



Dinas a Sir Abertawe

Hysbysiad o Gyfarfod

Fe'ch gwahoddir i gyfarfod

Y Cabinet

Lleoliad: Siambr y Cyngor, Neuadd y Ddinas, Abertawe

Dyddiad: Dydd Iau, 15 Chwefror 2018

Amser: 2.00 pm

Cadeirydd: Cyngorydd Rob Stewart

Aelodaeth:

Cynghorwyr: J E Burtonshaw, M C Child, W Evans, R Francis-Davies, D H Hopkins, A S Lewis, C E Lloyd, J A Raynor a/ac M Thomas

Mae croeso i chi ddefnyddio'r Gymraeg. Os dymunwch ddefnyddio'r Gymraeg, rhowch wybod i ni erbyn canol dydd ar y diwrnod gwaith cyn y cyfarfod.

Agenda

Rhif y Dudalen.

- 1. Ymddiheuriadau am absenoldeb.**
- 2. Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/DatgeliadauBuddiannau
- 3. Adroddiad(au) Arweinydd y Cyngor.**
- 4. Cwestiynau gan y cyhoedd.**
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- 5. Hawl i holi cynghorwyr.**
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Cyfarfod Nesaf: Dydd Iau, 15 Mawrth 2018 ar 2.00 pm

Huw Evans

Huw Evans

Pennaeth Gwasanaethau Democrataidd

Dydd Mawrth, 6 Chwefror 2018

Cyswllt: Gwasanaethau Democrataidd - Ffon: (01792) 636923

Agenda Item 6.



Report of the Cabinet Member for Health & Well-being

Cabinet – 15 February 2018

Annual Review of Charges (Social Services) 2018/19

Purpose:	<p>To review changes to the Council's Charging Policy (Social Services), and to agree upon a list of charges to apply in 2018/19.</p> <p>Details of charges are laid down in the following link: Charging Policy (Social Services)</p>
Policy Framework:	<p>Social Services, in accordance with the detailed code of practice and regulations under Parts 4 & 5 of the Social Services and Well-being (Wales) Act 2014.</p> <p>The report accompanies the annual review of charges for social services in Swansea (Appendix 1), with a set of recommendations for changes to the Council's Charging Policy (Social Services), and in particular the List of Charges to come into effect in April 2018.</p>
Consultation:	<p>Access to Services, Finance, Legal.</p>
Recommendations:	<p>It is recommended that:</p> <ol style="list-style-type: none">1) The updated report on the Annual Review of Charges for Social Care by the Chief Social Services Officer is accepted2) A general uplift of 5-6% for all social services charges, and an above inflation increase to home care charges is applied.3) A charge for Day Services- Older People is introduced4) A charge for Day Services- Adults/ Special Needs is introduced5) A charge for respite at home is introduced and aligned with the charge for other forms of home care.6) The List of Charges to apply in 2018/19 is agreed.7). Cabinet notes the amendments and approves the Charging Policy (Social Services).

Report Author:	Simon Jones
Finance Officer:	Chris Davies
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 This report provides a summary of the Chief Social Services Officer's annual review of charges (social services), and sets out the recommendations arising from this review cycle, following the Council's budget consultation exercise.
- 1.2 Swansea Council, under Parts 4 & 5 of the Social Services and Well-being (Wales) Act 2014, has to work within a single social services charging policy framework, and to set out a list of charges to be applied to Swansea citizens in the year ahead.
- Under the Act, a local authority can only charge:
- up to the cost of providing the service
 - what the person can afford to pay for an assessed for service
- 1.3 Swansea's Charging Policy (Social Services) was approved by Council in April 2016, and the first annual review was carried out last year.
- 1.4 The full report of the Chief Social Services Officer on the second annual review of charges -social services 2017/18, is appended to this report to Cabinet (see Appendix 1).
- 1.5 This latest report provides the detail on annual review process, it summarises the feedback from the consultation process, how the charges could impact on citizens and vulnerable population groups, how this can be addressed and a set of recommendations to meet the Council's current strategic priorities.
- 1.6 A revised List of Charges, to apply in 2018/19, is also appended to this report (see Appendix 2).

2. Background to Annual Review of Charging Report

- 2.1 Swansea Council has to have a Charging Policy (Social Services), and is expected to review the list of charges, as they are applied, annually. This report summarises the findings of this annual review. The revised charging policy is appended to this report (Appendix 4).
- 2.2 The Council operates this charging policy, in accordance with the framework set out in the Social Services and Well-being (Wales) Act 2014, in particular the Parts 4 & 5 regulations, codes of practice and statutory guidance.

[Part-4-and-5-code-of-practice-charging-and-financial-assessment](#)

- 2.3 The arrangements for paying for social care in Wales has to balance public sector and individual contributions through charging. This remain a matter of debate and controversy, and though some reform has taken place, there is still room for Local Authority discretion and policy making. Public funding of social care is under pressure as Council budgets are squeezed, demand for services is increasing and all care providers face new financial challenges, including the introduction of the National Living Wage.
- 2.4 Non-residential social care services such as domiciliary care, respite care or day care services are either directly provided, or commissioned from external agencies by the Council. Under the current policy, and the framework of the Social Services and Well-being (Wales) Act 2014 (SSWB Act), a local authority can only charge:
- up to the cost of providing the service
 - what the person can afford
- 2.5 Welsh Local authorities have discretion over whether to make charges for these services, although almost all do. The scope and levels of any charges set by each Local Authority, are only constrained by legislation, specifically the Social Services and Wellbeing (Wales) Act 2014 and in particular the Care and Support (Charging) (Wales) Regulations 2015 which are amended annually. This coming year, the Maximum Weekly Charge applicable in non-residential charging is to be increased from £70 to £80 per week.
- 2.6 Swansea Council also has a corporate financial policy for setting charges covering all services, that, where appropriate, a principle of full cost recovery should apply. The charging policy and financial assessment of each person subject to charging should ensure there is no cross-charging for services. This is taken to mean that the charge can only cover services to meet an assessed need, and that the charge does not exceed the cost of the service.
- 2.7 All social services charges are reviewed on an annual basis, to support the Council's financial and charging plans. Some in-year reviews for new or existing charges can also take place during the financial year. Also considered is whether local charges should reflect social care inflationary pressures, and any additional costs likely to apply in 2018/19.

3. Main Findings

- 3.1 The Chief Social Services Officer's annual review of charges follows the steps as suggested by Wales Audit Office, in that it considers:
- strategic context,
 - statutory framework and financial policy
 - current charges/fees for commissioned services,
 - comparisons of charges with other Welsh Local Authorities
 - current unit costs of providing the service in house

3.2 An updated annual review report (Appendix 1) sets out findings within the following

- Background to Current charging proposals
- Feedback from budget consultation
- Assessment of impact linked to changes/ EIA
- Proposed actions to address issues/ impact
- Recommendations

3.3 **Summary of feedback on budget proposals relating to charges**

- i) A general uplift of 5-6% for all charges to reflect inflationary pressures
55.5% of people who responded to the survey disagreed, or strongly disagreed with this proposal
Comments range from people accepting increasing costs of home care, and the need to pay decent wages, to other stating that what amounts to a 50% increase is outrageous.
- ii) Day Services - Older People's (new charge)
72.2% of people who responded disagreed or strongly disagreed with this proposal
Comments include that day services are vital and how much people look forward to attending but that the charge per day is too high.
- iii) Day Services -Adults with special needs day services (new charge)
74.6% of people who responded disagreed or strongly disagreed with this proposal
There has been strong comments from carers and service users on this proposal, which will impacts on a range of target population groups, and vulnerable adults: Mental Health, Learning Disability, Physical Disabilities, Sensory Impairment and Carers. These groups are also the most economically challenged, or marginalised.
A number of parent/ carers have said they will pull the cared for person out of the service rather than pay a charge or allow them to be the subject of a financial assessment.
- iv) Respite at home service (new charge)
59.6% of people who responded disagreed or strongly disagreed with this proposal
Comments include by offering more support to those family carers that do the care, such as an hour or 2 respite, can help enable them to continue to provide long term personal care/meal provision, being proactive in preventing residential care admissions or hospital stays.
- v) Home Care (increase in hourly charge)
59.7% of people who responded disagreed or strongly disagreed with this proposal.
Comments range from people accepting increasing costs of home care, and the need to pay decent wages, to other stating that what amounts to a 50% increase is outrageous.

3. Equality and Engagement Implications

- 3.1 Swansea Council's Charging Policy (Social Services) is applied equally, in that all assessed needs for care and support services, where they are broadly the same, are treated as the same.
- 3.2 The EIA undertaken identified some potential impacts, however the impacts to each of the different protected characteristic will be fully considered in each individual circumstance. If the new charges are agreed, each individual will have to undertake a financial assessment. The assessment will fully consider the social care assessment which contains an individual's personal profile details. As the individual's assessment is unable to be carried out prior to the introduction of a new/increased charge, the full impact can't be assessment until after implementation.
- 3.3 The Council's budget consultation responses showed some potential impacts such as:
- Impact on people receiving benefits or with low income
 - Impact on carers, and their relationship with cared for person
 - As a disincentive to people accessing social care services
 - Impact on the most vulnerable people/ target population groups such as older people, people with mental health needs, people with learning disabilities, people with physical disabilities, people with sensory impairments, people with complex health needs/ chronic conditions, young people reaching a transition to adult social services
- 3.4 Actions to mitigate against these potential negative impacts include:
- Where citizens or service users are considered to be eligible for a charge, then a financial assessment is offered to determine their means to pay. In Wales, under the Act, there is a maximum weekly charge for homecare and other non-residential, community based, social care services.
 - The current maximum charge from 10 April 2017 is £70 per week, and this is reviewed annually by the Welsh Government (set to increase to £80 in 2018/19).
 - The Parts 4 & 5 Code of Practice guidance advises Local Authorities that: "because a person who receives care and support outside a care home will need to pay their daily living costs such as rent, food and utilities, the charging framework seeks to ensure they have enough money to meet these costs".
-“As a result after charging local authorities must leave a person who is being charged with a minimum income amount”.
 - Where a person is lacking capacity to fully understand the charges, they may still be assessed as being able to contribute towards the cost of their care and support.

- The local authority has put in place policies regarding how they communicate charges, how they carry out financial assessment and how they apply charges in practice.
- If a service user declines to receive a service to meet their needs because of the imposition of new charges, then the care and support plan will still have to address their needs, with their agreement.
- Alternative care and support arrangements may be sought out in this situation, including the offer of direct payments, carers support services or other local support arrangements.

3.5 There are clear principles, in the current Council's charging policy (social services), that states that a person's ability to pay should not preclude access to care and support, or that the charges for care and support should not exceed the costs of provision.

3.6 **Council's budget consultation process**

The Council's budget consultation period was open for six weeks between 14th Dec. 2017 up to 26th Jan 2018, and later extended by one week to 2nd February 2018. Within the period the following activities took place

- Council opened up a budget consultation survey on the public website and paper copies of the survey were made available in public libraries and buildings.
- A letter from Chief Social Services Officer was given to services users attending day services, informing them about the budget proposals and the consultation on new charges, together with directions for the internet survey (approx. 960 service users)
- Hard copies of the letter, the consultation survey and answers to a set of Frequently Asked Questions were also provided to service managers and service users/carers on request.
- Day Services managers and staff were briefed to support service users in how to complete the consultation survey. Some information sharing events were also held in day services involving service users and carers, on request from the service.
- Social Services also identified those citizens who are most likely to be impacted by all of the proposed changes e.g. people who have received a financial assessment (open case), and a letter on behalf of the Chief Social Services Officer (approx. 2920 households).
- A small number of people receiving direct payments in lieu of day services who may not have received a financial assessment were also sent letters (approx.. 7 people)
- Some calls and letters were received and responded to by officers directly, though people were supported and asked to complete a survey response
- The responses received as part of the survey, which closed on 2nd February January 2018, and through consultation events held in services have helped to inform this annual review of charges.

