has met the target range, this is an area of performance we still aim to improve, as people continue to experience lengthy waits in hospital for services to become available. We continue to work with colleagues in the hospitals to try and expedite discharges where possible and minimise those individuals delayed in hospital once medically fit due to social care reasons.
- In relation to **AS4 Percentage of clients returning home following reablement**, although overall performance for the year is below target, performance in the latter part of the year it has considerably improved. New management arrangements have led to a keener focus on reablement and ensuring the focus is on people returning home rather than entering long term care.
- Whilst **SCA002a Older People supported in the community** has fallen this year, our performance in terms of the rate of older people supported is expected to be broadly in line with the Welsh average. The **SCA002b Rate of older people in care homes per 1,000 population** is decreasing and consequently going in the right direction.
- Significant progress has been made in relation to **SCA007 Care Plans reviewed in timescale** which can give us confidence that the people we support are receiving the appropriate level of care and their support needs are being met.
- **SCA / 018a Percentage of carers who were offered an assessment** of their needs in their own right, remains high (this year = **95%**; last year = 95%).

Within Child and Family Services there has been another good year of sustained performance in key areas:

- There is a further reduction in children placed in residential settings. Despite the increase in the **number of children becoming looked after** (LAC), the overall **LAC population** has declined, indicating that children are achieving permanence quickly.
- Performance in social work assessment activity is high, and improving, with a significant upward trend in **SCC011 Child being seen / seen alone as part of assessment**. This level of performance, which has exceeded target, is a good indicator of how the Signs of Safety framework is more and more embedded within the service.
- Where performance has not reached target, generally this is by a very small percentage and due to pressures within that area of the service, for example the service performance and quality unit, which have been resolved.
- **SCC033c Formerly looked after children in education, employment or training** is a Council priority, and this will be addressed via local partnerships and supported by the newly commissioned 16+ service which will be co-located in “Info-nation”.

Detail on Activity and Performance during 2015/16 is available in Section 6.

3c) Improvement actions set for 2015/16

Clearly there are important challenges for social services in the year ahead facing increasing numbers of people, with higher levels of social care needs with fewer resources at our disposal. The Social Services and Well-being Act comes into force, and this provides a new statutory framework within which we have to operate. Our work in readiness for the many requirements is detailed in the next section.

In Adult Services, a Service Improvement Plan is under development with the emphasis on putting into place the management structures, staffing and resources to take forward a big change agenda. Important changes include focusing on improving the integrated services delivered jointly by health and social care to provide better services for frail older people and reducing demand across the range of services.

Intermediate Care can help prevent the need for long term care or hospital admission, whilst improving domiciliary care to focus on the care and support needed by those most frail people and those with complex long term needs. Anticipatory care can help target support to those people that GPs, nurses and social workers are most worried about. A review of assistive technology can help us identify new and innovative ways of managing needs in people's own homes, whilst many people are helped to remain at home through use of the Joint Community Equipment service and by carrying out appropriate adaptations.

City and County of Swansea has to provide support to citizens to enhance their well-being and to help prevent needs from escalating. Adult Services will continue to work with partners, both within and outside the Council, to promote these opportunities for prevention and early intervention, and to safeguard those most vulnerable in our communities. Over the next year we are expecting commissioning reviews to be taken forward in a way that supports a new Adult Services model, with options for changes in how we provide residential care, day services and domiciliary care being considered and consulted upon. We will clearly need to invest in the development of a skilled and motivated social care workforce as we transform services.

Within Child and Family Services, as identified within the service plan, the focus will also be on safely managing demand and the high volume of work held within the service, reducing demand at the front door and the CINCS (children in need of care and support) population, through close collaboration with early intervention and prevention services, supporting early identification of complex needs, and reducing emergency placements which also impacts on placement stability.

4. Report by Head of Child and Family Services

It is very pleasing to be able to reflect and report back on a year of continued improvement in Child & Family Services during 2015/16.

Child and Family Services continues on a journey of change, and remains focused on achieving best possible outcomes for children in need of care and support, and their families.

In Child and Family Services, our journey takes in the following:

- Best outcomes are best achieved when children are supported through safe, stable and supportive relationships, be that with their birth, foster, adoptive families or through kinship care.
- Excellence in social work practice (reclaiming social work) not only by social workers but by senior practitioners, team leaders and those in leadership roles, and within the framework for Continuing Professional Education and Learning (CPEL).
- Further embedding of Signs of Safety, solution-focused models of practice that empower social workers in their direct work with children, families and partners to deliver better outcomes for children and families.
- Improved and seamless access to intensive and skilful support for families and children on the 'edge of care'
- Achievement of a sustainable Child and Family Services over the next 3-5 years, through a model that can meet future challenges and opportunities, and to deliver on financial commitments
- A collaborative/regional approach to commissioning of child placements to ensure best possible quality, accessibility and value is achieved
- Partnership working within the local authority and with other public service agencies including health, education and police to promote child protection, safeguarding and corporate parenting

Child and Family Services are well underway in rolling out a programme of transformation required to deliver a Sustainable Social Services and meet the requirements of the Social Services & Well-being Act. Our whole service implementation of Signs of Safety and Solutions Focused Thinking is central to the changes as the basis of all work with families to build resilience into their lives and with children in need of managed care and support to help them achieve the best possible outcomes.

4a) Improving outcomes for children and families

Swansea has a population of over **241,000**, which is increasing number since the 2011 census (239,000). Around 20% of the total local population (**47,130**) are children aged from 0 to 17.

Child and Family Services provided direct support to **3248** Swansea children in 2015/6.

Of this number of children who needed managed care, there were:

- Children who needed to be protected (CPR) in year = **526**
- Children who were looked after during the year= **697**

In Swansea the rate of child social care users, at **43 per 1,000** population aged 0-17, is higher than an All Wales rate of 39, though similar to those within comparable authorities (M4 corridor rate, also 43). Between 2002-03 and 2014-15, the rate of child social care clients per 1,000 population aged 0-17 **increased by 17%** in Swansea. This compares with a 21.4% increase across Wales.

We recognise that these numbers of children needing statutory services are likely to be too high, certainly for the local authority and communities to sustain, and in looking forward to the well-being of future generations. Swansea has for the past three years, implemented a 'Safe Looked After Children (LAC) Reduction Strategy' to help to focus our efforts on rebalancing the system towards prevention and early intervention. This has proved challenging at a time of austerity and welfare reforms, though Swansea's end of year LAC population, around **500**, is the lowest for several years.

Our Senior Management Team is reviewing the drivers within Swansea's Safe LAC Reduction Strategy to ensure that more children are getting the care and support they need both earlier, with the quicker impact toward the best outcomes.

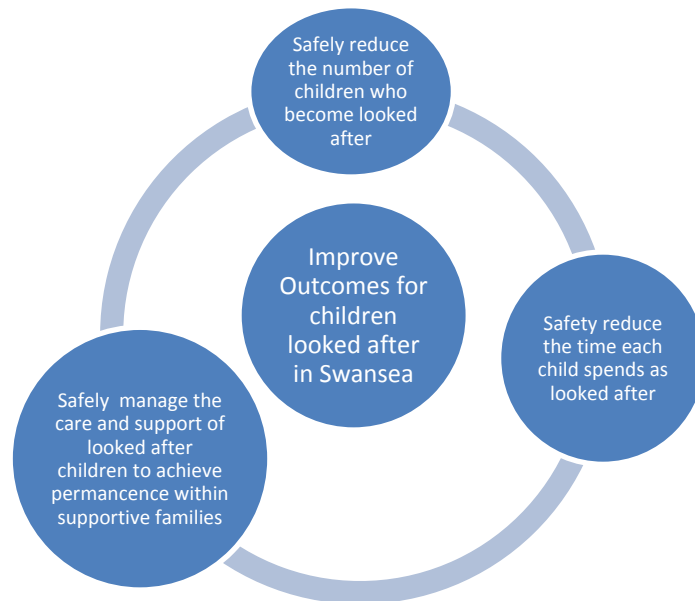


Figure 2. Safe LAC Reduction

In line with the All Wales Child Protection Procedures 2008 and taking some learning out of the Munro review of Child protection 2011 (in England), Swansea believes that high quality social work practice can make a profound and direct difference within the lives of children, young people and to families

Child and Family Services in Swansea has, for some years, implemented a whole service practice framework 'Signs of Safety' supported by other approaches such as 'appreciative inquiry', 'motivational interviewing' and 'solutions focused thinking'. 'Signs of Safety' places a high value on relationship building between children, their social workers and families. This practice framework is embraced and embedded at every level of the service, and Swansea has been attracting interest from services across the UK and is respected on a worldwide basis for our implementation of the approach. We cannot stand still with this approach, and Swansea is continually looking to learn and improve practice.

A particularly positive feature of the service offered is the routine way in which social workers see children, see them alone and build robust, lasting relationships with them, so that they know them extremely well. Our performance in these areas has improved in 2015/16. This relationship forms the basis of a highly effective 'reclaiming social work' agenda in City and County of Swansea, with a range of evidence-based interventions to help protect children from risk of harm. Good social work flourishes across a range of locality-based and specialist teams. Child and Family Services still needs to

progress along an improvement journey, and is considering whether there is benefit from reviewing its team arrangements to ensure that there is greater resilience in managing the care and support of children, and which can protect children out of hours.

Early Intervention and Protection services to help and protect children and families are particularly vital, and the importance of working together is now well understood by multi-agency partnerships.

Children at risk and their families are accessing effective early help via the family support ‘continuum’ of services, whilst professionals can receive support from qualified social workers at the Child and Family Service front door (CCARA).