A petition of **2221** signatures, against the proposed charges for day services, was received by Swansea Council on 26th Jan. 2018.

- 3.7 The full EIA for a revised Charging policy is attached to this report (Appendix 3).

4. Financial Implications

- 4.1 Welsh Government has maintained a view that, within local authorities, implementing the Social Services and Well-being (Wales) Act 2014 should be seen as cost neutral. The Act changes the charging arrangements for respite care, as the maximum charge (currently £70 per week) now applies for this service, rather than the standard residential care rate charges applied in the past. The Act grants further discretionary powers to local authorities, on what services can be charged for and the rates at which these are charges at, provided that these do not exceed the cost of providing the service.
- 4.2 Swansea Council has a corporate charging policy based on the principles of full cost recovery as reflected in the principles and findings of this review.
- 4.3 The maximum charge arrangements significantly limit the financial impact on individual citizens of any changes to charges for community services. The charges will bring the Council more in line with other local authority published charges by category
- 4.4 The maximum weekly charge arrangements will inevitably limit both the detrimental impact on individuals, and also the level of additional income the Council would otherwise receive. Any additional change to the weekly maximum charge for 2018/19 will likely have a further impact on both individuals and the level of income recovered by the Council.
- 4.5 Changes to be fully incorporated into the financial assessment process by our corporate Social Care Income and Finance Team (SCIFT) and the Abacus system.
- 4.6 Changes to the charges and use of long term residential care charges are also likely to have more of an effect on income generated, through any loss of income has to be considered alongside national changes to the capital limit.
- 4.7 In terms of inflationary pressures, a standard 5 to 6% uplift for this year reflects the many social care cost pressures affecting the care sector at present- living wage, energy costs, national standards and qualifications frameworks, etc.

5. Legal Implications

- 5.1 The Social Services and Well-being (Wales) Act, and the associated Regulations and Codes of Practice came into force on 6th April 2016, and these set out how financial assessments and charging for social care services should be managed by local authorities. Whilst the Welsh Government retains

the power to set caps and thresholds for charges, it is necessary for each Local Authority to publish their charging policy, and to establish a process to review, set and consult upon the list of charges to be applied.

- 5.2 The introduction of any new charges for care and support services, and proposals to significantly increase charges above inflation, will require specific consultation, equalities impact assessment and Cabinet decision.

Background Papers: None.

Appendices:

- Appendix 1 - Report on the Annual Review of Charges (Social Services) – To be updated by Chief Social Services Officer dated February 2018
- Appendix 2 - Proposed List of Charges -Social Services for 2018/19
- Appendix 3.Full Equalities Impact Assessment
- Appendix 4 - Swansea Council Charging Policy –updated, with amendments to come into effect in April 2018



Annual Review of Charges -Social Services 2017-18

Report by Chief Social Services Officer

Updated February 2018

1. Introduction

1.1 This updated report sets out Swansea Council's annual review of social services charges, following the recent budget consultation. It provides a detailed analysis of the current situation, background to the proposals, together with feedback from citizens and recommendations to inform a new list of charges **due to come into effect from April 2018**.

This review aims to ensure that Swansea's charging policy (social services) reflects key principles set out in Council policies and corporate principles: citizen voice and control, coproduction, equalities impact assessment, full cost recovery and full transparency in implementation.

1.2 Social Services and Well-being (Wales) Act 2014 ('The Act') extends a discretion to Local Authorities in the setting and reviewing of charges for social care services, whilst retaining national government control over thresholds or caps such as the maximum weekly charge and capital limit. Under the above, charges for social care can only relate to the 'cost that the local authority incurs in meeting the needs to which the charge applies' (s59 (2)).

Code of Practice for Pts 4 & 5 of The Act also states that social care charges are not to be set at a level *higher than* the cost of providing the service.

Link to Code of Practice:

- Part 4 and 5 Code of Practice (Charging and Financial Assessment)

https://socialcare.wales/cms_assets/file-uploads/Part-4-and-5-code-of-practice-charging-and-financial-assessmenr.pdf

1.3 Swansea Council, as with any Welsh LA, has to decide whether to charge for the care and support a person receives, though it must do so in accordance with the regulations and codes of practice in Parts 4 & 5 of The Act.

Swansea Council's has revised the Charging Policy (Social Services) to ensure it continues to meet the statutory requirements under the Act, that is to operate a single charging framework and to set out how the Council intends to apply those discretionary powers on charges conferred by Welsh Government.

1.4 The Council must offer a financial assessment to individuals who may need managed care and support to ensure any charge made is reasonable compared to the person's financial means. A

statement of charges to apply, is then issued to the individual, before the care and support, and charging, commences. In completing the financial assessment, there are some differences between calculating a charge for non-residential care and for residential care due to nationally set thresholds and caps on charges. The Council's Social Care Income and Finance Team (SCIFT) undertakes financial assessments, on behalf of the Social Services, in order to calculate how much a client must contribute towards the cost of their care. The team is also responsible for client contributions that in respect of outstanding care and support charges. <http://www.swansea.gov.uk/staffnet/SCIFT>

1.5 A statement from the Welsh Government Minister is expected to confirm the national charging thresholds and allowances in 2018/19, and these will be updated in Swansea's charging policy and list of charges to apply in 2018/19.

The main changes announced (Feb 2018) are:

- Capital Limit applicable in residential care charging is to increase from £30,000 to £40,000 in 2018/19 (the capital limit applicable in non-residential care charging is to remain as £24,000);
- Maximum Weekly Charge as applicable in non-residential charging is to increase from £70 to £80 per week;
- Personal Allowance (Minimum Income Amount) to people in residential care is to increase from £27.50 to £28.50 per week

2. Background

2.1 The current financial situation for Social Services is extremely challenging. Significant future financial pressures, current overspends and continued austerity mean that we have to look towards charging as a means of ensuring the sustainability of our services. Under the Social Services and Well-being (Wales) Act 2014, a local authority can only charge individuals:

- Up to the cost of providing the service
- What the person can afford to pay for an assessed for service

2.2 Corporate strategic priority is to safeguard our most vulnerable people, whilst providing sustainable services by supporting more people to remain in their own homes, within their own communities and to support carers. Currently, many of Swansea's charges for social care are significantly below to the costs incurred in providing the service. In some instances, a move to full cost recovery in a single year would result in such a significant increase that a longer-term approach might be required. However, one of the key principles of Sustainable Swansea is that full cost recovery should be the aim of all of our charging and that any deviations from this should be both visible and approved.

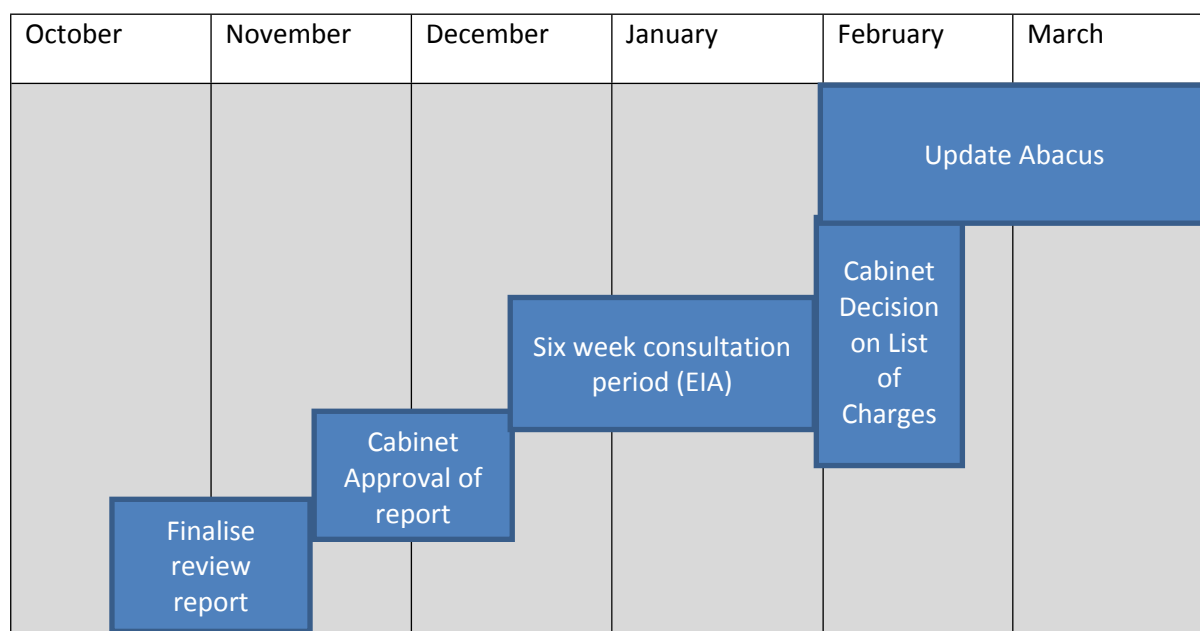
This charging framework, backed by financial assessment to safeguard the most vulnerable people in Swansea, will also ensure that individuals are not asked to contribute more than they can afford towards the costs of their care. Wherever a charge is to be made to a third party organisation such as another local authority or ABMU, the principle of full cost recovery will always apply.

3. Annual Review of Charges

3.1 The Social Services Finance and Charging working group was set up to ensure Swansea meet the statutory requirements for social services in all aspects of the finance and charging regulations and code of practice, and that the Council’s Charging Policy (Social Services) is being fully implemented. Chaired by Chief Social Services Officer, this meeting ensures that all areas of the Council are working together effectively to support implementation of the policy, improving social services and financial process, developing this annual review cycle, and to ensure that all of this supports Council’s strategic priorities and financial procedures.

3.2 This annual review report provides a full analysis of how charges are working across the main categories of service by considering the following: strategic considerations, current situation in how service is used, comparison with other Welsh Local Authorities, financial modelling of the impact of an annual uplift and new charges, equalities impact assessment and progress towards full cost recovery. Chart below shows the timeline for implementing the annual review of charges.

High Level Timeline for Annual Review of Charges (Social Services) 2017/18



3.3 Swansea Social Services follows the Wales Audit Office guidance on reviewing public services charges: <https://www.wao.gov.uk/system/files/publications/income-generation-2016-eng.pdf>

In particular, the review made use of the checklist of key considerations, as below and summarised in this report.

- How does it fit with our strategic priorities?
- Are we legally allowed to charge for this service?
- Who currently uses our services?
- What will be the impact on service users and citizens?
- What are the views of stakeholders, or plans to engage and consult?
- Are there other providers and what do they charge?

- How do we treat concessions and who is eligible?
- What is the cost of implementing the charge?
- Do we have the necessary arrangements to review activity?