How we Support Children and Families in Swansea

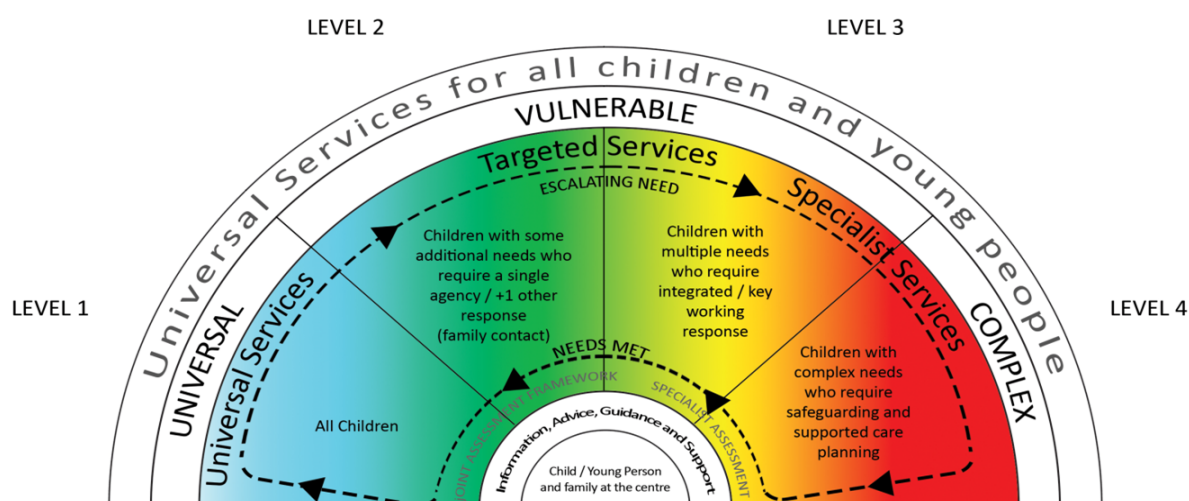


Figure 3. Swansea Model

Positive characteristics of the wide range of services available include consistently comprehensive and analytical assessments of need and safety plans that capture a child-centred view of safety and then turning these into robust interventions to protect the child from harm and abuse. Detailed care and support plans which derive from direct work are helping children and their families to achieve positive change. There is robust management oversight of all cases through our “Siarad”, in which social worker can receive feedback on their care and support plans and placement options.

A key challenge in achieving the best possible outcomes for children and young people is ensuring consistency of leadership, sustaining excellence in professional practice and retaining management oversight across the whole system. For example, we are looking to improve the consistent application of thresholds to ensure appropriate and proportionate management of children at risk.

Excellence in practice is also supported by careful management of social workers' caseloads, social workers remaining with children throughout their journey across all stages of social care intervention, clinicians embedded within social work teams, and the clear, positive leadership of the Child and Family Services senior management team (SMT).

A very high standard of care is offered to children at risk, of whom an increasing number are children who arrive in this country accompanied by an adult seeking asylum. Further work is taking place to ensure that there is a follow up to children who go missing, and to help prevent future occurrences.

Excellent relationships are evident between children looked after and their social workers, who are tenacious and unstinting in their pursuit of the best possible outcomes for these children from their journey through care. Highly effective planning for permanence is now a major strength of the organisation. Outstanding services are provided to children looked after for whom permanence is to be achieved through adoption, now managed via Western Bay Regional Partnership Board. An exciting new local service is planned for young people leaving or about to leave care, in partnership with BAYS/ Barnardo's - the LAC 16+ Team

Services for children looked after are characterised by robust arrangements in place for reviewing care plans by a dedicated team of independent reviewing officers (IROs) based in the Service Quality Unit.

Working with colleagues in ABMUHB, there is a thorough assessment and monitoring of the health of children looked after via the LAC Health Team, with attention paid to the smaller number of children who are placed out of county, We are constantly striving to drive up the educational attainment of looked after children, supported by the efforts of the LAC Education Steering group and LAC Education Team.

Dedicated business support ensures that social workers can focus on their direct work with families, and there is expertise of the highest quality available to support functions such as workforce development, finance and performance management. A talented and highly capable commissioning & contracting team ensures that the resources available are effectively brokered through the 4Cs Consortium to provide additionality to the wide range of existing services to children and their families. Some economies of scale are achieved through shared services, such as Youth Offending and Adoption, within the Western Bay Regional Partnership arrangements.

We will continue to ensure children in Swansea are safe and healthy, now and in the future. We have a skilled, experienced and resourceful workforce and senior management team in Child and Family Services who, with support from across the Council, have continued to improve performance and outcomes in the priority area.

4b) How well are Child and Family Services performing?

Good performance comes from strong and clear leadership which encourages, develops and sustains a workforce, with confidence, skills, and focus on the needs of each child, young person and family we support.

Swansea continues to work closely with other agencies and professionals to ensure a timely, effective and proportionate response to any contact about a potential child at risk, and that any referral ensures that the child is kept safe, and focuses on a return to well-being in the family, where possible.

A long-term focus on improving the front door to Child and Family Services has resulted in a more stable number of contacts and referrals each month. Importantly the percentage number of repeat referrals is the lowest ever (**14.2%**, Last Year = 16.7%).

Timeliness remains an important component of a high quality service but good management oversight is needed to ensure it is not achieved at the price of gathering the right information and applying rigorous professional analysis. These factors are vital for safeguarding and protecting our most vulnerable children.

Children and young people's voices and experiences are at the heart of how we work. There has been an improvement in child seen (**88%**, Last Year = 80%) and child seen alone as part of an initial assessment (**50%**, Last Year = 38%) measures.

We know the most important factors that help children and young people to have good outcomes are good relationships in a stable and safe place to live. Swansea is developing a new monthly performance report, with some new measures, which we hope will tell us more about:

- who are the children looked after in Swansea (population profile);
- how good are we in making decisions about where children and young people are going to live permanently;
- how quickly do we take child cases through the court process;
- how settled are children and young people are in the place they live;
- whether those young adults moving on from placements are well prepared

Young people who are preparing to leave care can expect to have effective pathway plans in place. (**96%**, Last Year = 98%)

We know from performance reports this year that care leavers could be better supported as they move to independence to stay in touch (**81%**, Last Year = 90%); have access to suitable housing (**97%**, Last Year = 100%) and to participate in education, employment and training (**44%**, Last Year = 68%).

Child and Family Services had a 2015/16 Budget **£38,247k**, and mainly due to measures linked to the safe LAC reduction strategy measures managed to save around **£3.42m** total spend to achieve a total spend of **£34,828k**.

The sustainable measures that helped contribute to this massive achievement, based on excellent social work and business support, are:

- Repatriating children out of costly Out of Area residential placements back to Swansea either home or to foster placements
- Close monitoring of decisions on new placements of this type and specialist placements e.g. mother and baby
- Ensuring there is no drift in cases and reviews are undertaken in which placement outcomes are considered
- Good commissioning arrangements and regional collaboration via 4C's consortium and Western Bay to access value for money placements by driving down independent provider costs and promoting quality

- Review of Foster Swansea and a successful recruitment campaign to ensure a supply of trained, skilled and supported foster carers
- Reviewing arrangements for direct payments
- Monitoring and review of specialist foster placements and Special Guardianship Orders where enhanced payments to prevent drift
- Development of an in-house therapeutic team to ensure quality of interventions and provide better value than externally commissioning or spot purchasing.

The target for 2016/17 is to contain spend for Child and Family Services to **£35m**, though it will be a challenge to maintain spend at the current level, given there are significant increases to staffing costs and the costs of commissioned services.

4c) Social Services and Well-being (Wales) Act

The Act requires effective cooperation and joint working with our partner agencies on the whole system of child and family services, safeguarding, care and support across the county.

A strong and effective shared response requires clarity on the thresholds for different types of child and family support, and a continuum of services offering early help and preventative work in tandem across all agencies.

In recent months we have focused on improving the way we do things including getting assessments done in a timely way and by aiming to ensure we have clear care and support plans, developed with families and partners to make a difference in their lives. We have made some progress by being clear about our systems and processes as well as putting in place monitoring systems to track who provides ongoing support to families when there is no longer a need for social care support (step-down arrangements).

Our next focus is to further improve the way we organise our work to support the next stage of implementation of Signs of Safety and to continue to improve our service to children and young people most at risk of harm and their families. Through these arrangements we can be better placed to provide the right level of care support and protection at the right time and ensure agreed outcomes are reviewed in a timely way.

We have to ensure that there are robust systems to identify children at risk of sexual exploitation in Swansea, and that there suitable training and support so that an appropriately skilled workforce can identify, assess and intervene effectively with children at risk of child sexual exploitation (CSE). We have recently appointed a CSE/Missing Persons worker to strengthen arrangements for the monitoring and quality assurance of CSE protection plans. Swansea now has even safer systems of reporting and following on children at risk who go missing. With partners in housing services, we have addressed the issue of some hard to place care leavers in temporary B&B. As Head of Service, I meet quarterly with police colleagues, to address issues like CSE, and other initiatives such as a 'PACE' scheme which is ensuring that vulnerable children are not being detained in custody overnight.

Council leaders, elected members and partner agencies in Swansea are strongly committed to being corporate parents, with a revised structure, terms of reference and work programme. Together we promote the in rights of children in Swansea, in line with the United Nation Rights of Children (UNRC), to increase access to advocacy and to promote improvement in the full range of services to looked after children and young people. For example there is a new Children's Commissioning Consortium Cymru (4Cs) framework, and this can build on progress already made on placement availability, support and stability. Our participation work is also undergoing changes with more independent focus through a Children and Young People Participation Unit. Swansea is also ensuring that more looked after children are chairing and attending their own reviews. These developments are overseen effectively by the Corporate Parenting Board.

Improvements must be sustained and additional work must now be progressed to meet new Act requirements for looked after children

4d) Conclusions/ Future Challenges

Our central service direction remains clear: promoting better outcomes for children, placing the voice of the child at the centre of what we do, and aiming to reduce the number of children with complex needs having to live outside of Swansea. We need to ensure that each of the vulnerable children we support, at all times during the year, can be assured of the best possible services to enhance their wellbeing. Through Sustainable Swansea we are carrying out a large scale commissioning review of Family Support which has three important strands:

- Child Disability, taking forward our child disability strategy
- Domestic Violence - to improve multi agency arrangements
- Family Support services

Whilst the regional arrangements for Youth Offending and Adoption are working well, we are looking forward in how these services can be improved and aligned to support our aims, for example how YOS can deliver regional strategic support and local responses to link with early intervention and prevention, and how adoption opportunities can be safely speeded up.

We are updating the drivers working to achieve better outcomes within Safe LAC reduction strategy; to increase the range and scope of interventions as well as the impact. Alongside this central service strategy, is the revised Child and Family Services Improvement Programme, which will support our strategy and deliver on the requirements of the new Act.

The key challenges for Child and Family Services in Swansea during 2016/17 are:

- Putting children's and young people's voices and experiences at the heart of how we plan and improve our service
- Placing each child at risk at the centre of everything we do; with a focus on their safety and wellbeing outcomes
- Effective and timely safeguarding, protection and quality of service to the most vulnerable children in Swansea
- Achieving excellence in social work through a skilled, trained and professional social care workforce and effective organisational structures
- Working collaboratively in partnership with families, other professionals, and carers
- Reducing the number of looked after children by achieving permanence at the earliest opportunity
- Continuing to deliver on budget savings strategy and performance targets
- Implementation of Social Services and Well-being (Wales) Act

Report by Julie Thomas, Head of Child and Family Services

5. Report by Head of Adult Services

2015/16 has been a period of considerable change within Adult Services. I (Alex Williams) was appointed as Head of Adult Services in August last year, taking over from Bozena Allen who acted as Interim Head for the previous six months. There has, during the last two years, been a number of changes within the Adult Services Senior Management Team, and this report reflects on the progress being made to bring a new leadership team together, ready to meet the challenges of delivering on a corporate transformation programme, at the same time as being fully prepared to implement the Social Services and Well-being (Wales) Act 2014 (the Act).

5a) Context

Adult Services is at the start of a new journey of major improvement. An important period of reflection within and drawing people together has allowed the service, service users, staff and managers to take stock of where we are, and where we need to be. These reflective discussions are seen as very much the start of an open and honest conversation that continues to be held with citizens, carers, managers, staff, elected members and partners, to identify what is working well and what areas we need to improve on during the journey ahead. We now are clearly focused on meeting a new set of statutory requirements, prepared to deliver on corporate priorities, and ready to address future challenges.

Adult Services are well under way in setting out a shared vision and the programme of transformation delivering on the requirements of the Social Services & Well-being Act. We are building a stronger management structure, operating within a business-like, solution-focused culture. We are developing our whole service model to act as a framework within which to guide the work we are doing, and the decisions we have to take within the four commissioning reviews, as part of the Sustainable Swansea - Fit for the Future programme.

Our groundwork has highlighted some key areas for future improvement plans in areas such as safeguarding, financial management, consistency in meeting standards, performance management and commissioning. There are examples in this report, where changes are already taking place in the areas of prevention, positive social work practice and new models of service. Also the

service is supported by a strong committed workforce, backed by development plans and training opportunities to continue their professional growth.

Our central service direction remains clear, that is promoting safe independence for those most vulnerable adults with care and support needs. At the centre of our service model has to be greater voice and control of citizens and carers, placed at the centre of everything we do.

Our vision for health, care and wellbeing in the future is that:

“People in Swansea will have access to modern health and social care services which enable them to lead fulfilled lives with a sense of wellbeing within supportive families and resilient communities. We will help people to keep safe and protected from harm and give opportunities for them to feel empowered to exercise voice, choice and control in all aspects of their lives. Our services will focus on prevention, early intervention and enablement and we will deliver better support for people making best use of the resources available supported by our highly skilled and valued workforce”.

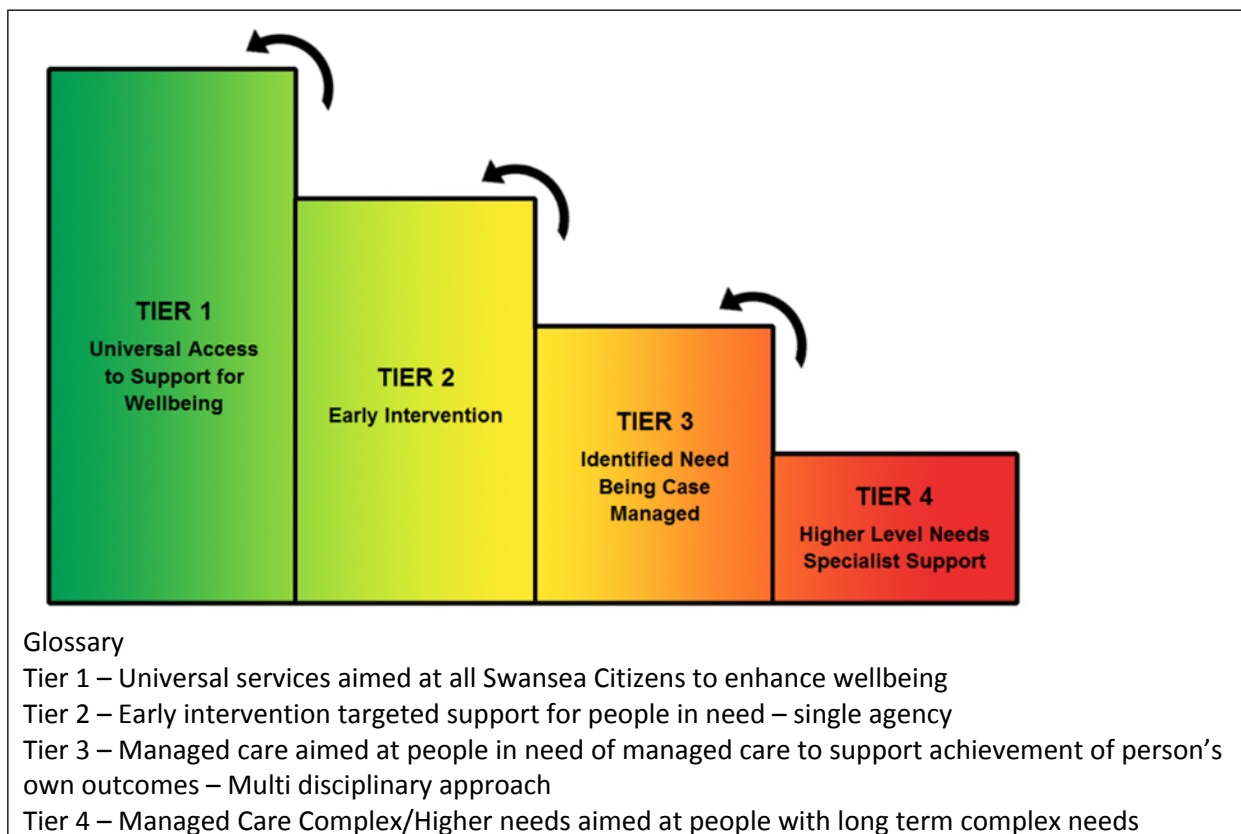
What does this mean for people who approach us for help with their social care needs?

- Public services in Swansea should each have a greater emphasis on improving the wellbeing of citizens whether physical or emotional
- People are given the right level of support when they first contact social services, whether they require information, advice or direct assistance
- We are changing the way people are helped and supported, building on a ‘what matters to you’ conversation, and using a strengths-focused approach and focusing on prevention and early intervention
- People who need immediate assistance, or care and support, can get this from the most appropriate person, whether that’s an occupational therapist, a social worker or a district nurse
- We are changing how people access care and support ‘at home’ through working more closely with our Health colleagues via 3 integrated hubs, to achieve relationship based care
- We expect practitioners to spend their time working directly with people, with more time in communities and less time at desks
- We are now measuring our performance in terms of the impact we have had on people’s lives, how they experience their support and the outcomes they achieve

- We are developing new models of service delivery and reviewing our longer term commissioning plans
- We are working with carers, and with carers' organisations such as Swansea Carers Centre, recognising that carers are vital to our approach and we will continue to have a co-produced approach to shaping their support
- In taking forward Local Area Coordination, we aim to see more people supported within their own communities with support from family, friends and natural support networks.

Adult Services has developed a service model which summarises our vision, approaches and how best to deliver on the key changes described above by working with our partner agencies, locally and regionally.

The **Swansea model** can be illustrated diagrammatically below:



5b) How well are Adult Services performing?

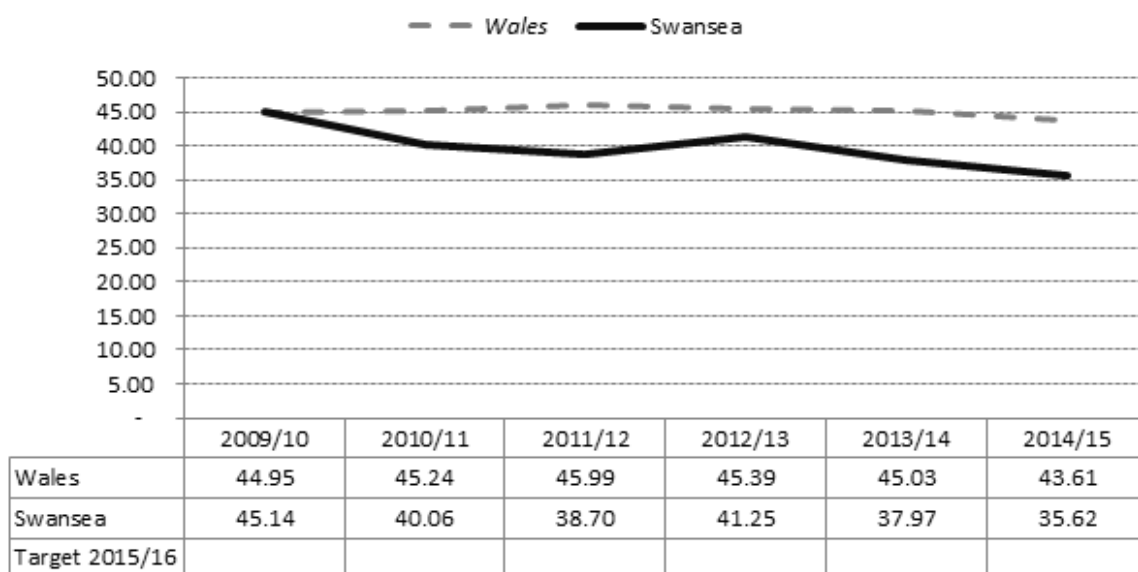
Between 2014 and 2015, Swansea's population increased by approx. 1,100 (+0.45%) to 242,400. Swansea now has an adult population of **200,700**,

including **46,800** people (19.3%) over 65 (Mid-year 2015). The number of people aged 70-74 has increased by **+300 (3%)** and **12,900** people in Swansea are aged 80 and over, **5.3%** of the Swansea total. This 3% rise per year within the aging population is expected to continue in Swansea leading to a population increase of a third by 2025.

According to the All Wales Daffodil research and population projection tool (<http://www.daffodilcymru.org.uk/>), in 2015, **4653** of Swansea’s adult population have a learning disability; of this number **969 (0.5%)** have a moderate or severe learning disability. Using the latest research estimates, around **32,200** people **aged 16 or over** in Swansea may have **one** Common Mental Disorder e.g. anxiety depression and OCD. Nearly half this number, (14,573) have two or more conditions, along with those experiencing borderline personality disorder (913), antisocial personality disorder (703) and those experiencing psychosis (811).