3.4 Significant work was undertaken last year to produce the first annual review of charges. This second annual review supports the agreement for charges to apply in 2018/19. The review team has used actual expenditure figures up to June 2017, to determine a possible charging point for the 2018/19 financial year. There are three primary aims of this exercise; to ensure full transparency of the costs of our services to citizens to explore options to maximise income and to achieve a safe and equal impact on current service users, future service users and carers.

3.5 The current List of Charges is currently broken down in the following categories:

- a) Adult Services Long Term Residential Care (per week)
- b) Adult Services Short Term Residential Care (per week)
- c) Charges to Other Local Authorities (per week)
- d) Charges to ABMU (per hour)
- e) Adult Services Non-Residential (Community-based) Service
- f) Standard Charges

Part of the review process is to agree the best way of representing charges within categories used in the List of Charges. This Review has proposed new headings, and to simplify the tables used in the revised schedule, as shown in **List of Charges 2018/19 (Swansea's revised charging policy)**.

The new heading are follows

- a) Residential care and support services
- b) Non-residential, community-based care and support Services
- c) Other

3.6 Another important step in the charging review process is to identify the actual costs across the main categories of Adult social care services. Unit costing within Adult Services and the Council has historically calculated the actual expenditure incurred in the operation of a service during a sample month, and then added a certain percentage (e.g. 12.3%) for 'on- costs' of support services, management and property costs. However, when examining one particular month in isolation, it is possible that this month will not be representative of the annual costs of the service. Therefore this review has overcome this by extending the sample period in categories such as day services where there is wider fluctuation in service take up, and actual costs.

3.7 The annual review of charges also addresses those other service or policy areas where the Act has granted a certain amount of discretionary power to impose or set new charges to citizens. New areas of potential service charging were also reviewed, under the following categories:

- Day Services
- Supported Living
- Court of Protection
- Meals
- Transport
- Financial / Administration charges e.g. Deferred Payments
- Information, Advice and Assistance
- Support to self-funders
- Child and Family Services
- Support to carers
- Prevention and Early Intervention

3.8 Charging proposals Following the annual review, a set of new charging proposals was put forward, as agreed by Cabinet to go out for consultation. The main changes proposed to Swansea's charging policy, in particular within the list of charges to apply in 2018/19, are:

- a general uplift of 5-6% for all charges to reflect inflationary pressures
- a new charge of £40 per day for the Older persons Day Services
- a new charge of £50 per day for the Adults/Special Needs Day Services
- increase the charge for domiciliary care services, £15 per hour 2018/19, £17 per hour 2019/20, £19 per hour 2020/21
- charge for the respite at home service, £15 per hour 2018/19, £17 per hour 2019/20, £19 per hour 2020/21

3.9 Council's Budget Consultation – In order to carry out the widest possible public consultation on the proposals, the proposed changes to social services charging formed part of the Council's six week budget consultation period which closed on 2nd February 2018.

During the consultation period we engaged with as many of our existing service users as possible and encouraged responses from all of the key stakeholder groups, including carers and social care workers, non service users and 'hard to reach' communities.

We asked service users, carers and respondents to complete the Budget consultation survey form, which has enabled us to understand whether there are any unintended consequences of our proposals, particularly on people with on any of the protected characteristics.

These responses have been used to inform the main annual charging review report which we will be presented to Cabinet for approval on 7th and 15th February 2018.

4. MAIN REVIEW FINDINGS

4.1 Financial Analysis- Swansea Council’s approach to charging, is based on the principle of full cost recovery. Also the revised policy can help to strengthen the Adult Social Services offer of community-based services and to target residential care provision where there is specialist need. This profile of services are part of the tiered model is set out in detail in the Adult Services Optimal Service Model.

4.1i General Uplift- the annual review team considered carefully of what figure to use, and this analysis includes:

- the latest inflation figure of 2.9% [August CPI]
- Other known social care cost pressures are expected to hit in 2018/19

Due to the difference in timing between June 2017, and the cost pressures likely to impact on social care by April 2018, it is proposed that a general uplift of 5-6% (last year = 2%) will be the proposal

4.1ii Day Services -older people- Swansea, unlike other Welsh LAs, has not previously charged individuals for attendance at our older persons’ day services/ centres.

In calculating a suitable charge, adjustments were made for any exceptional factors likely to affect costs or activity data. It was calculated that an average cost per attendance at such services in June 2017 was £40.29. The proposal of this review is that the actual cost of a day service is to be reflected in the proposed charge, to those assessed as being able to afford such a charge from 2018/19.

Table 1 Older People Day Services

Charges for Services	Current charges in 2017/18	Charges to apply in 2018/19	% Increase/ Comment
Older Persons Day Services	No Charge	£40.29 per day /attendance , up to the means tested, maximum weekly charge currently £70 per week to apply	New charge, set to reflect unit cost of older people day service, subject to consultation

4.1iii Day Services for Adults/Special Needs –Swansea, again unlike other Welsh LAs, has not previously charged individuals for attendance at our day services for adults /special needs.

Adjusting for exceptional items, the average cost per attendance at day services in June 2017, as set out in table below. It is proposed that an average amount is charged to those assessed as being able to afford such a charge from 2018/19.

Table 2 Adult / Special Needs Day Services

Charges for Services	Current Charge in 2017/18	Latest unit cost 2017/18 per day	Charges to apply in 2018/19	% Increase/ Comment
Swansea Vale Resource Centre	No Charge	– £103.43	£50 per day /attendance, up to means tested, maximum weekly charge currently £70 per week to apply	New Charge set to reflect average for adult day services estimated by recent unit costing work, subject to consultation
Fforestfach Day Services		– £38.87		
Alternative Day Services		– £32.05		
Special Needs Day Services		– £94.56		
Cwmbwrla Day Centre		– £35.83		
Whitethornes Intensive Day Services		– £91.93		

Additional analysis of impact of charging on current day service users-

Table 3. Current Statistics on Day Centre Service Users in Swansea

Population	Older people (>65)	Younger Adults (18 – 65)
Proposed charge	£40	£50
Service Users		
Numbers currently attending	319	536
People Known to have been charged		
Numbers with existing charging record for community services	99	117
Of which, numbers already paying max contribution to SS (£70)	38	16
Numbers already paying max under means testing assessment	As above	As above
Numbers who will be expected to pay full charge (of those financially assessed previously)	Up to 61	Up to 101
People not financially-assessed previously	168	339
Numbers who will be expected to pay full charge (of those NOT financially assessed previously)	See notes below.	See notes below.
Unknown status	52	80

Until each day service user has their individual financial assessment, it is not known how much they will be expected to pay following the receipt of a statement of charges. Their circumstances can vary

in terms of income, and services received and whether the national threshold applies. Some local authorities have used a formula as guideline to calculate the numbers of people likely to have to pay the new charge, e.g. 40, 40 and 20. That is approximately 40% of current service users will already have been assessed, and paying charges, 40% will be charged for the first time and following their assessment will be expected to pay a charge contribution and 20% will not have to pay following financial assessment as their income will be too low. However there are still too many factors to determine how much income is likely to be generated.

4.1iv Home Care- there is currently a significant disparity between the amount charged by the Council and the cost of providing the home care service.

During the 2016/17 financial year, the weighted average cost of external domiciliary care was £15.19 per hour. It is likely that during 2018/19 the Council will be paying third parties in the region of £17 per hour. This represents a £6.80 per hour deficit on the current charge. When we consider the internal homecare costs, the current hourly rate is estimated to cost in the region of £40/hour.

The effect of the cap is significant and at the current charge, it is estimated that **42%** of users receive a level of charge that would be capped by the maximum weekly charge. There is a need to move towards full cost recovery for the external services whilst ensuring that a greater proportion of users pay their full contribution as set by care and support plan, and agreed following their and financial assessment in a statement of charge..

The current differential between the actual unit cost of service and hourly charge is such that an immediate significant increase is unavoidable. By the end of the current Council term, an external charge for domiciliary care of £19/hour is estimated, and there is a need to move the hourly charge to this figure within the time scale.

Such a trajectory could be as shown in the table below and this would be revisited as part of the annual review of charges cycle which considers the latest forecasts for costs and external fees.

Table 4 Home Care charging to full cost recovery

Costs as hour rates	2017/18	2018/19	2019/20	2020/21
Estimated Unit Cost	£16.00	£17.00	£18.00	£19.00
Charge	£10.20	£15.00	£17.00	£19.00
Increase %		47%	14%	12%
Increase £		£4.80	£ 2.00	£2.00

Implementing the above phased approach can ensure that 66% of users will (subject to assessment) pay the current maximum charge in 2018/19 increasing to 74% in 2019/20. Currently 18% of packages are less than 3 hours per week.

4.1v Respite at Home- this service can involve care at home for an arranged regular or planned breaks, one-off breaks, or even at short notice to help a carer or family cope with an unexpected situation, and this is a more flexible way of accessing a short break from caring. However the service

has similar costs and service requirement to a normal home care service, and the proposal is to use the cost analysis as the basis for a new charge.

4.2 How Swansea compares to other Welsh Local Authorities (2017/18)

Appendix 2. Review Summary Tables provides the full detail of the review’s comparison of Swansea’s charging for social care service against other LAs.

What this analysis shows is:

- Unlike other Welsh LAs, Swansea Council are atypical in not charging for day services
- Swansea has one of the lowest weekly charges £10.20/hour for Home Care, across Councils in Wales, and the UK (refer to previous annual review of charges -social services 2016/17)

Also this analysis show that opportunities for new charges exist, and some are being used by/ considered by other Welsh Councils- the table below shows how these are being considered.

Table 5. Other Charging for services

SERVICE HEADING	CURRENT SITUATION	RECOMMENDATION
Supported Living	Coproduced supported living framework, and charges are applied at home care rates	To reflect charges within List of Charges to apply in 2018/19
Court of Protection	As national framework	As national framework
Meals	Charges are currently made within services	To reflect charges within List of Charges to apply in 2018/19. No increase in charge this year to help mitigate some of the impact of introducing day service charges this year
Transport	Corporate service, in support of assessed need to attend some community based /day services	No change, to help mitigate some of the impact of introducing day service charges this year
Administration. /Deferred Payments	Charges are applied through a legal agreement with the Council, though this will not cover third party payments. Potential to apply interest charges in future	Clarification on third party top ups is reflected in revised charging policy
Information, Advice and Assistance	Statutory service still in development, under Pt 2 The Act	No Change
Support to Self Funders	Charges are being made, though only small numbers have made themselves known to Council. Complaint received about backdating charges	Addition to revised policy, to allow for cost recovery which is to be backdated to the date when assistance requested or placement started
Child and Family Services	No Charges apply - national guidance has been not to charge families for services to children in need of care and support	No Change

Support to carers	No charges apply- national guidance has been not to charge carers for support services	No change, though respite at home charge is likely to impact on some carers
Prevention and Early Intervention	No charges are applied, corporate prevention strategy in development	No Change

4.3 What Swansea’s citizens are telling us

The Council’s budget consultation period was open for six weeks between 15th Dec. 2017, up to 26th Jan 2018, and later extended by one week to 2nd February 2018.

Swansea Council’s public website hosted a budget consultation survey on the public website and paper copies of this survey were made available in public libraries and buildings. Day Services managers and staff were briefed to support in house- day- service users in how to complete

4.3i Responses to Council’s Budget Consultation Survey – the following table summarises the responses received.

Table 6 Summary of survey responses received (to 26th Jan 2018)

Proposal	Numbers	Examples of Comments
1) A general uplift of 5-6% for all charges to reflect inflationary pressures	59.6% of people who responded to the survey disagreed, or strongly disagreed with this proposal	Confusion about the term uplift, and what this means, and which charges this proposal applies to. There is a need to make public information about charges, and what a financial assessment involves, more accessible. People do not know where to look for information on social services and charges.
2) Day Services - Older People’s (new charge)	72.2% of people who responded disagreed or strongly disagreed with this proposal	Comments include that day services to older people are vital and how much people look forward to attending but that the charge per day is too high. Day Services are important in helping people to remain at home and in staying safe. They can help to prevent admissions to residential care or increasing needs. They prevent social isolation and loneliness, which has the biggest impact on older people. People are already charges for meals and this would be an additional charge, on people who can least afford it. This proposal also has a big impact on carers.

<p>3) Day Services -Adults with special needs day services (new charge)</p>	<p>74.6% of people who responded disagreed or strongly disagreed with this proposal</p>	<p>There has been strong comments from carers and service users on this proposal, which will impacts on a range of target population groups, and vulnerable adults: Mental Health, Learning Disability, Physical Disabilities, Sensory Impairment and Carers. These groups are also the most economically challenged, or marginalised.</p> <p>A number of parent/ carers have said they will pull the cared for person out of the service rather than pay a charge or allow them to be the subject of a financial assessment.</p> <p>Also that low cost day services do not merit the scale of charge, e.g. where service is just a meeting place or venue for flexible support or where a service user is attending to go out on work placement.</p> <p>Issue that some service users do not have a named social worker, or have not been reviewed for a number of years- therefore the charges will not reflect a current care and support plan or outcomes.</p> <p>Also people were uncertain about how direct payments are offered and how to access this as an alternative.</p>
<p>4) Home Care</p>	<p>59.6% of people who responded disagreed or strongly disagreed with this proposal</p>	<p>Comments range from people accepting increasing costs of home care, and the need to pay decent wages, to other stating that what amounts to a 50% increase is outrageous.</p>
<p>5) Respite at home service (new charge)</p>	<p>59.7% of people who responded disagreed or strongly disagreed with this proposal</p>	<p>Comments include by offering more support to those family carers that do the care, such as an hour or 2 respite, can help enable them to continue to provide long term personal care/meal provision, being proactive in preventing residential care admissions or hospital stays.</p>

4.3ii Face to Face meetings – Some information sharing events were also held in day services involving service users and carers to support engagement with the budget survey, and attended by a social services lead officer. Events were held at LlysyWerin, a Gwalia managed, day service in Gorseinon, and at the flexible support clubs held at St Phillips Centre. Also an evening session was hosted by the Tuesday “Link” club.

4.3iii Calls and complaints received- Letters were sent out on behalf of the Chief Social Services Officer to services users attending day services (approx. 960 service users), and to citizens known to have an open financial assessment (approx.. 2920 people). Also to a small number of people receiving direct payments in lieu of day services who may not have received a financial assessment

were also sent letters (approx.. 7 people). These letters were to inform people directly about the budget proposals and the consultation on new charges, together with directions for the internet survey. Some calls and letters were received from the public, and these were responded to by lead officers. Where possible, people were supported to complete the formal survey response.

Any complaints received were managed by Corporate Complaints team, and many of these were addressed directly by the Head of Adult Services.

During the consultation, attention (letter from regional elected representative) was drawn to work recently undertaken by the National Assembly's Health and Social Care Committee which looked into the issue of loneliness and isolation among our elderly population, which showed clearly that Council-run Days Centres such as these play a key role in supporting that agenda. The evidence shows that keeping elderly people active, and ensuring that they have centres in which to meet, helps maintain their health, and essentially reduces the financial burden on health and social services.

4.3iv Petition- a petition of **2221** signatures against the proposed charges for day services was received by Swansea Council on 26th Jan. 2018.

4.4 Assessment of Issues/impacts linked to charging proposals -a full EIA for the revised Charging policy has been completed. Clearly there are some significant impacts arising from increasing the chargeable amounts. as listed in the revised Council's charging policy (social services), and, in particular by applying new charges for day services.

Service Users who may be affected will be entitled to a financial assessment, or review of their current assessment, in relation to their individual circumstances.

Carers- who are indirectly and significantly affected by policies relating to provision of chargeable services to the people who they care for, e.g.

- Day services
- Cost and availability of respite care.
- Home Care

A carer has the right to a separate carers' assessment, of their own well-being support needs.

Charges are also applied to citizens who are self-funding their care by private or independent providers, and who are not directly regulated by the Authority, but subject to market forces. These charges they apply are sometimes higher than for commissioned services or may include a "Top Up" charge or surcharge.

Carers may also impacted by increases to charges and new charges, as this could reduce the household income and increase the costs of receiving social care, in respect of the carer for person.

4.5 Proposed Actions to Mitigate Issues from Equalities Impact Assessment

People who are eligible to be charged are already protected by three important policy entitlements:

- National statutory guidance requires that each person is offered a financial assessment of their means, in relation to ability to contribute to the charges for the care and support they require
- There are clear principles, in policy, that a person's ability to pay should not precluding access to care and support or that the charges for care and support should not exceed the costs of provision.
- There are personal thresholds set by the Welsh Government: namely a maximum weekly charge to be set at £70 per week (2017/18)

There is scope to review the Council's direct payments offer, and in particular where there are cases in which the person is using the direct payment to access day services, to achieve their own personal well-being outcomes.

Swansea Council provides good quality of support to carers, though there is scope to improve take up of the offer of a carers assessment to promote a carers access to support for their own well-being.

Citizens who are self-funders can apply to the Council for assistance in brokering or commissioning and managing their care and support, though a charge for this service will apply.

5. Conclusion

5.1 Welsh Government policy on social services charging (Pts 4 & 5 of the Act) allows for discretion within Local Authorities and this review ensures that due consideration is given to how this discretion is applied in practice. The review has been robustly managed through joint working between Corporate Social Care Income and Finance Team (SCIFT) and social services.

5.2 Maintaining the social service income is seen as crucial to the management of a sustainable budget agreed for Social Services and for the Council as a whole. This second annual review of charges has focused on addressing specific inflationary and cost pressures affecting the delivery and commissioning of social services, within the principles of fair access, equality and transparency.

5.3 The Council's model for reviewing charges in social services is based on the sound commercial approaches, and the principle of full cost recovery. Analysis of current situation, comparison with other Welsh councils, feedback from stakeholders, detailed analysis of unit costs, modelling of financial impact of new charges and an equalities impact assessment has helped to inform a clear set of recommendations for Cabinet's approval.

6. Recommendations

- 6.1 Decisions are taken by the Council on the charging proposals, to allow that the revised List of Charges (social services) is available for the public, and for charges to come into effect in 2018/19.
- 6.2 Further work can be undertaken, on a cost model for day services, to assess whether scope for charges to be differentiated e.g. traditional day services (high cost), flexible support and work placement schemes (lower cost). This development work should be linked to commissioning reviews (Sustainable Swansea) and the implementation of the Adult Services Optimal Model.
- 6.3 Public information and public website to be updated, to reflect revised charging policy, financial assessments and list of charges for 2018/19, also translated into Welsh Language and with efforts made to improve accessibility of public information on charging and financial assessments.
- 6.4 Implementation of the EIA actions, including as above to mitigate impact of the charges on people, and those with protected characteristics.

APPENDIX 1: Annual Review of Charges – Tables

How Swansea compares to other Welsh Local Authorities, within main categories for Adult Social Care charges (following quick email survey)

(NB some service heading may be defined differently by a particular Welsh LA- e.g. whether includes short term or reablement provision)

All figures shown in the following table are social services charges as agreed and applied by these Councils in 2017/18, unless stated otherwise.							
Local Authority	Home Care (subject to weekly charge)	Day Care (subject to weekly charge)	Direct Payments	Residential Care Long Term /Temp Elderly	Residential Care Short Term/ Respite (weekly charge applies)	Telecare/ Lifeline	Other
Swansea	£10.20 /hour	No Charge	PA Rate =	£530.53	£70 or means tested to res. care rate	£2.55/ week fixed rate	Meals =£3.50 Supported Living = £10.20/hour
Blaenau Gwent	£20.20 / hour	£55.10 per session	£13.90 per hour	General £474 EMI £603.70 LA EMI Res = £875.30	Banded £54.94 (A) to £79.27 (D) per night		Supported Living Services £22.20 per hour
Bridgend	£17.92 per hour	Rates from £32 per day up to £60.29 perday	Variable	Res. = £508-£622 High dep Res = £542 -£614 V.Dep Res. (MH) =£578 Nursing = £691.67-£813.67 (sp. Dementia rate)	Variable	One person in a household £5.08 per week Two people in a household £3.81 each per week	Meals in day centres =£4.37 per day

All figures shown in the following table are social services charges as agreed and applied by these Councils in 2017/18, unless stated otherwise.

Local Authority	Home Care (subject to weekly charge)	Day Care (subject to weekly charge)	Direct Payments	Residential Care Long Term /Temp Elderly	Residential Care Short Term/ Respite (weekly charge applies)	Telecare/ Lifeline	Other
Carmarthenshire	£10.55 / hour	£10.30 per session	£10.55 per hour	N/a	Standard charge at Ind. Placement rate	£1.18 monitoring £2.94 monitor & pendant	Meals = £4.30 Supported Living - £10.50 per hour
Caerphilly	£10.49/ hour	£5.60 per day	£10.49	LA Care Homes Elderly Frail - £576; EMI/High Dep - £852 Ind Sector rates: Elderly Residential - £557 EMI/High Dep Res - £608 Nursing - £547 EMI/High Dep Nursing - £605			Meal at Day Centre = £3.10 Supported Living = "10.49
Cardiff	Maximum weekly charge applied for Non-Residential Care Services	Maximum weekly charge for Non-Residential Care Services	N/a	£437 per week	Maximum weekly charge applied for Non-Residential Care Services	Telecare £3.97/week Lifeline =£4.56/week	Meals = £4.60

All figures shown in the following table are social services charges as agreed and applied by these Councils in 2017/18, unless stated otherwise.

Local Authority	Home Care (subject to weekly charge)	Day Care (subject to weekly charge)	Direct Payments	Residential Care Long Term /Temp Elderly	Residential Care Short Term/ Respite (weekly charge applies)	Telecare/ Lifeline	Other
Flintshire	£16.14 an hour	£21 a day	N/a	Residential / Very dependent = £526.87 Elderly mentally ill (EMI) residential = £547.33	Maximum weekly charge applied for Non-Residential Care Services Maximum wee		Meals = £3.15 Project/Support work: £16.14 an hour
Newport	£14 per hour	LD = £75 MH/OP = £56	Based on actual costs	Residential = £550 EMI= £605	Based on actual cost	Based on actual costs	Meals = £3.00
NPT	£14 per hour	£28 per attendance Other LA Day Care £39– elderly (£51 with transport) £72 –people with LD	Value of Direct Payment	Gwalia: £547 existing £675.63 new other providers £538	£70 per night	£2.50/ week fixed rate	Meals = £4.50
Pembs	Just finished consultation on charges, review underway and expecting to go back to Cabinet for final decision.						

All figures shown in the following table are social services charges as agreed and applied by these Councils in 2017/18, unless stated otherwise.