Adult Services provided managed care and support to 6027 people during 2015/16 (last year = 5616). This care and support is provided at home, in the community or within residential or nursing care. Services range from providing a small amount of practical support (such as a piece of equipment to support everyday living), to meeting high level needs of people with complex needs, sometimes requiring 24 hour care.

Adults 18+ supported during the year per 1,000 adults aged 18+



Number	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
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Adults Supported Whole Year						
Swansea	8518	7635	7427	7957	7340	6920
As % of Wales	7.9%	7.0%	6.6%	7.2%	6.6%	6.4%

Of the **6027** people supported last year, around **62%** were older people, 13% had physical disabilities, 12% had mental health needs and 12% had a learning disability. The profile of people who required managed care and support from a range of services is expected to change under the Act.

At year end, **3105, 67%** (last year =73%) people aged 65 or over, were supported to live in their own home, with **891, 19%** supported in care homes.

The number of people whose discharge from hospital was delayed due to social care reasons was **122** (last year = 112), **5.74%** per 10,000 of the population (last year = 5.33%).

In 2015/16, Swansea’s Adult Services received over **19000** enquiries/ referrals, of which **2879** related to people not previously known to us.

Adult Services completed **5426 assessments of need**. Of this number, **2038** assessments were undertaken of people not previously known to the service in 2015/16. Also, of the total number of service users, **3754**, 86% were reviewed through the year.

Supporting carers well is a vital, sustainable approach to getting the most out of health and social care resources. It is essential to take a partnership approach to supporting carers to maintain and improve their own well-being, as this will help them maintain their caring role within their family.

Of the **1643** carers known in Swansea, **554** received an assessment of their own needs (last year = 647), and of this number **295** carers received support from Adult Services.

We are keen to improve on this take up though, as well as assessing and supporting the needs of carers, an integrated approach to carers being able to access good quality information, advice and practical support is just as important, and Swansea is working hard to promote this approach. Many carers are able to directly access our commissioned providers such as Swansea

Carers Centre and Alzheimer's Society for the information, advice and support they require, at the time they most need it. We are working with Swansea Carers Centre on a pilot project in which carers can be assessed for the support they need to enhance their well-being by training professionals based in Swansea Carers Centre.

For further information see Section 6: Performance and Activity tables

Our strategy is to encourage more preventative approaches that enable people to directly access the support they need to achieve their well-being outcomes, and these new approaches, including information, advice and assistance, are an important duty under the Act.

We need to ensure we promote services for carers to help and support them in this invaluable role.

Adult Services had an agreed 2015/16 Budget of **£66.5m**. Adult Services last year overspent by **£2.3m**, largely due to demands on domiciliary care and the costs of commissioning residential placements for people with mental health and learning disability, within a context of agreed budget saving targets. Overall this position was significantly better than was anticipated at the beginning of 2016, and social services as a whole were able to achieve a balanced budget in 2015/16.

Challenging saving targets have been set in 2016/17 and 2017/18, and tough decisions will have to be made in relation to the savings strategy as a whole. A number of financial risks have already been identified as requiring close attention this period. Adult Services are reviewing systems for reviewing and consulting upon charges for services to ensure compliance with the Regulations and Codes of Practice related to Part 4: Meeting Needs and Part 5: Charging and Financial Assessment, under the Social Services and Well-being (Wales) Act, and to help citizens make informed choices about what is available.

We remain committed to making sure that any money spent on Adult Services helps people to have high quality, locally managed care and support that improves their lives, always provides good value for money and enhances their wellbeing. We can make this happen by ensuring voice and control of people remains at the heart of what we do.

Overall, there is a consistent picture of performance and improvement in Adult Services over the last five years. We can expect to see a more defined, clear picture in relation to changing needs, reshaping demand for care and support services and achieving performance against measured outcomes. Many of these areas will be a focus of the first population assessment to be completed by March 2017.

5c) Social Services and Well-being (Wales) Act

Adult Services recognises the necessity for a fundamental transformation in our approach to adult health and social care in order to achieve the implementation of the Social Services and Well-being (Wales) Act.

To achieve the changes needed across the whole Authority, Swansea has a **Sustainable Swansea- Fit for the Future programme**, as well as the Western Bay Regional Partnership Board. As well as promoting the well-being of citizens and meeting the needs of an increasing and aging population experiencing high levels of complex needs, the Local Authority has financial challenges linked to national austerity. Within the Sustainable Swansea - Fit for the Future programme, there are a number of vital commissioning reviews currently underway:

Older People

- Residential services
- Domiciliary Care
- Day Services

Adults

- Accommodation related support and day services for people with a learning disability, physical disability or mental health concerns.
- At the same time, there is a Sustainable Swansea review of business support across the Council as well as a review of all senior staffing.

Sustainable Swansea will enable us to achieve “better quality care and support at a lower cost” designed in a way to ensure we continue improving outcomes for adults in Swansea. We plan to work with partners in a collaborative way to maximise the contributions of all agencies to this new commissioning approach including:

- Abertawe Bro Morgannwg University Health Board.
- Public Health Wales.

- Independent sector organisations including the third sector, not-for-profit organisations and private businesses.
- Other sections of the Council such as Housing, Leisure, Education and Poverty and Prevention

Adult Services is also working with Institute of Public Care (IPC) on the development of an overall practice framework to support a whole service change. This practice framework will build on what is already working well in adult social work, and draw together approaches that are known to be most effective in helping people who need managed care and support achieve their outcomes. Our work has to become more focused on building resilience in individuals, families and communities, on prevention and ensuring there are robust arrangements to ensure the safety of our most vulnerable adults.

This practice framework recognises a person's strengths and the assets already present in their lives and communities. Social workers can focus their direct work with people on agreeing care and support plans based on creative solutions and use of support networks. This will become the foundations of all work with adults and carers aiming to achieve their individual outcomes and to promote their independence.

As we meet these challenges, move towards implementing the new Act, and support the Council in its new duty to promote the well-being of citizens and carers, Adult Services is taking forward a new programme of improvement.

The **key elements** of the Adult Services Improvement Plan are:

- i. Intermediate Care
- ii. Demand Management
- iii. Commissioning
- iv. Learning Disabilities and Mental Health Commissioning
- v. Prevention
- vi. Workforce Development
- vii. Safeguarding and Deprivation of Liberty Safeguards
- viii. Direct Payments
- ix. Cross cutting e.g. Population Assessment

i) Intermediate Care

Through the Intermediate Care fund, Swansea has taken big strides towards an integrated model of care and support. There is now an increased capacity to deliver skilled, targeted interventions to focus on meeting the short to medium term care and support needs of people who have experienced a crisis or who have an illness or disability, for example, after a fall or a stroke, following an accident or onset of illness.

Adult Services has reconfigured the Hospital Social Work Team and established three Integrated Care and Support Hubs (North, West and Central) which are making a real difference to patient flow in hospitals, supporting people to remain at home and minimising discharge delays.

We will try to minimise the effect of physical disability, sensory impairment or deterioration for people with ongoing health conditions, complex needs or caring responsibilities. Our future work will include building on the range of skilled interventions such as reablement, rehabilitation, and recovery from illness or mental health difficulties. We will work together with the person, their family networks and communities, health and housing colleagues to ensure people experience the best outcomes through the most cost effective support.

Story 1.

To get ready for her discharge from hospital, following a fall at home, Mary, 89, was seen by Andy, a hospital social worker, almost as soon as she arrived on the ward. She was a little confused about what was happening but was reassured when talking to Andy as the most important thing in the world to her was to go back home and to get things back to normal. Andy went through Swansea's Falls Prevention Guide with her family, and this helped them to come up with a safety plan. Andy was given permission by Mary and her family to carry out a risk assessment of her home, and to arrange for some equipment to be made available.

Mary was returned home, with help from her family and a reablement team who could monitor and help her confidence and skills in carrying out the day to day tasks needed to look after herself.

We have almost completed a review of our front door to integrated care arrangements. Again, we plan to consult with staff shortly and to give some certainty for the future.

ii) Demand Management

This project looks at how Adult Services can put robust arrangements in place to effectively manage demand. Demand management is not about stopping services, but about ensuring that citizens receive the right services in the right place at the right time. Managing demand effectively and not defaulting to always trying to 'fix' a problem by providing a service is critical to reducing spend across Adult Services as well as achieving better outcomes for people. A review of overall front door arrangements (Common Access Point and Hospital Social Work Team): will be extended to include a better range of services to citizens: providing social care information, advice or assistance to the citizen or carer directly via DEWIS Cymru and promoting a greater range of telecare to provide safe care and support at a distance using information and communication technology via telephone or computer such as "Just Checking".

We are systematically reviewing each and every package of domiciliary care provided both by the Local Authority and the independent sector to ensure that individuals are receiving the right level of care. This work will put mechanisms in place to ensure that robust annual reviews as well as early reviews for new packages are taking place. Also many service users, who are supported via managed care, are eligible for funding support from the Health Board, whilst some packages are jointly funded between the Local Authority and the Health Board.

The outcome of this work will be to create a front door in both the community and hospital setting which tightly manages demand and which signposts them to other support or provides appropriate advice, information and assistance in line with the requirements of the Social Services and Well-being Act. Where the person can access an assessment of their needs to agree their personal outcomes, and a care and support plan agreed in their best interests.

Story 2.

Fred, 76, has recently been to see his doctor with concerns about his memory loss, and some confusion. He now finds it more difficult to do the things he used to do on his own such as meeting up with friends at his allotment, growing his own vegetables or doing his weekly shopping. His wife passed away a few years ago and his son Peter, who lives in London, visits once a month. Peter phoned social services for help, as he was becoming more concerned about leaving his father following a visit. He wanted to know what help could be available to help him to keep living independently at home.

He was put through to Adult Services Intake Team who went through his immediate and most pressing concerns. Peter was given information about a range of services that could help, and told that he could expect a call from a person who works for the 'third sector' to assist him in getting in touch and in setting things up. Within a few days, his father had arranged to meet a volunteer befriender who could call 2 or 3 times a week and they could call down to Fred's allotment. A local day service was contacted to see if they could help clear his ground ready for planting. Also they have managed to go online to set up a weekly shopping delivery from the local supermarket.

iii) Commissioning

Wherever possible we will work with people to provide the right help at the right time; help which is suitable to meet their personal well-being outcomes. People who need our help, will have been fairly assessed by a trained social worker, or social care professional, as eligible for a managed care and support plan, which will have to be supported by the resources available to the Local Authority. We aim to identify those people most at risk of needing support in the future and to intervene earlier if possible to help them to stay well and prevent further need for services where possible.

Citizens who require local authority managed care and support will have defined their own personal outcomes, and the assessment will explore what is available to someone within their family and community. A direct payment is offered in the first instance as a way of placing the person more firmly in control of their care and support.

Swansea's four commissioning reviews are at a critical stage in their development. During the early part of 2016/17, we are holding stakeholder workshops to get feedback on the emerging options for the reviews relating to domiciliary care, residential care for older people and day services for older people. We have agreed to take a slightly different approach to the fourth review relating to services for learning disabilities, physical disabilities and mental health. We will now develop Commissioning Plans to improve outcomes within the three client groups, and expect to do this by early autumn. Following consultation on these, we will start to review services and look at the future options.

iv) Learning Disabilities and Mental Health Commissioning

Some important work has already been undertaken by a project team to put measures in place to address the commissioning processes in relation to Learning Disability and Mental Health placements and this learning will benefit citizens, and reduce risks of further overspending.

A commissioning manual for care and support which includes a description of the process, roles and responsibilities of decision making in relation to meeting needs set out in care and support plans is being implemented in this service area.

v) Prevention

As part of a Council-wide prevention strategy, Swansea is developing our strategic approach in relation to prevention. In order to develop and expand our preventative approach across the Council, the optimal model is to be included and understood within the context of service reviews. The optimal model is a mechanism for change that encompasses the following elements:

1. A population assessment – providing trend data for each tier and future predictions
2. Services map their activities onto the continuum of need – what is already in place and what is spent?
3. Audit/Gap analysis across the tiers against outcomes – Is there over or under provision in some areas?
4. Clear focus on outcomes to begin, then leading to options for services
5. Clear unit costs and budget
6. Strong and effectively managed commissioning of services across all tiers
7. A culture where all services are acting at every point to de-escalate need and build on strengths
8. Holistic universal and early intervention services – can one targeted service do more?
9. Building independence, social capital and social networks
10. Delivery partners have confidence in the approach
11. Learning about ‘what works’ becomes fundamental to future improvements.

Therefore prevention is a key activity in terms of promoting well-being as well as demand management across the whole Council. We are progressing well, investing in a range of prevention and early intervention services and these will impact in the medium to longer term on the demand for social care services. We expect that an increasing number of older people and younger adults with complex needs will be a part of Swansea’s local population.

We need to ensure that we anticipate future care and support needs that can enhance their well-being, by working in partnerships and by commissioning high quality and cost effective preventative services.

This year we have piloted a range of preventative services, such as facilitating befriending, social groups, minor works within housing, awareness of targeted scams - in all a range of interventions which can help prevent needs from escalating. Some other important examples of preventative services are:

- Local Area Coordination
- Adult Family Group Conferencing
- Volunteering and Befriending
- Third Sector Brokerage

Story 3.

Margaret, 57 has experienced periods of depression and sometimes feels lonely and isolated. She has some family and friends though at times when she feels vulnerable or unwell, she tends to withdraw.

She is aware of this behaviour and how it can cause lasting problems and wants to try to break this negative cycle. She contacts her nearest mental health service (CMHT) who put her in touch with a Local Area Coordinator called Rita, similar age. They arrange to meet up for a chat, and Rita is surprised that Margaret is living in an local area which is richly populated with support networks and services, yet has not been aware of them.

Together they draw up a plan about how to confront negative thinking and to overcome fears. They make arrangements to meet up with a local mental health survivors group for a coffee and cake session, and to attend her local Health Centre to request some free counselling sessions.

We will also continue to work with our local authority colleagues and partners to prevent people needing our managed care and support. We will do this by providing information, advice and assistance so that people can benefit from universal services, community support or locally available resources which improve their wellbeing. This open front door response might not be focused on particular health or support needs - but is available for the whole population – for example, within shared spaces, libraries, adult learning, places of worship, community centres, leisure centres, and information and advice services.

vi) Workforce Development

Adult Services has taken time to evaluate the structure, and skill mix, with the senior management team, and, as Head of Service, I am in the process of restructuring the senior management team to ensure that we have the necessary range of skills and experience to drive the strategic change required to allow the service to operate in a performance and business-like culture. At the same time, I expect managers to work together in ways that reflect the principles of the Act - using positive communication, building on strengths, looking for solutions and involving people in change.

vii) Safeguarding and Deprivation of Liberty Safeguards

Over the past two years, Swansea has moved away from a historical Adult Safeguarding Team, and towards an “Everybody’s Business” approach. This has been a difficult journey at times, as it impacts on several roles, including team managers, senior practitioners and care managers. All safeguarding referrals are being received via the Intake Team. We now have an established designated lead managers’ (DLM) role to oversee safeguarding procedures, Adult Services has a new duty system to ensure a timely and proportionate response, and we are currently moving towards a new “Ownership” model to ensure that services respond to concerns within their area.

Swansea Council has a strong Corporate Safeguarding group, together with a corporate policy framework and designated safeguarding champions in all areas. The number of safeguarding enquiries in Swansea relating to neglect of vulnerable adults within social care provision is still a concern, and local audit and monitoring arrangements are being strengthened to take forward improvements, whether identified locally or regionally by the Western Bay Safeguarding Adults Board.

Around 25% of enquiries at Intake relate to safeguarding concerns (new or existing) or to Deprivation of Liberty Safeguards (DoLS) referrals (2015/16). Since the Cheshire West Judgement in March 2014 all Local Authorities and Health Boards in Wales have seen a significant increase in the volume of DoLS applications received. A DoLS needs to be put in place when an individual resides in a residential care setting, but lacks mental capacity to consent to that placement. City and County of Swansea has seen the number of applications increase from 33 two years ago to in excess of 1,000 annually.

We are working closely with local social care providers and regulators to ensure there is monitoring capacity to support providers to achieve care

standards (CSSIW). We would like to see monitoring capacity to work with providers to support preventative approaches across the social care market. On a positive note the Deprivation of Liberty Standards can involve more visits to care homes and more engagement on quality of care.

For example, our Care Homes Quality Team regularly undertakes visits to review quality of care to residents.

viii) Direct Payments

It is a statutory duty for Local Authorities to offer direct payments. A direct payment is a monetary payment made directly to individuals who have been assessed as having eligible care and support needs, and carers with support needs. The benefit of a direct payment to an individual is that it offers them greater voice and control over how their care needs are met.

A support service for service users who use direct payments is currently commissioned externally. This contract comes to an end shortly and the service will transfer in-house at the beginning of July. This provides an opportunity to look at how this service should develop going forward to ensure that service users are better supported.

ix) Cross cutting

There are also a number of workstreams that cut across all parts of Adult Services and are critical to the development of an effective system. e.g. Act Implementation, Population Assessment, CCIS Implementation, Charging Policy, Performance Management, Transport and Accommodation.

Clearly the regional population assessment, under Part 2 of the Act is an important piece of work that has to be completed by the end of March 2017. This can help ensure that the future work of Adult Services can be more targeted at people most likely to develop a care and support need, and towards working to prevent their issues from getting worse.

For example, we might seek to extend our work with those who have just been diagnosed with dementia, or lost a loved-one, people at risk of isolation, low-level mental health problems, and carers.

A commissioning plan on a core theme can then be developed to agree locally on the outcomes that will be achieved and the means by which they can be best realised.

Table 1 Adult Services Improvement Plan Summary Table:

Key Improvement	What we have achieved already?	What still needs to be done?
1. Intermediate Care	Integration of services around 3 locality Hubs; Anticipatory care pilot with plans for further roll out;	Ensure best model for integrated services is available for older people and younger adults in Swansea development of assistive technology and equipment services
2. Demand Management	Review of front door arrangements; Initial right sizing of care packages	Ensuring the citizen receives the right care and support at the right time
3. Commissioning	Development of service model for Adult Services; commissioning reviews underway; Review of commissioning function	Making best use of resources and achieving high quality through effective integrated commissioning cycle
4. Learning Disabilities and Mental Health	Specialist focus needed on commissioning for people with mental health problems and people with a learning disability	Making best use of resources and achieving high quality through partnership and within integrated commissioning cycle
5. Prevention	Implementing Local Area Coordination within an overall approach to prevention in Adult Services	Extend range of preventative services available and improve the offer of information, advice and assistance
6. Workforce Development	Regional approach to workforce development strategy and local training plan in place.	A skilled, effective and motivated workforce to support the delivery of high quality Adult Services
7. Safeguarding and Deprivation of Liberty Safeguards	There is an 'everybody's business approach to safeguarding' which is the number one corporate priority.	To ensure robust processes in place to effectively manage safeguarding concerns to ensure those most vulnerable are kept safe
8. Direct Payments	Increasing use of direct payments and recommissioning of support services to users.	To extend the offer of direct payments for people who need care and support and to carers who need support
9. Other . crosscutting	<ul style="list-style-type: none"> - Business support review - Charging Policy; - Performance framework. 	<ul style="list-style-type: none"> - Welsh Language standards, - Transport, - Costs - ICT systems

5d) Concluding statement/ future challenges

Adult Services will benefit in the year ahead from greater stability in leadership within the department and within the service. There will be stronger strategic leadership and direction over what is needed and how best to achieve the changes.

Overall, Adult Services reached a stronger position in readiness to meet the challenges ahead. In relation to the Act, the fast paced change agenda is now business as usual. As the table above shows, a huge amount has been already been achieved in a very short space of time, with the support of everyone involved. Important next milestones are the corporate sign off of this improvement plan within our corporate management team, and putting into place the new management structures to take the plan forward, and bring together all the different pieces of the jigsaw.