Local Authority	Home Care (subject to weekly charge)	Day Care (subject to weekly charge)	Direct Payments	Residential Care Long Term /Temp Elderly	Residential Care Short Term/ Respite (weekly charge applies)	Telecare/ Lifeline	Other
Powys	£20.50 per hour	£15 per day No charge transport	N/a	N/a	£70 per week per single episode of care	£2 per week	Meals at day centre = £7.50
RCT	Maximum weekly charge, with additional 5% disregard	Maximum weekly charge, with additional 5% disregard		N/a	N/a	Disregard applied to AT if part of assessed need	Meals =
Torfaen	Up to £15.20 per hour	Ty Nant Du £92.20 per day Block commissioning- day opportunities contract- no charge	Up to £15.20 per hour	Res = £534 Nursing = £623 EMI Res = £585 EMI Nursing £642	Max weekly charge applies	Installation £62.40 flat rate Also £62.40 per year	Community Meals = £4.50 Supported Living up to £15.20/hour
Vale of Glamorgan	Maximum weekly charge applies Charges range from £13.00 per hour to £19.61 per hour	Maximum weekly charge applies: Costs Older People £60; Learning Disability £102; Physical Disability £57	N/a	Standard: £559.00 per week (2016/17) Dementia care = £618.00 (2016/17)	Maximum weekly charge applies	TeleV = £5.15 TeleV + = £8.59/ week	Meals = £4.75

All figures shown in the following table are social services charges as agreed and applied by these Councils in 2017/18, unless stated otherwise.

Local Authority	Home Care (subject to weekly charge)	Day Care (subject to weekly charge)	Direct Payments	Residential Care Long Term /Temp Elderly	Residential Care Short Term/ Respite (weekly charge applies)	Telecare/ Lifeline	Other
Wrexham	Max. weekly charge applies £16.13 per hour (day or night)	Max. weekly charge Day Opps: £24.00 per day, £12.00 per half day	N/a	N/a	Maximum weekly charge applied for Non-Residential Care Services	£4.00 /week over 52 weeks private tenant £3.69 over 48 weeks council tenants	Shared Lives £24.00 per session Project worker = £14.48 per hour

Appendix 1. Swansea Council List of Charges (to apply in 2018/19)

a) Residential care and support services

Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Long Term Residential Care – Older People per week			
Older Persons Care Homes	Means tested – up to the maximum standard charge as outlined in the categories below		Standards rate of elderly care, increases to reflect current market rates.
• Elderly care	– £521.22/£530.53	£557.05	Increase of 5% for Council run homes
• Nursing Care	– £537.54	– £569.79	Up by 6% to reflect current market rate for specialist care.
• Dementia Nursing Care	– £552.84	– £586.01	Up by 6%, as above
Long Term Residential Care – Adult per week			
• Learning Disability	– £1,459.69	All care and support placements are individually costed	
• Mental Health	– £800.18		
• Young Adults	– £1,302.56		
Short Term Residential Care – All Adults per week			
Short term residential care - up to 8 weeks (known as Respite care, reablement (from week 6 and up to week 8) or temporary short-term emergency or planned placement)	Means tested – maximum weekly charge	Means tested – maximum weekly charge	Restricted by legislation
Temporary residential care - up to 52 weeks, where placement is known to last more than 8 weeks from the onset/or from week 9 of a short term residential care placement	Means tested - up to £530.53	£557.05	Up by 5%

b) Non-residential, community-based care and support Services

Home Care			
Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Domiciliary or Home Care, including respite at home, supported living	£10.20	£15.00	Significant increase (47%, £4.80 per hour) to bring Swansea more in line with other Welsh LAs Charge to cover respite at home service
Day Services Older People			
Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Older Persons Day Services	No charge	£40 per day, up to the means tested – maximum weekly charge currently £70 per week to apply	New charge, subject to consultation- charge reflects average costs across range of day services
Day Services - Adults			
Adults/ Special Needs Day Services	No charge	– £50 /day	New Charge, subject to consultation – charge reflects average costs across range of specialist day services

c) Other Services

Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Telecare / Lifeline	£2.50/ week	£2.63	5% uplift
Meals (within community-based, day services)	£3.50 /day	£3.50 /day	Charge to remain same as new charges to day services are applied.
Court of Protection Deputyship	£745 application fee; £775 for first year management and £650	To remain the same, as dictated by the	These are fixed rate charges set by the national public

	per year thereafter, or 3.5% of the person's net assets- charge against assets if these are under £16,000; Other additional charges may apply: - £300 property management fee - £216 preparation and lodgement of an annual report	Office of the Public Guardian	guardianship framework, as remuneration for Local Authorities when acting as Court Deputy.
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The following national threshold figures for **2018/19** have recently been confirmed (Feb. 2018) by the Welsh Government Minister for Social Services, and when amended within The Care and Support (Charging) (Wales) Regulations 2015, they are to be used by the authority when carrying a financial assessment in accordance with this Council policy, and the Act 2014:

- **Threshold on Capital:**
Capital Limit applicable in residential care charging is to increase from £30,000 to £40,000 in 2018/19 (the capital limit applicable in non-residential care charging is to remain as £24,000);
- **Maximum weekly charge for non-residential care charges**
Maximum Weekly Charge as applicable in non-residential charging is to increase from £70 to £80 per week;
- **Personal Allowance (Minimum Income Amount)** to people in residential care is to increase from £27.50 to £28.50 per week;

A Minimum Income Amount (MIA) is also set, during a financial assessment, for a person being provided with non-residential care and support

Please Note: Under this Charging Policy, any discretionary powers exercised by the Local Authority in respect of what services are charged for, exemptions, contributions or reimbursements are reviewed annually, alongside the list of charges.

Equality Impact Assessment (EIA) Report– 2017/18

This form should be completed for each Equality Impact Assessment on a new or existing function, a reduction or closure of service, any policy, procedure, strategy, plan or project which has been screened and found relevant to equality.

Please refer to the 'EIA Report Form Guidance' while completing this form. If you need further support please contact acesstoservices@swansea.gov.uk.

Where do you work?
Service Area: Social Services
Directorate: People

(a) This EIA is being completed for a...

Service/ Function <input type="checkbox"/>	Policy/ Procedure √	Project <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>	Proposal √
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(b) Please name and describe here

This EIA covers the 5 main proposals arising from the Annual Review of Charges (Social Services) and set out within the revised Swansea Council's Charging Policy (Social Services).

- 1) A general uplift of 5-6% for all social services charges
- 2) Above inflation increase to home care charges is applied.
- 3) A charge for Day Services- Older People is introduced
- 4) A charge for Day Services- Adults/ Special Needs is introduced
- 5) A charge for respite at home is introduced and aligned with the charge for other forms of home care.

The Welsh Government sets out what can be charged for within guidance and regulations about charging for social services, under Parts 4 & 5 of the Act:

[Part-4-and-5-code-of-practice-charging-and-financial-assessment](#)

The Council has its own charging policy for social services:

[Swansea Staffnet - Social Services Charging Policy](#)

(c) It was initially screened for relevance to Equality and Diversity on:
November 2017.

(d) It was found to be relevant to...

Children/young people (0-18)	☒	Sexual orientation	☒
Older people (50+).....	☒	Gender reassignment	☒
Any other age group	☒	Welsh language	☒
Disability	☒	Poverty/social exclusion.....	☒
Race (including refugees).....	☒	Carers (including young carers).....	☒
Asylum seekers	☒	Community cohesion	☒
Gypsies & Travellers.....	☒	Marriage & civil partnership	☒
Religion or (non-)belief	☒	Pregnancy and maternity	☒
Sex.....	☒		

(e) Lead Officer

(f) Approved by Head of Service

Name: Simon Jones

Job title: Strategic Performance & Improvement Officer

Date: 06/02/2018

Name: David Howes,
Chief Social Services Officer

Date: 06/02/2018

Section 1 – Aims (See guidance):

Briefly describe the aims of the initiative:

What are the aims?

Swansea Council's Charging Policy seeks to implement the Welsh Government policy on social care provision as set out in the Social Services and Well-being (Wales) Act 2015, and the national charging framework, and to make these arrangements fully transparent to citizens and up to date.

The annual review of the list of charges (social services), including any revisions to Council's charging policy, is undertaken on behalf the Chief Social Services Officer.

The annual review leads to an updated List of Charges (Social Services) to be applied in the coming financial year (2018/19).

The annual review compares Swansea's charges against other Welsh Local Authorities, and considers the current pressures faced by social services.

Social Services is facing unprecedented challenges in terms of the numbers of people who need to access our services and the increasing costs of providing them.

With an ageing population and better and earlier diagnosis and treatment of long-term complex conditions such as learning disabilities and physical disabilities, people are living for longer with more complex needs. This trend increases the number of people who at some point in their lives might need some form of formal support.

Whilst the budget for Social Services has decreased slightly over the years, the costs particularly in the independent sector have increased significantly due to the key pressures linked to the costs of for example paying the national living wage, increased national insurance and pension contributions.

The increase in people needing support and the costs of providing it will continue to increase, so we need to get smarter in terms of how we support people. In line with the Social Services and Well-being Act, we need to encourage people to be as independent and self-supporting as possible so we can concentrate our services on those who really need them.

All of these factors are included in the annual review of charges.

The main proposals will impact on the following social care services

Domiciliary or Home Care: Social Services is committed to helping people to continue to live in their own homes for as long as possible. One of the main ways this is done is by providing a home care service (also known as domiciliary care). Home care provides practical help and support in carrying out personal or household tasks that enable people to continue to live at home. In most cases, this service is offered to people who would otherwise have to leave their own homes and live in residential care.

Respite Care at Home: Sometimes people who usually receive social care services in their own home may require short-term respite care at their home or in a residential care home perhaps to provide a break for a family member who helps to look after them. The person needing care has alternative support for anything from a couple of hours up to a few weeks. These can be arranged regular or planned breaks, one-off breaks, or even at short notice to cope with an unexpected situation. These short breaks have traditionally been called respite and usually involved the cared-for person spending time in residential care. However there are also more flexible ways of accessing a break from caring that is right for families.

Day Services: a range of day services are available within Swansea to meet the needs of older

people and adults with special needs. These services provide a range of personal care and social activities which help maintain people's independence and enables them to remain safe and supported. For many years Swansea Council has provided social services day services for free whereas the vast majority of Welsh councils have been charging for them. These proposals aim to bring Swansea into line with some of them but the charges remain below those set by many others.

Who has responsibility?

Chief Social Services Officer

Who are the stakeholders?

There are many stakeholders and people who could be impacted by the changes.