Key challenges for Adult Services in Swansea during 2016/17 are:

- Implementation of Social Services and Wellbeing (Wales) Act Ensuring that each person at risk and carers are at the centre of everything we do; with a real voice and control in shaping their care and support to focus on their own safety and well-being outcomes
- Effective and timely safeguarding, managed care and integrated, high quality services to the most vulnerable adults
- Managing our resources effectively, within budget and in partnership, both regionally and locally
- Continuing to deliver on our budget savings strategy and performance targets
- Best possible outcomes are achieved within Adult Services, through a skilled, trained and professional social care workforce who are working to the highest possible standards of supported care planning

Alex Williams, Head of Adult Services, City and County of Swansea

6. Latest Activity and Performance Tables

a) Child and Family Services Activity	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/16	Change (since last Year)
Children supported during the year	3001	3407	3720	3494	3471	3248	-6%
Referrals	2762	3538	2634	1598	1804	1501	-17%
Re-referrals	961	1094	733	313	301	211	-30%
Initial Assessments	1317	1737*	1756	1313	1507	1294	-14%
Core Assessments	1068	1143*	1297	1153	1473	1153	-22%
Strategy (SD) Discussions held	812	1022	1170	1072	1157	1182	2%
Section 47 resulting (from SD)	550	708	813	803	786	752	-4%
Child Protection Registrations	286	296	317	295	338	333	-1%
Child Protection Re-registration					14	9	-36%
Child Protection Re-registrations after 12months or more					27	32	19%
Child Protection De-registrations	273	326	304	302	362	322	-11%
Initial Child Protection Conferences	204	260	372	336	394	380	-4%
Child Protection Reviews	634	710	651	591	711	603	-15%
Looked After children at Year end (open)	580	554	588	539	511	509	0%
LAC Placements Started	193	161	227	190	213	202	-5%
Statutory visits carried out	2724	3034	2660	3288	3573	3683	3%
LAC Reviews in year	1500	1385	1276	1284	1328	1296	-2%
LAC Reviews carried out in timescale	1281	1218	1062	1260	1304	1232	-6%
Young Carers known to service	41	42	29	49	87	29	-67%

b) Adult Services Activity	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/16	Change (since last Year)
Referrals	10814	10,829	10258	11734	11,055	11,055	51%
Assessments	8483	8940	8912	6961	5028	10882	-5%
CPA Assessments (MH)				3503	3855	3457	-10%
OT Assessments	4316	4278	2358	2021	1969	3855	-10%
Carers Assessments					664	588	-11%
Reviews (unique clients)	4862	4762	5328	4580	4398	3754	-15%
Direct Payments	179	180	183	211	308	310	29%
Carers known	2053	2924	2046	1854	1623	1643	1%
No. of people delayed in hospital (for social care reasons)	186	150	44	60	100	135	35%
Adults receiving services at year end					5616	6027	7%
- people receiving residential support					1043	1008	-3%
- people receiving reablement					246	291	18%
- people receiving Day Care					1257	910	-28%
- people receiving community support (Day Care)					341	298	-13%
- people receiving respite					392	465	19%
- people receiving equipment					1312	1096	-4%
- people receiving adaptations					943	960	2%
-people receiving meals					231	0	-100%
- people receiving home care					1995	2068	4%

Total hrs of Home Care (Internal & Commissioned)	749,764	710,931	623,010	624,723	842,681	943,496	12%
Safeguarding referrals			956	1406	1023	1146	19%
Safeguarding referrals completed			375	432	380	276	-27%

NB. Changes to national data reporting requirements this year 2015/16- people receiving services during the year based on sample weeks removed from list.

c) Directorate Activity	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/16	Change (since last Year)
Financial Assessments	3481	3961	3742-	3229	3412	6460	89%

d) Child and Family Services KPIs										
Ref.	Key Performance Indicator	Swansea End of Year 2011/12	Swansea End of Year 2012/13	Swansea End of Year 2013/14	Swansea End of Year 2014/15	Swansea End of Year 2015/16	Wales Ave 2014/15 (13/14)	Swansea Prov. Target 2015/16	Desired Direction of Travel	RAG Status
SCC/002 NSI	Looked after children experiencing one or more changes of school	14.7	16.3	17	15.7	14.3	13.5 (13.85)	<12%	↑	A
SCC/004 NSI	Looked after children with 3 or more placements in year	6.86	7.7	8	10.8	10.6	9.03 (8.27)	7	↓	A
SCC/010 SID	% of referrals that are repeat referral within 12 months	30.9	27.8	19.6	16.7	14.2%	NA (18.8)	<15%	↓	G
SCC/0011a SID	% initial assessments where evidence that children seen	74.4	83.2	83.2	80.1	88	76.11 (78.9)	89	↑	G
SCC/0011b NSI	% initial assessments where evidence that children seen alone	32.5	34.7	42.7	38.0	50	45.22 (37.5)	55	↑	G
SCC/033d NSI	Young people formerly looked after still in touch at 19	89.7	94.1	81.1	89.74	81	93.32 (93.4)	95	↑	A
SCC/033e NSI	Young people formerly looked in suitable accommodation	92.3	93.8	96.7	100	97.1	93.09 (92.7)	100	↑	G

d) Child and Family Services KPIs										
Ref.	Key Performance Indicator	Swansea End of Year 2011/12	Swansea End of Year 2012/13	Swansea End of Year 2013/14	Swansea End of Year 2014/15	Swansea End of Year 2015/16	Wales Ave 2014/15 (13/14)	Swansea Prov. Target 2015/16	Desired Direction of Travel	RAG Status
SCC/033c NSI	Young people formerly LAC engaged in education, training, employment at 19	57.7	56.3	46.7	67.71	44.1	59.51 (54.8)	60	↑	R
SCC/034 SID	% of CPR reviews within statutory timescales	94.2	92.4	98.1	96.2	94.4	NA (98.07)	98	↑	A
SCC/037 NSI	Ave. external qualifications points for 16 yr old LAC	185	330	249	282	426	281 (262)	325	↑	G
SCC/039 SID	Health Assessments for looked after children undertaken	92.4	93.7	98.1	96.0	94.8	NA (81.03)	98	↑	A
SCC/041a NSI	Eligible children with pathway plans	98.2	97.5	93.5	98.2	95.9	97.7 (89.2)	95	↑	A
SCC/042a SID	% Initial Assessments completed within 7 working days	77.8	84.4	91.5	89.94	95.2	NA (71.8)	NA	↑	G
SCC/042b SID	Ave time taken for those initial assessments that more than 7 days	16	14	12	12	10	19.47 (20)	NA	↓	G

d) Child and Family Services KPIs										
Ref.	Key Performance Indicator	Swansea End of Year 2011/12	Swansea End of Year 2012/13	Swansea End of Year 2013/14	Swansea End of Year 2014/15	Swansea End of Year 2015/16	Wales Ave 2014/15 (13/14)	Swansea Prov. Target 2015/16	Desired Direction of Travel	RAG Status
SCC/043a SID	% Core Assessments completed within 35 working days	68.9	69.6	81.5	70.1	79.1	81.23 (76.6)	NA	↑	G
SCC/043b SID	Ave time taken for those core assessments that more than 35days	65	69	60	59	52	57.6 (65)	NA	↓	G
SCC/044a SID	% children looked after who were permanently excluded from school	0	0	0	0	0	0.27 (0)	0	↓	G
SCC/045 PAM	% of reviews Children LAC, CPR and CiN within statutory timescales	75.8	74.6	88.6	85.7	81	89.6 (86.4)	90	↑	A
Key: NSI refers to National Strategic Indicator; PAM refers to Public Accountability Measure; SID refers to Service Improvement Data Measure										

e) Adult Services KPIs		Swansea End of Year 2011/12	Swansea End of Year 2012/13	Swansea End of Year 2013/14	Swansea End of Year 2014/15	Swansea End of Year 2015/16	Wales Ave 2014/15 (13/14)	Swansea Prov. Target 2015/16	Desired Direction of Travel	RAG Status
Ref.	Key Performance Indicator									
SCA/001 NSI	Delayed Transfers of Care	7.18	2.12	2.47	4.7	5.74	4.83 (4.68)	4 to 6	↓	G
SCA/002a NSI	Older People Supported in Community at end of year	67.59	77.22	73.51	70.28	67.11	67.3 (74.48)	97.5	↑	R
SCA/002b NSI	Older People Supported in Care Homes at end of year	22.84	22.91	21.5	20.35	19.26	18.85 (19.84)	19.5	↓	G
SCA/019 NSI	Adult Protection referrals completed where risk managed	90.41	92.65	93.3	92.63	93.48	95.6 (94.5)	97.5	↑	A
SCA/007 PAM	Care Plans reviewed in timescale	76.9	83.2	81.1	71.6	76.9	79.97 (81.1)	80	↑	A
SCA/018a PAM	Carers offered an assessment of their needs	97.2	96.6	97.3	95.0	95.0	88.34 (85.8)	100	↑	A

7. Contact Us

If you have any comments on social services, this annual report, or further questions about the information it contains, you are welcome to use the contact details below:

Simon Jones

Strategic Lead – Act

Social Services

Rm 3.1.4

3rd Floor,

Civic Centre

Swansea,

SA1 3SN

Email: simon.jones@swansea.gov.uk

Agenda Item 12.

Report of the Cabinet Member for Transformation and Performance

Council – 1 November 2016

MEMBERSHIP OF COMMITTEES

Purpose: Council approves the nominations/amendments to the Council Bodies.

Policy Framework: None.

Consultation: Political Groups.

Recommendation: It is recommended that:

- 1) the amendments to the Council Bodies listed in paragraph 2 be approved.

Report Author: Gareth Borsden

Legal Officer: Tracey Meredith

Finance Officer: Carl Billingsley

Access to Services Officer: N/A

1. Introduction

- 1.1 Meetings of Council regularly agree and amend the membership of the various Committees/Council Bodies as reflected in the lists submitted by the Political Groups.

2. Changes to Council Body Membership

- 2.1 The political groups have indicated that they have changes to the following Council Bodies:

Rota Visits

Remove Councillor B Hopkins,
Add Independent Vacancy.

Trustees Panel

Remove Councillor D J Lewis
Add Independent Vacancy.

3. Outside Bodies

- 3.1 The Leader has made the following change to the organisation listed below:

Inter Authority Agreement for Food Waste

Remove Councillor M C Child and add Councillor A S Lewis

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: Local Government & Housing Act 1989, the Local Government (Committees & Political Groups) Regulations 1990.

Appendices: None

Agenda Item 13.

Council – 1 November 2016

COUNCILLORS' QUESTIONS

PART A – SUPPLEMENTARIES

1 Cllrs M H Jones, L G Thomas & T H Rees

The grant to Swansea City Opera is being discontinued this year. In light of the Cabinet Member's comments in a recent article in the local media about Swansea having a "lot of culture to savour" would he please supply a list of grants together with the amounts that have been given to arts organisations over the past 3 years. Would he confirm if any of these are being considered for the next financial year.

Response of the Cabinet Member for Enterprise, Development & Regeneration

The Council's Budget for Culture does not include a specific section or amount for 'grants' in respect of having a designate sum or function for this purpose. It is spread across the key areas of 'development' budgets within the Directorate – from which third party payments have been enabled; Venue costs and programming costs including the activities of the venues and Special Events.

For the purpose of clarifying our expenditure on culture in Swansea I can confirm that the following amounts were dedicated to arts and culture, for the benefit of residents and visitors to the City for the last three years – along with agreed funds for 16/17.

Third Party Payments to Organisations for Arts/Cultural Activity	13/14	14/15	15/16	16/17
National Waterfront Museum Wales excluding car park refunds	548,563	561,343	642,589	621,100
Celtic Media Festival	20,000			
Dawns Tan Dance Ltd	5,000	6,500		
Elysium Gallery	9,975			
Friends Of Cwmdonkin Park	10,000			
Locws International		15,000	15,000	
Maritime Heritage Wales Ltd	7,000			
Menter Iaith Abertawe	2,000	2,000	2,000	
Swansea City Opera & The Opera School	61,279	51,488	50,000	
Swansea International Festival of Music & the Arts	45,000 plus free use of the Brangwyn Hall	10,000 plus free use of the Brangwyn Hall	45,000 plus free use of the Brangwyn Hall	40,000 No free use of venues or Brangwyn Hall
Swansea International Jazz	15,000	15,000	Marketing	

Festival			support	
Swansea University(The Taliesin)	27,500	17,700	17,500	
The Dylan Thomas Prize Ltd	15,000	15,000		
Wales Theatre Co Ltd	10,000			
YMCA Swansea	10,000	2,000		
Various Minor Awards including for example grants of less than £5k to Theatr Na N'og, the Mission Gallery, etc.	9,570	10,813		

Clearly this does not represent the full picture of City & County of Swansea's investment in arts and cultural activity which is more fully illustrated by the investment in the Council's venues and the broad reaching education, outreach and development programmes they run.

CCS Cultural Venues	13/14	14/15	15/16	16/17
Brangwyn Hall	123,392	-17,417	36,465	98,800
Music Programme	6,158	38,223	12,914	0
Dylan Thomas Exhibition – HLF funding programme	205,000	10,903	32,043	31,500
Grand Theatre Total	574,122	784,350	694,610	862,600
Art Gallery Total	550,918	532,626	589,704	604,900
Dylan Thomas Centre	137,212	110,120	100,038	143,000
Swansea Museum & Store	711,092	593,535	598,384	575,600

In augmenting the cultural provision for residents and visitors we also commit the following:

Cultural Services	13/14	14/15	15/16	16/17
Public Libraries	2,977,935	2,817,201	2,745,303	2,912,000
Arts Development	39,035	42,803	86	0
Cultural Strategy & Development	422,705	32,838	21,099	320,500
Literature Programme	61,328	57,685	50,583	0
Museums Education Service (all venues excluding staff)	9,598	8,297	6,943	0

The above budget for strategy and development now includes the budget for the previous budget for the literature programming; museums and galleries education service, music and arts development. It is vital we ensure outcome driven decisions on how this budget is utilised to ensure we continue to meet our high targets for participation.

Please note that the following costs were excluded from this exercise: CCS Special Events programme ie. Airshow; Proms; Live Music; Seasonal Events etc.

Provision for participation in play, recreation, support for Friends of Parks, parks development, beach management, sports or leisure which is a rich source of cultural activity and learning in Swansea;

Payments made by other Council Services, such as City Centre Management, Poverty and Prevention or Education in supporting third parties, events or arts activity;

Payments we make to third parties for providing leisure facilities such as the LC; Wales National Pool; 360 – or to the LC and Waterfront Museum to compensate for customer parking charges at the Waterfront Museum;

Value in Kind support for various events and activities in parks, City Centre and foreshore.

As you can see, despite the reduction in our Cultural Services budget this year and projected for the next two years, our investment in providing and enabling a rich spread of cultural activity in Swansea has continued. Priorities have meant that difficult decisions have had to be made and we have experienced a reduction in staff in some areas alongside a reduced ability to provide third party payments. We continue to seek new ways for efficiencies and shared resources, new partnerships and different ways of delivering services in order to keep cuts to a minimum. Some good examples are the fact that we are moving to self-management for many of our sports and leisure facilities; alongside new income generation schemes and an extensive programme to identify whether other existing, not for profit leisure and cultural organisations can support the facility management requirements at reduced costs to the Council.

2 Cllrs P M Black, A M Day, M H Jones

Will the Cabinet Member comment on the procedures that are in place in schools to protect the integrity of biometric data collected from pupils.

Response of the Cabinet Member for Education

In July 2013, the Welsh Government issued 'Protection of biometric information in schools and further education institutions'. In line with all other Welsh Government documents for schools, copies are sent to schools. A number of Swansea schools had already expressed an interest in using biometric data for catering and attendance and schools were issued with a link to the England Department of Education document published in December 2012 which also provided information on the introduction and protection of biometric data collected from pupils.

School Governing Bodies are data controllers for the school and will usually delegate day to day management and responsibility to the Head Teacher in accordance with the School Data Protection Policy where applicable. Schools are required to ensure data is held securely, destroyed when no longer needed, used only for the purposes for which it was obtained and not unlawfully disclosed. Any concerns about data security should be addressed to the school directly.

To ensure all City & County of Swansea schools are reminded of the need for data protection the local authority plans to issue the following link to the July 2013 information from the Welsh Government on guidance and templates to support schools in the implementation of information management strategy (IMS) and to ensure biometric data is properly collected and processed:

<http://gov.wales/topics/educationandskills/schoolshome/schooldata/ims/datamanagementims/?lang=en>

The above updated information will be issued to Swansea schools in the newsletter on Monday 10 October 2016.

For the benefit of councillors who are not school governors I am reproducing the 'Frequently Asked Questions' from the Welsh Government guidance. In Swansea arrangements are in place for pupils to be issued with a PIN number if parents do not wish them to engage in the biometric process.

Frequently asked questions

What information should schools/FEIs provide to parents/learners to help them decide whether to object or to give their consent?

Schools and FEIs should take steps to ensure parents receive full information about the processing of their child's data including a description of the kind of system they plan to use, the nature of the sensitive data they process, what the purposes of the processing are and how the data will be obtained, used and stored. This will enable any objection or consent by a parent to be an informed decision.

What if one parent disagrees with the other?

Schools and FEIs will be required to notify all parents that they intend to take and process the child's biometric information. If one parent objects then the school or FEI will not be permitted to process the child's data.

How will the child's right to object work in practice – must they do so in writing?

No – the child is not required to object in writing. Whilst an older child may be able to say that they object to the processing of their biometric data, a younger child may show reluctance to take part in the physical process of giving the data. In either case the school or FEI will not be permitted to collect or process the data and will have to provide reasonable alternative arrangements to enable the child to access the relevant service.

What if a child requests that their parents are not contacted?

Schools and FEIs must notify all parents of learners under the age of 18 where they intend to obtain and subsequently use their child's biometric information as part of an automated biometric recognition system. If a child requests that their parents are not contacted, schools and FEIs may decide not to contact the child's parents. However, if all parents are not notified and consent cannot be obtained from parents whose consent is required (see paragraph 4.2 above) biometric information cannot be collected or processed.

Do local authorities have a right to refuse to allow schools to install biometric systems?

Governing bodies of maintained schools have the power in law to do anything

which appears to them to be necessary or expedient for the purposes of, or in conjunction with the conduct of the school. They therefore have the power to install a biometric system in their school for purposes such as improving the administrative efficiency of the school. The law does not require a governing body of a maintained school to obtain the express consent of the local authority to a proposal to install a biometric system in the school.

Are schools/FEIs required to ask/tell parents before introducing an automatic biometric recognition system?

The law does not require schools and FEIs to consult parents before installing an automated biometric system. However, they are required to notify parents and obtain consent from at least one parent before their child's biometric data is obtained or used for the purposes of such a system. It is up to schools and FEIs to decide whether they think it is appropriate to consult parents and learners in advance of installing such a system.

Do schools need to renew consent every year?

No – the original written consent is valid until such time as it is withdrawn. However, if a parent or the child objects at any stage to the processing of the data, then the processing must cease. When the learner leaves the school or FEI, his/her data should be removed from the school's/FEIs system.

Can consent be withdrawn by the child or parent?

Parents will be able to withdraw their consent, in writing, at any time. In addition, any other parent will be able to object, in writing, at any time to the processing of their child's data. The child's right to refuse applies both to the giving of consent and the ongoing processing of biometric data. If at any time the child objects to the processing of biometric data the school or FEI must stop doing so.

Will consent given on entry to primary or secondary school be valid until the child leaves that school?

Yes. Consent will be valid until the child leaves the school. If at any point the parents or the child decide that the data should not be processed they will have the right to have it stopped and removed from the school's system.

Can the school notify parents and accept consent via email?

Yes – as long as the school is satisfied that the email contact details are accurate and the consent received is genuine.

Will parents be asked for retrospective consent?

No – any processing that has taken place prior to the Protection of Freedoms Act 2012 coming into force will not be affected. However any school or FEI that wishes to use, or to continue to use automated biometric recognition systems after 1 September 2013 (when the new duties in the Act come into force in Wales) will have to ensure that they have sent the necessary notifications to all parents and obtained the written consent from at least one parent **before** continuing or starting to use, such systems.

Does the legislation cover other technologies such a palm and iris scanning?

The legislation covers all systems which by means of equipment operating automatically record or use physical or behavioural characteristics for the purpose of identification. This will include systems which use palm, iris or face recognition amongst others, as well as fingerprints.

Is parental notification and consent required for the use of photographs and CCTV in schools?

No – not unless the use of photographs and CCTV is for the purpose of an automated biometric recognition system. However, schools and FEIs must adhere to the requirements in the Data Protection Act 1998 when using CCTV on their premises for general security purposes or when using photographs of learners as part of a manual ID system or as part of an automated system that uses a barcode to provide a child with access to services. Depending on the circumstances of each case, consent may be required or be advisable under the Data Protection Act provisions. The Government believes this is sufficient to regulate the use of CCTV and photographs for such purposes. Photo ID card systems where a child's photograph is scanned to provide him or her with services would fall within the obligations on schools and FEIs, under sections 26 to 28 of the Protection of Freedom Act 2012, as such systems fall within the definition in that Act of automated biometric recognition systems.

Is parental notification or consent required where a child uses or accesses standard commercial sites or software which use face recognition technology?

The provisions in the Protection of Freedom Act 2012 only cover the processing of biometric data by or on behalf of the school or FEI. If a school or FEI wishes to use such software for school/college work then the requirement to notify parents and to obtain parental consent will apply. However, if a learner is using this software for their own personal purposes then the provisions do not apply, even if the software is accessed using school or FEI equipment.