- Citizens of Swansea.
- Current and potential service users, carers, families and people who are self-funding their care and support.
- Elected members, and client representatives/ advocates.
- Service providers, internal and commissioned, and partner organisations.
- Social Services workforce, particularly Adult Services.
- Adult Day Services covered by this proposal (new charge):
 - All Day Services for younger adults:
Abergelli - Birchgrove - Fforestfach (Toronto Place, Gorseinon Project and Ty Lafant) - Glandwr - Maesglas - Parkway - CREST, Cwmbwrla - Trewarren - West Cross - Whitethorns, New Horizons, Work Development and Flexible Support Social Clubs
 - All Day Services for older people:
Abergelli - Rose Cross - Hollies - Norton Lodge - St Johns - Ty Waunarlwydd - Llys y Werin - Ty Conway
 - Other day services included:
New Horizons, Work Development and Flexible Support Social Clubs
- Also Council's corporate and financial services, including Social Care Income and Finance Team who carry out financial assessments on all people to whom charges may apply, and Corporate complaints team

Section 2 - Information about Service Users (See guidance):

Please tick what information you have information on, in terms of service users:

Children/young people (0-18).....	<input type="checkbox"/>	Sexual orientation	<input type="checkbox"/>
Older people (50+)	<input checked="" type="checkbox"/>	Gender reassignment	<input type="checkbox"/>
Any other age group	<input checked="" type="checkbox"/>	Welsh language	<input type="checkbox"/>
Disability	<input checked="" type="checkbox"/>	Poverty/social exclusion.....	<input checked="" type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	Carers (including young carers).....	<input checked="" type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	Community cohesion	<input type="checkbox"/>
Gypsies & Travellers	<input type="checkbox"/>	Marriage & civil partnership	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	Pregnancy and maternity	<input type="checkbox"/>
Sex	<input type="checkbox"/>		

Please provide a snapshot of the information you hold in relation to the protected groups above:

We deal with our users on an individual basis in order to meet the needs of the user. Personal information is gathered on current services, with the person's consent, during a social care assessment of an individual needs, as carried out under Part 3 of the Social Services and Well-being (Wales) Act 2014 ("The Act"). This social care assessment will cover protected characteristics of the local population who have approached the Council for social care and support. As such rather than focusing on the overall population, we focus on each individual in their own right

Since April 2016, the Council's statutory duties relating to the provision of social care are set out in the Social Services and Well-being (Wales) Act 2014.

In relation to information around service users Local Authority has a duty to offer an assessment to any adult where it appears to that authority the adult may have needs for care and support, and to carers who may have need for support to achieve wellbeing, in their own right.

After the completion of a social care assessment, based on analysis of the findings, the local authority will decide whether or not it should provide or arrange social care services for you, through a care and support plan. The authority uses a national eligibility framework to make any decision on how needs are best met, and following a carers assessment can also need to decide if they have eligible support needs which need to be met.

A financial assessment has to be offered where a charge may applies for services to meet an assted need through a care and support plan.

Individual information is considered as part of the social care assessment for users, the agreed care and support plans and the financial assessment for charging.

Where a person is lacking capacity to fully understand the charges, they may still be assessed as being able to contribute towards the cost of their care and support. However, a local authority must put in place policies regarding how they communicate charges, how they carry out financial assessment and how they apply charges in practice.

Under Part 2 of the Act, Swansea has to gather and analyse local population data on target population groups, which informs the population assessment, which underpins the development of a regional, Western Bay Area Plan for Health and Social Care (draft in preparation for public consultation). Also similar population data has helped to inform the

development of the Swansea Wellbeing Plan (draft under public consultation).

A regional population assessment is carried out every five years to highlight a number of **key** support and care needs and unmet needs, the majority of which are cross-cutting across target population groups, as follows:

- Increasing levels of need for people with complex needs, chronic and long term conditions
- Accessibility of services, including transport
- Preventative and support services within communities
- Loneliness and social isolation for improved health and wellbeing
- Information, advice and assistance
- Assistive technology and telecare provision for people to maintain independence
- Growing demand, diminishing resources
- Transition between adult's services and children's services
- Preventative (low level) and specialist mental health services for children and young people and adults (this section identified the highest number of support and care needs)
- Appropriate accommodation solutions for wide range of citizens with needs
- Supporting growing number of carers and young carers

All of the above, support the need for a sustainable model of social care to be delivered locally in response to changing needs

Any Actions Required e.g. to fill in information gaps?

- To continue to assess people' individual needs and financial circumstances in line with the statutory framework as outlined above.
- That each assessment continues to consider individual personal protected characteristic, and this information is taken into account during these assessments, and any decisions taken.

Section 3 - Impact on Protected Characteristics (See guidance):

Please consider the possible impact on the different protected characteristics. This could be based on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

	Positive	Negative	Neutral	Needs further investigation
Children/young people (0-18)	→ <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	→ <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	→ <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	→ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	→ <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	→ <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	→ <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	→ <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Sex	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	➔	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	➔	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	➔	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Thinking about your answers above, please explain in detail why this is the case.

The impacts to each of the different protected characteristic will be fully considered in each individual circumstance. If the new charges are agreed, each individual will have to undertake a financial assessment. The assessment will fully consider the social care assessment which contains an individual's personal profile details.

As the assessment are unable to be carried out prior to the introduction of a new/increased charge, the full impact can't be assessment until after implementation.

However the consultation responses show some potential impacts such as:

- Impact on people receiving benefits or with low income
- Impact on carers, and their relationship with cared for person
- As a disincentive to people accessing social care services
- Impact on the most vulnerable people/ target population groups such as older people, people with mental health needs, people with learning disabilities, people with physical disabilities, people with sensory impairments, people with complex health needs/ chronic conditions, young people reaching a transition to adult social services

Trends in people accessing services and the target population groups are monitored as part of the population needs assessment.

Clearly one of the main areas of feedback to the charging proposals has been that the greatest impact will fall on those people who are most economically challenged and carers, and therefore we have identified this in the table above.

In Swansea, the Council defines poverty as:

- Income below the Minimum Income Standard.
- Inadequate access to necessary services of good quality.
- Inadequate opportunity or resource to join in with social, cultural, leisure and decision making activities. Taken from:

Working towards prosperity for all in Swansea: A tackling poverty strategy for Swansea 2017-2020 - 'Our definition is not one relating solely to income, but to poverty of opportunity, participation and access to services.' p3

The Welsh Government's national charging framework has taken steps to ensure that the person's income levels are protected, and these arrangements were subject to their own EIA.

In applying the national framework on charging, local authorities must leave a person who is being charged with regard to a minimum income allowance.

This is defined within the Code of Practice for Parts 4 & 5 of the Act, as referred to above.

Section 4 - Engagement Please consider all of your engagement activities here, e.g. participation, consultation, involvement, co-productive approaches, etc.

What engagement has been undertaken to support your view? How did you ensure this was accessible to all?

What consultation and engagement has been undertaken (e.g. with the public and/or

members of protected groups) to support your view? Please provide details below.

The Council's budget consultation period was open for six weeks between 15th Dec. 2017 up to 2nd February 2018. Within the period the following activities took place

- Council opened up a budget consultation survey on the public website and paper copies of the survey were made available in public libraries and buildings.
- A letter from Chief Social Services Officer was given to services users attending day services, informing them about the budget proposals and the consultation on new charges, together with directions for the internet survey (approx. 960 service users)
- Hard copies of the letter, the consultation survey and answers to a set of Frequently Asked Questions were also provided to service managers and service users/carers on request.
- Day Services managers and staff were briefed to support service users in how to complete the consultation survey. Some information sharing events were also held in day services involving service users and carers, on request from the service.
- Social Services also identified those citizens who are most likely to be impacted by all of the proposed changes e.g. people who have received a financial assessment (open case), and a letter on behalf of the Chief Social Services Officer (approx. 2920 households).
- A small number of people receiving direct payments in lieu of day services who may not have received a financial assessment were also sent letters (approx.. 7 people)
- Some calls and letters were received and responded to by lead officers directly, though people were supported and asked to complete a survey response
- The responses received as part of the survey, which was closed on 2nd February 2018, and through consultation events held in services, though results are still to be fully collated, analysed and summarised.

In addition the corporate budget survey, the following informal consultation events/activities have taken place:

- LLys y Werin day service- two discussion groups held with service users, staff
- St Phillips flexible support day service: two discussion groups help with service users and carers
- Link social group (Tuesday evening) discussion group with service users and carers
- 3 meetings with day service managers to inform them about proposals and to brief them on supporting service users to complete budget survey
- Meeting held with each of the external day service providers: Swansea Carers Centre (Ty Arthur) and Gwalia (LlysyWerin)

Around 100 people attended the above events

Presentation and public questions were taken at Scrutiny Performance Panel – Adult Services, held on Tuesday, 16 January 2018 3.30 pm.

Support was provided to help people understand the consultation questions and what was expected to enable them to fully take part in the budget consultation survey.

What did your engagement activities tell you? What feedback have you received?

In terms of the specific charging proposals the following feedback was received:

2018 Council's Budget Survey Question/ results of responses received (%)	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
As part of our annual review we are proposing a general uplift of 5-6% for all charges to	11.8	32.7	18.7	36.8

reflect inflationary pressures				
Introduce a new charge of £40 per day for the Older persons Day Services	9.1	18.7	24.1	48.1
Introduce a new charge of £50 per day for the Adults/Special Needs Day Services	8.8	16.6	24.2	50.4
Increase the charge for domiciliary care services, £15 per hour 2018/19, £17 per hour 2019/20, £19 per hour 2020/21	10.2	30.2	21.6	38.0
Introduce a charge for the respite at home service, £15 per hour 2018/19, £17 per hour 2019/20, £19 per hour 2020/21	10.7	29.5	19.9	39.8

- i) A general uplift of 5-6% for all charges to reflect inflationary pressures
59.6% of people who responded to the survey disagreed, or strongly disagreed with this proposal
Comments range from people accepting increasing costs of home care, and the need to pay decent wages, to other stating that what amounts to a 50% increase is outrageous.
- ii) Day Services - Older People's (new charge)
72.2% of people who responded disagreed or strongly disagreed with this proposal
Comments include that day services are vital and how much people look forward to attending but that the charge per day is too high.
- iii) Day Services -Adults with special needs day services (new charge)
74.6% of people who responded disagreed or strongly disagreed with this proposal
There has been strong comments from carers and service users on this proposal, which will impacts on a range of target population groups, and vulnerable adults: Mental Health, Learning Disability, Physical Disabilities, Sensory Impairment and Carers. These groups are also the most economically challenged, or marginalised. A number of parent/ carers have said they will pull the cared for person out of the service rather than pay a charge or allow them to be the subject of a financial assessment.
- iv) Respite at home service (new charge)
59.7% of people who responded disagreed or strongly disagreed with this proposal
Comments include by offering more support to those family carers that do the care, such as an hour or 2 respite, can help enable them to continue to provide long term personal care/meal provision, being proactive in preventing residential care admissions or hospital stays.

The survey also posed two additional questions, and invited responses:

- Please provide us with additional views on any of the above proposals:
- Do you have any other suggestions about how we could do things differently for Social Care Service?

A full list of the responses is being made available to Cabinet to support their consideration of the Annual Review of Charging (social services), on 15th February 2018.

Samples of feedback received:

Complaint received from carer (using comments related to charges only)

1. My son is disabled and has day service provision on the work development scheme. His placement is at the baler plant where he dismantles furniture and mattresses for recycling.

Obviously we are concerned about the recent proposals regarding paying for day service that the Council intend to introduce..... Most of the Service Users are unable to gain conventional employment and are claiming PIP / DLA, therefore they do not have the means to pay. How will this means tested scheme apply? When will it be introduced? Will our service provision be reduced? Does it include Respite charges? I take and collect my son but others cannot- will their transport be affected? Will the provision be improved/be more flexible? My Sons provision ends at 2.20pm, would this be extended? Can Direct Payments be used to access Day Service?

2. Community Mental Health Social Work teams have written to the Chief Social Services Officer to express collective concern around introducing charges for CREST day services. That it may discourage people from attending vital services to improve their mental health and well-being. Many of the clients are already experiencing severe financial hardship. Although clients on section 117 of the Mental Health Act 1983 are unaffected by charges, many clients are voluntary. That charges will place an increased burden on 3rd sector and voluntary services and lead to the closure of CREST.

How have you changed your initiative as a result?

There are no changes in the proposals at this stage, pending Cabinet decision. However further work is to be undertaken to look at the costs and charging for low cost day services and work placement schemes.

Any actions required (e.g. further engagement activities, mitigation to address any adverse impact, etc.):

All service users are considered eligible for a charge, subject to financial assessment of their means to pay.

In Wales, under the Act, there is a maximum weekly charge for homecare and other non-residential, community based, social care services.

The current maximum charge from 10 April 2017 is £70 per week, and this is also reviewed annually by the Welsh Government.

This had been in operation for a number of years already and is the Social Services and Well-being (Wales) Act 2014, is now part of financial assessment and charging statutory guidance.

The Parts 4 & 5 Code of Practice guidance advises Local Authorities that:

- "because a person who receives care and support outside a care home will need to pay their daily living costs such as rent, food and utilities, the charging framework seeks to ensure they have enough money to meet these costs".
- "As a result after charging local authorities must leave a person who is being charged with a minimum income amount".

Where a person is lacking capacity to fully understand the charges, they may still be assessed as being able to contribute towards the cost of their care and support. However, a local authority must put in place policies regarding how they communicate charges, how they carry out financial assessment and how they apply charges in practice.

Clearly there are some significant impacts arising from increasing the chargeable amounts listed in the revised Council's charging policy (social services), and in applying new charges

for day services. People who are eligible to be charged are already protected by three important policy entitlements:

- there are personal thresholds set by the Welsh Government: namely a maximum weekly charge to be set at £70 per week (2017/18)
- National statutory guidance requires that each person is offered a financial assessment of their means, in relation to ability to contribute to the charges for the care and support they require
- There are clear principles, in policy, that a person's ability to pay should not precluding access to care and support or that the charges for care and support should not exceed the costs of provision.
- Carers may also impacted by increases to charges and new charges, as this could reduce the household income and increase the costs of receiving social care, in respect of the carer for person.

If a service user declines to receive a service to meet their needs because of the imposition of new charges, then the care and support plan will still have to address their needs, with their agreement. Alternative care and support arrangements may be sought out in this situation, including the offer of direct payments, carers support services or other local support arrangements.

Actions proposed:

- The offer of a direct payment can help address care and support needs, and the Council also needs to review cases where there is take up of day services using direct payments
- Support to carers, and improve offer of carers assessment

Section 5 Other Impacts:

Please consider how the initiative might address the following issues- see the specific Section 5 Guidance.

Foster good relations between different groups	Advance equality of opportunity between different groups
Elimination of discrimination, harassment and victimisation	Reduction of social exclusion and poverty

Please explain any possible impact on each of the above.

Foster relations between different groups- the services affected will still be available and offered to individuals with protected characteristics with an assessed and eligible need for managed care and support, or carer with support needs.

Advance equality of opportunity between different groups

Principles of equality and diversity run through all social services practice in carrying out assessments and providing support to people in need, and these are reflected within the Council's charging policy and arrangements.

Elimination of discrimination, harassment and victimisation

All social services, and council employees have a duty to safeguard and protect service users and vulnerable people. Any occurrence of discrimination, harassment and victimisation with a detrimental impact on

Reduction of social exclusion and poverty

It is the Council's intention to maintain vital social services to meet local population needs. It is recognised by Council that social services touch many people's lives and impacts on the most vulnerable in our communities. A fair and equitable financial assessment, supported by Council policy and robust arrangements, will help to protect those people who are both economically and socially vulnerable.

During the consultation, attention (letter from regional elected representative) was drawn to work recently undertaken by the National Assembly's Health and Social Care Committee which looked into the issue of loneliness and isolation among our elderly population, which showed clearly that Council-run Days Centres such as these play a key role in supporting that agenda. The evidence shows that keeping elderly people active, and ensuring that they have centres in which to meet, helps maintain their health, and essentially reduces the financial burden on health and social services.

What work have you already done to improve any of the above?

Working with providers to align the annual review of charges to the Council's fees setting process with local providers, and with the corporate budget setting processes.

Is the initiative likely to impact on Community Cohesion? Please provide details.

It is unlikely that the proposals for changes to the charging policy or charges as applied will, in themselves, impact community cohesion however the responses from carers to the proposals have been the strongest and clearest in opposing increased or new charges for adult social care.

How will the initiative meet the needs of Welsh speakers and learners?

None of the proposals that we are consulting on will affect access to services in an individual's preferred language, including Welsh.

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

- Update and improve public information available on charging and financial assessment
- Translation of public information materials (fact sheets/ Information leaflets/ web pages) into Welsh, and other languages on request

Section 6 - United Nations Convention on the Rights of the Child (UNCRC):

Many initiatives have an indirect impact on children and you will need to consider whether the impact is positive or negative in relation to both children's rights and their best interests. Please read the UNCRC guidance before completing this section.

Will the initiative have any impact (direct or indirect) on children and young people? (think about this age group holistically e.g disabled children, those living in poverty or from BME communities)

If not, please briefly explain your answer and proceed to Section 7.

No charges apply to children or their parent / carers at this time. There may be a small number of young people who are experiencing transitional care and support arrangements towards receiving adult social services. The rights of young people who

may have been looked after or who may have disabilities are consider by a social workers as part of their transition plan, and the offer of advocacy is also an option. Each young person can expect their rights to be fully reflected in their care and support planning, and through the financial assessment process, as applied.

Is the initiative designed / planned in the best interests of children and young people? Please explain your answer.

Best interests of the child (Article 3): The best interests of children must be the primary concern in making decisions that may affect them. All adults should do what is best for children. When adults make decisions, they should think about how their decisions will affect children. This particularly applies to budget, policy and law makers.

Current arrangements are designed to ensure that children and young people are not charged for services, and this remains the Council's position until the age of 18 is reached.

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

- Continue to the rights of young people who may have been looked after or who may have disabilities as part of their transition plan
- Each young person can expect their rights to be fully reflected in their care and support planning, and through the financial assessment process, as applied.

Section 7 - Monitoring arrangements:

Please explain the arrangements in place (or those which will be put in place) to monitor this initiative:

Monitoring arrangements:

Where there is a new charge applied, each individual who does not have a current financial assessment, will be offered as financial assessment, as stated in current Council policy.

Each individual financial assessment is subject to review annually, and where there are changes to individual circumstances or the services received.

Next annual review of charges to be completed by September 2018.

Actions:

Implement improvements to improve design of consultation process, e.g. linked to commissioning reviews and coproduction principles

Section 7 – Outcomes:

Having completed sections 1-5, please indicate which of the outcomes listed below applies to your initiative (refer to the guidance for further information on this section).

Outcome 1: Continue the initiative – no concern

Outcome 2: Adjust the initiative – low level of concern

Outcome 3: Justify the initiative – moderate level of concern

Outcome 4: Stop and refer the initiative – high level of concern.

For outcome 3, please provide the justification below:

For outcome 4, detail the next steps / areas of concern below and refer to your Head of Service / Director for further advice:

Working within the national charging framework and to bring Swansea in line with other Welsh Local Authorities in how charges are applied to citizens, The financial assessment process will ensure that people are treated equally and fairly within their individual circumstances. If they cannot afford to pay the charges then this will not preclude people from receiving social services.

Section 8 - Publication arrangements:

On completion, please follow this 3-step procedure:

- 1. Send this EIA report and action plan to the Access to Services Team for feedback and approval – accesstoservices@swansea.gov.uk**
- 2. Make any necessary amendments/additions.**
- 3. Provide the final version of this report to the team for publication, including email approval of the EIA from your Head of Service. The EIA will be published on the Council's website - this is a legal requirement.**

Action Plan:

Objective - What are we going to do and why?	Who will be responsible for seeing it is done?	When will it be done by?	Outcome - How will we know we have achieved our objective?	Progress
Future charging and funding of lower cost day services to be considered within commissioning reviews	Commissioning lead	Linked to commissioning review timescales	Future model linked to Optimal model in Adult Services	
Future charging and funding of Work Placement schemes, to be considered within commissioning review	Commissioning lead	Linked to commissioning review timescales	Future model linked to Optimal model in Adult Services	
Review Direct payments offer, and cases where take up of day services using direct payments	Principal Social Worker- Adult Services	End of 2018	Reviews completed	
Update and improve accessibility of public information on charging and financial assessments	TBA	End of 2018	Public accessing updated information via council website	
Support to carers, and improve offer of carers assessment	Principal Social Worker- Well-being, Prevention and Commissioning	End of 2018	Carers strategy-coproduced with carers	

Please remember to be 'SMART' when completing your action plan (Specific, Measurable, Attainable, Relevant, Timely)



Swansea Council

People Directorate

Social Services

Charging Policy (Social Services)

**- Paying for Social Services
under the Social Services &
Wellbeing (Wales) Act 2014**

**Issued on behalf of the
Chief Social Services Officer David Howes**

Version 2

Revised policy, to commence 1st April 2018.

Charging Policy (Social Services)

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i) **Charging Policy Control Sheet****Version 2 –following policy review of charges undertaken in February 2018)**

Heading	Version response
<p>Title of Policy: It should be noted that Social Care charging is subject to new statutory guidance under Parts 4 & 5, of the Social Services and Wellbeing (Wales) Act.</p>	<p>Charging Policy (Social Services) - Paying for Social Services under the Social Services and Wellbeing (Wales) Act 2014, which came into effect 6th April 2016. This revised policy stands alone under this new statutory, legal framework for social care in Wales, and, though linked by shared principles, does not form part of the Corporate Charging and Fees policy.</p>
<p>Purpose of Policy:</p>	<p>To describe how Swansea Council will apply charges for Social Services under the Social Services and Wellbeing (Wales) Act 2014 (henceforth “the Act”) that comes into force from 6th April 2016.</p>
<p>Type of Policy:</p>	<p>This policy takes account of the new changes introduced by the Act, and subsequently regulations, codes of practice and guidance. The policy will be updated by the Council, annually or as necessary.</p>
<p>This policy replaces:</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fair Charging arrangements <input type="checkbox"/> Social Services policy on charging for non-residential services <input type="checkbox"/> CRAG regulations
<p>This policy does not cover:</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Care and Support Planning (Part 4) <input type="checkbox"/> Meeting Needs (Part 4) <input type="checkbox"/> Debt recovery (Part 5)
<p>Target Audience:</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Public- service users, parents, families and carers <input type="checkbox"/> Partner/ Provider organisations <input type="checkbox"/> Child and Family Services, Adult Services, <input type="checkbox"/> Corporate Finance, Legal, Revenue, Benefits and Procurement <input type="checkbox"/> Elected Members
<p>Author(s):</p>	<p>Simon Jones, on behalf of the Social Services Finance and Charging group</p>
<p>Lead Officer:</p>	<p>David Howes, Chief Social Services Officer</p>
<p>Date policy sign off:</p>	<p>Considered at CMT January 2018; Corporate Briefing on 1st February, 2018; To Cabinet February 2018.</p>
<p>Next Review Date:</p>	<p>By 31st March 2019</p>

Appendix 4

Consultation	National Consultation has taken place on the Act, Regulations and Code of Practice within Parts 4 & 5 of the Act. Consultation is not required at this stage, as the Policy consolidates existing arrangements. However, during the course of this financial year new charges may be proposed. If this is the case, public consultation may be required in due course.
Equalities Impact Assessment needed?	No. An EIA screening exercise has been undertaken and a full EIA is not required at this stage as there are no proposal to introduce charges for services that are not currently charged for. If there are introductions of new charges in the future, a full EIA may be required.
Date/ Version	10 th April 2016 / Draft v1 6 (correction in Appendix 1 table /external young adults following Corporate Briefing)

1. Introduction

1.1 The Social Services and Wellbeing (Wales) Act came into force on 6th April 2016. This changed the way social services are delivered in Wales, to meet the needs of the individual and to make services sustainable for the future.