3 Councillors E W Fitzgerald, D G Sullivan, D W Cole, L James, S M Jones, K M Marsh, I M Richard & G D Walker

Could the Leader suggest why there was such a fall (2,500) in the number of professional and financial jobs in Swansea in the year 2014 and 2015 given the backdrop of an overall increase in jobs in this sector across Wales?

Does he consider this bodes well in terms of the 14,700 new jobs for Swansea proclaimed in the LDP.

Response of the Cabinet Member for Enterprise, Development & Regeneration

The data was published by Welsh Government as an update of their Priority Sector Statistics, and the employment section of this is essentially sourced from Office for National Statistics' Annual Population Survey (APS) data. These priority sectors are aggregations of the specific industry (SIC) codes which Welsh Government considers best represent these wider sectors.

Looking at the annual data for Swansea figures for this professional and financial sector for each available year:

2006: 10,000
2007: 10,300
2008: 11,300
2009: 12,200
2010: 10,100
2011: 11,900
2012: 16,400
2013: 15,500
2014: 15,700
2015: 13,200

There appears quite a fluctuation, with the latest figure around half-way between recent low (2010) and high (2012) points.

Due to sampling variability, the margin for error in this source can be quite wide, as is acknowledged in the accompanying text - "Each year's data is based on around 14,000 people in employment in Wales"; and also "As it is a sample based survey estimates can be volatile where the sample sizes are small." This volatility can also be seen between 2011 and 2012, with a large (reported) annual increase.

With such volatility, it may not be possible to infer from the 2015 data that there is necessarily a significant decline in employment numbers in Swansea. My Officers are not aware of anything that has happened in the Swansea economy to account for such a decline.

I acknowledge the 2015 data is disappointing, but I suspect this data may be affected by the survey sampling size. My Officers will continue to monitor this closely for any other relevant information that may shed light on this data.

4 Cllrs Chris Holley, Mary Jones, Paul Meara

The NHS staff who are attached to our Hubs are using of our offices, utilities and car parks. What arrangements are in place to cover their costs.

Response of the Cabinet Member for Transformation & Performance

CCS recovers all ongoing costs for the most recent location of the Central Hub into the Civic Centre as this was considered to be outside of the joint partnership arrangement between CCS and ABMUHB. The question of car parking was the subject of a recent Council Question where it was confirmed that ABMUHB are recharged the full cost of a number of floating permits.

5 Councillor Chris Holley, Mary Jones, Paul Meara

What current grants have been used by the Council from Welsh Government and are these grants yearly.

Response of the Cabinet Member for Finance & Strategy

The Council is expecting to receive approximately £54m directly from the Welsh Government in 2016/17. These are for a variety of schemes, for example

Supporting People (£13.8m), Concessionary Fares and Local Transport Services (£6.8m), Bus Services Support (£6.8m), Post 16 provision in Schools (£5.5m), Single Revenue Grant (Waste) (£4.8m), Communities First (£3.2m), The European Rural Plan (£1.5m), Western Bay Health (£1.3m) and Health Visiting (£1.7m). The majority of schemes are awarded on an annual basis, although there may be a 3 year indicative offer on some schemes these quite often are only confirmed on an annual basis.

6 Councillors J W Jones, C A Holley, P M Black

In the Council meeting on September 22 2016, reference was made to the Council's borrowing. It was stated that a figure of £73.580m was used to buy out of the HRA Subsidy System. Considering that the borrowing for the year was £90.2m will the Leader / Cabinet Member tell to Council what the difference was used for.

Response of the Leader/Cabinet Member for Next Generation Services

The HRA Subsidy buyout was mandated by Regulation and therefore required to be undertaken on that date and for that amount and for that purpose.

Actual borrowing is not hypothecated to actual capital schemes/purpose. The borrowing requirement is informed by the capital financing requirement which is a function of developing and formulating the capital programme as approved in the capital budget 2016/17- 2019/20 presented at Council in Feb 2016.

The timing of this borrowing is delegated to the S151 Officer determined by good treasury management practice, i.e. evaluation of interest rates, cashflow, and availability of counterparties etc., and such an opportunity arose to undertake some borrowing in March 2016 as outlined in the Treasury management annual report 2015/16.

The marginal borrowing referred to above was undertaken to support the capital programme 2016/17-2019/20.

7 Councillors E W Fitzgerald, D G Sullivan, D W Cole, L James, S M Jones, K M Marsh, I M Richard & G D Walker

In relation to the Planning Approval granted a few years ago for a Wind Turbine complex at Mynydd y Gwair, are appropriate Cabinet members aware that none of the planning conditions have yet been discharged at the date of writing this question 21-9-16, so the whole project has still not got formal planning permission to effect any development work start? Furthermore, are appropriate Cabinet Members aware that the proposed capacity of this project is being reduced under the Company's simplified new name of Innogy, from 48 MW down to 33.6 MW, meaning the annual Community Benefit Fund for the County will be reduced from £240,000 per annum to £168,000 per annum spread across Swansea, if and when the project ever gets into the reduced full production?

Will the appropriate Cabinet Members concede that the average effectiveness of 25% for inshore Wind Turbines means that 25% of 33.6 MW for Mynydd y Gwair will be just 8 MW compared to up to 299 MW capacity for the proposed Swansea Bay Tidal Lagoon and compared to the proposed 3,200 MW capacity Hinckley

Point Power Station?

Will the appropriate Cabinet Member explain what just 8 MW of Renewable Energy will do to combat Global Climate change compared to the loss of the carbon sink peat bogs on Mynydd y Gwair.

Response of the Cabinet Member for Enterprise, Development & Regeneration

The Mynydd y Gwair Wind Farm was granted planning permission 10 March, 2014 subject to conditions (ref:2012/1221). The Local Planning Authority are currently considering 16 pre-commencement conditions. The MYG onshore wind farm will comprise 16 turbines, each capable of generating between 2 and 3 MW of electricity, giving a total installed capacity of between 32 to 48MW.

Innogy are proposed to establish a community benefit fund with the proposed payments of up to £5,000 per MW of installed capacity, which based on the installed capacity, would be in the region of £160,000 to £240,000. It is stressed, however, that the community benefit fund does not constitute part of the planning permission.

The effectiveness of any form of electricity generation system will be influenced by a wide variety of factors and it is not considered appropriate to compare the effectiveness of wind turbines with the capacity of tidal or nuclear power in this respect.

The planning application Ref: 2012/1221 was accompanied by a Carbon Balance Report. It concluded that the results of the carbon calculator for the proposed wind farm development at Mynydd y Gwair show that the wind farm development itself is estimated to produce annual carbon savings in the region of 45,202 tonnes of CO₂ per year through the displacement of grid electricity (based on a counterfactual emission factor of 0.43 kg CO₂/kWh). This was calculated on an assumed turbine capacity of 2.5MW. This represents displacing grid electricity generated by combined cycle gas turbines, a source of electricity used as balancing power within the grid and the most likely source to be displaced as additional generation sources are added to the grid. Based on the proposed life expectancy of the wind farm of 25 years this would equate to 25 x 45,202 tonnes of CO₂ per year = 1,130,050 tonnes of CO₂.

The assessment of the carbon losses has estimated an overall loss of around 50,356 tonnes of CO₂ due to the construction of the wind farm and the impact of drainage on the peat. The estimated payback period of the wind farm is therefore **1.1 years**, with a minimum/maximum range of 0.8 to 1.6 years. The sensitivity analysis shows that this estimate is robust with respect to key parameters; altering these does not significantly increase the payback period, increasing the confidence in this estimate.

The key area of anticipated carbon loss (59.3%) is from the turbine manufacture. Soil organic matter, in particular the CO₂ loss from excavated peat contributes to approximately 37.8% of carbon losses (assuming some worst case parameters). The wind farm has been specifically designed to minimise the impacts on the

peatland habitat and to reduce the volume of excavated peat removed by avoiding peat or by locating on shallow peat deposits <0.3m. Mitigation measures such as blocking drains to restore degraded bogs are not proposed. However it is anticipated that any gains from site restoration would be relatively small compared to anticipated losses and would only marginally reduce losses.

8 Councillors M H Jones, J W Jones, J Newbury

Will the Cabinet Member please explain the report that was in the local media on Friday 30 September which highlights a crisis within Social Services regarding the signing off of the Deprivation of Liberty Safeguards (DoLS) There were reports and comments from both the Council and Trade Unions yet we as Councillors have not been told anything about this problem. Will the Cabinet Member tell Council what is going on.

Response of the Cabinet Member for Adults & Vulnerable People

Following a court case a few years back (commonly referred to as the Cheshire West case), all local authorities, health boards and care providers were found to have been effectively misinterpreting the legislation in relation to deprivation of liberty safeguards and that far more individuals than was previously believed to be the case should have been subject to these safeguards.

In practice this meant that for Swansea the number of individuals needing to be assessed increased from an average of 20 each year to over a 1000.

As a result all local authorities suddenly accrued significant historic backlogs.

2014/15 was something of a transition year when Swansea along with other local authorities began to assess the likely impact on demand and resources.

From April 2015, Swansea put in place additional resources including extra business support (to relieve the burden on teams), extra finance to pay for medical assessments and extra social work capacity (from external trained assessors) to help clear the backlog.

At the same time Swansea trained all our qualified staff and managers to be able to undertake the process and be compliant with the findings of the Cheshire West case.

The approach agreed with team managers across the service was that once the historic backlog was cleared, ongoing assessment activity would be undertaken spread across the whole service.

We calculated that we expect to receive 90 requests for assessment each month. This would equate to each trained worker carrying out 1 assessment per month (taking about half a day). The expected figure of 90 per month has now been shown to be accurate following 2 years of data.

The team managers agreed that spreading the workload across the service was a preferred option to creating a dedicated resource both in terms of overall resilience and recognising that this fits better with our approach that safeguarding is everyone's business.

The historic backlog was cleared by April 2016 (we are probably ahead of many other local authorities and the health board in this regard).

However post April, it has become evident that new backlogs have accrued within teams. When we reviewed the causes for these backlogs it was identified that the robust arrangements to allocate new assessments and monitor completion of this work had not been implemented.

This issue has been picked up at an early stage, expectations of the responsible managers clarified and arrangements to clear the newly accrued backlog put in place.

These statutory assessments are an important additional safeguard for many of our most vulnerable citizens. The court has recognised it as a human rights issue and where local authorities or health boards are found to be in breach of that responsibility, compensation to affected individuals has been awarded.

A concern has been raised about overall workload capacity within adult services and whilst the ratio of adult social workers per head of population remains high compared with other local authorities, further exploration of any specific team issues will continue.

PART B - None