The Act gives people a stronger voice and real control over the support they need to remove barriers to their wellbeing. It focusses on earlier intervention to prevent needs becoming critical, and promotes investment of resources in the short term, to give best value to the public purse overall.

The Act also promotes integration between the health and social care sectors to the greatest extent possible in order to achieve improved wellbeing outcomes.

Under the Social Services and Well-being (Wales) Act 2014 (SSWB Act), a local authority can only charge:

- up to the cost of providing the service
- what the person can afford.

1.2 This policy has been produced in accordance with the legal requirements set out in The Social Services and Well-being (Wales) Act 2014 (“**the Act**”) and sets out Swansea Council’s position on charging for social services.

It became effective from 6th April 2016 for all social services clients, with this Version 2 coming into effect from 1st April 2018.

1.3 The new legal framework is intended to cover both Adults and Child social services and requires that the Local Authority replaces the Fair Charging and CRAG regulations under one, single Charging Policy.

Swansea Council’s Charging Policy (Social Services) provides detail on:

Appendix 4

- i. Welsh Government's national charging framework
- ii. Our approach and the key principles behind the charges
- iii. How different types of services and support are charged/ not charged for
- iv. How changes will impact on community based service, residential care, direct payments, child and family services, respite care and other services
- v. How any discretion given to Local Authorities is applied in practice, including deferred payment agreements
- vi. Financial assessment processes, including reviews and appeals
- vii. List of charges that apply from 6th April 2016 (Appendix 1)

2. Legal Framework

2.1 The Social Services and Well-being (Wales) Act 2014, the regulations made under the Act and a code of practice issued by the Welsh Government together set out the requirements that local authorities must follow when determining whether to charge for care and support services and also when assessing the client's contribution towards those costs. For example:

- i. People with care and support needs may have a financial assessment to work out how much they must pay, whatever kind of help they receive
- ii. There is a maximum charge per week for non-residential care and support (including respite stays) and no-one will pay more than this for non-residential care and support
- iii. A person with assets exceeding the set capital threshold, will be liable to pay the full cost if they decide to live in a residential care home
- iv. People can still get 6 weeks of home care for free immediately following a stay in hospital
- v. Exemptions from charging where the services and support are provided under section 117 of the Mental Health Act 1983, and for people with Creutzfeldt-Jacob Disease who receive care and support.
- vi. No-one should be charged for information or advice
- vii. There may be a charge for helping people or carers to find and use certain services
- viii. Local councils must make sure everyone knows what they are being charged, and why (statement of charge)

2.2 Important Links to Act:

- i. **The Care and Support (Direct Payments) (Wales) Regulations 2015**
http://www.legislation.gov.uk/wsi/2015/1815/pdfs/wsi_20151815_mi.pdf
- ii. **The Care and Support (Charging) (Wales) Regulations 2015**
http://www.legislation.gov.uk/wsi/2015/1842/pdfs/wsi_20151842_mi.pdf

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- iii. **The Care and Support (Financial Assessment) (Wales) Regulations 2015**
http://www.legislation.gov.uk/wsi/2015/1844/pdfs/wsi_20151844_mi.pdf
- iv. **The Care and Support (Deferred Payment) (Wales) Regulations 2015**
http://www.legislation.gov.uk/wsi/2015/1841/pdfs/wsi_20151841_mi.pdf
- v. **The Care and Support (Review of Charging Decisions and Determinations) (Wales) Regulations 2015**
http://www.legislation.gov.uk/wsi/2015/1842/pdfs/wsi_20151842_mi.pdf
- vi. **The Care and Support (Choice of Accommodation)(Wales) Regulations 20** <http://www.legislation.gov.uk/wsi/2015/1840/made>

These regulations have been made, and came into force on 6 April 2016.

- vii. **Parts 4 and 5 Code of Practice (Charging and Financial Assessment)**
<http://gov.wales/docs/phhs/publications/160106pt45en.pdf>

This code of practice was issued under parts 4 and 5 of the Act on 18 December 2015. This national framework also came into effect on 6 April 2016.

2.3 Summary of the national charging and financial assessment legislative framework.

- i. A single financial assessment framework covering both residential and non-residential care and support
- ii. Set information to be provided to a person before they are assessed, with 15 working days for person to provide information and documentation an authority requires.
- iii. Where a person is a short-term resident (i.e. a stay not exceeding eight weeks commonly known as respite care) in a care home, and a local authority uses its discretion to charge for this, it must undertake a financial assessment of a person's means to do this as if the person were receiving non-residential care and support, or receiving direct payments for non-residential care and support.
- iv. Income from a War Disablement Pension is disregarded.
- v. A requirement to provide a client with a significant amount of information **before** a financial assessment can be made.

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- vi. Statement of charge, contribution or reimbursement must be provided before the charge can be collected. A charge will apply from when the person first receives their care and support.
- vii. The ability to suspend a deferred payment agreement if the person's income exceeds their appropriate minimum guarantee.
- viii. The ability to charge interest and administration fees on the amount deferred to make agreements affordable for local authorities.
- ix. The process for reviewing charges and charging decisions for non-residential care is to be extended to residential care.

3. Charging and Financial Assessment Explained

3.1 The intent behind the Social Services and Well-being (Wales) Act, Parts 4 and 5, is to introduce **one set** of financial assessment and charging arrangements, and to ensure greater transparency within these arrangements.

This policy follows Welsh Government guidance by ensuring that Swansea Council implements a single 'charging policy', which complies with the requirements of the Social Services and Wellbeing (Wales) Act 2014.

3.2 A Council's Discretion to Charge for social services

Under the Act, each local authority has the discretion to impose a charge, or set a contribution towards the costs of social care, or a reimbursement for direct payments. When doing so, the Authority must follow the requirements set out in the Act, Regulations and Code of Practice.

In imposing these charges a local authority cannot charge certain persons (exemptions) or for certain forms of care and support, and must apply certain financial 'limiters' to ensure the person is reasonably able to meet a charge, whilst retaining a certain amount of their income to meet daily living costs.

These 'limiters' or rules vary depending on whether the person is receiving residential or non-residential care and support, for example:

- i. A person is required to pay no more than a set weekly maximum amount for non-residential care and support.
- ii. A person is able to retain a certain amount of their capital assets which cannot be used towards care and support costs.
- iii. A local authority is now required to provide a statement of a charge, reimbursement or contribution agreed and for this to be revised as necessary.
- iv. A local authority can, in some circumstances, apply a flat rate charge for preventative services and 'assistance'.

3.3. For which care and support services can a local authority exercise its discretion to charge?

- a) Care and Support may include one or more of a range of services, including:
 - i. Assistance (Part 2, of The Act: Information, Advice and Assistance)
 - ii. Re-ablement - improving daily living skills following a stay in hospital or period of illness
 - iii. Non-residential Care (Home Care/ Domiciliary Care)
 - iv. Residential Respite Care or Short Breaks
 - v. Residential Care
 - vi. Day Care, whether the person attends a day centre or other day-time activities
 - vii. Flexible Support/ Family Support
 - viii. Community equipment and minor adaptations
 - ix. Life Lines and other Telecare equipment and services
 - x. Supported living arrangements
 - xi. Transport
 - xii. Community based Respite
 - xiii. Jointly funded services

- b) Also care and support may be meeting needs within:
 - i. Child and Family Services (Section 14 of this policy)
 - ii. Direct Payments (Section 15 of this policy)
 - iii. Support to carers (Section 16 of this policy)
 - iv. Preventative Services (Section 16 of this policy)
 - v. Secure Estates (Section 16 of this policy)
 - vi. Appointeeship (Section 16 of this policy)

General public information on charging will be made available to citizens, their carers or advocates during the assessment process to ensure they are aware that we charge for social care services and what that means for them.

4. What is a Financial Assessment?

- 4.1 The Regulations (See point 2.2) set out a series of requirements that a local authority must take into account when undertaking a financial assessment of a person's ability to pay a charge, or when setting a contribution towards their social care costs or reimbursement for a person receiving direct payments.
- 4.2 The Regulations specify the information that the Authority must provide to a person before undertaking a financial assessment, the timescale for a local authority to request and obtain information from a person, and the processes to follow.
- 4.3 The Regulations also set out the circumstances where there is no duty to carry out a financial assessment (Exemptions). These Regulations also contain instructions on the treatment and calculation of income and capital. Separate schedules identify specific forms of capital assets, forms of income and stipulate how each should be treated in a person's financial assessment.

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4.4 Once a financial assessment has been carried out, a statement of the assessed charge will be sent to the client (or their financial representative).

4.5 Discretion to apply locally-determined criteria for financial assessments. Local Authorities must decide what allowances, disregards or other aspects they wish to incorporate within the financial assessments they undertake beyond those required by legislation.

Any discretionary allowances say for reasons of hardship can only take place *with the written agreement of the Head of Adult Services or Chief Social Services Officer*, and this agreement is then clearly stated within the financial assessment and care and support plan.

If a decision to award allowance is granted by the Head of Adult Services, then this award decision should continue until the care and support plan is reviewed or a new financial assessment takes place.

Under this Charging Policy, the discretionary powers exercised by the Local Authority in respect of what services are charged for, exemptions, contributions or reimbursements are reviewed annually, alongside the list of charges (**Appendix 1 to this policy**).

5. Swansea Council's approach to charging

5.1 Swansea Council's approach to charging is that it should support corporate strategic priorities, to be sustainable in the longer-term, and that charging arrangements are applied equally e.g. all clients, with broadly the same assessed need for care and support, are treated equally, and therefore the same charges should apply subject to a financial assessment.

5.2 The Act allows for local authorities to act commercially and to raise income from charging. This is an important part of the range of options that help us manage our resources effectively. Charging can assist the Council in meeting rising local population needs with reducing resources.

As new models of service delivery are commissioned or provided that empower adults to have more control, supporting people to have greater independence, there may need to be a greater consideration of the full range of charges as set out in this policy.

5.3 Summary of the Charging Regulations under the Act

- i. **Section 59** provides a local authority with the discretion to impose a charge for the care and support, or the support to a carer, it provides or arranges under **sections 35 to 45** of the Act to meet a person's needs.
- ii. **Sections 60 to 62, 66 and 67** set out, or allow to be set out in regulations, how this discretion can be applied including that a determination to impose a charge should be on the basis of a financial assessment undertaken of a person's ability to pay a charge.

- iii. **Sections 63 to 65** allow regulations to be made governing financial assessments.
- iv. **Sections 50, 52 and 53(3)** permit regulations to be made which mirror these charging provisions in relation to contributions or reimbursements for direct payments.
- v. **Section 69** allows regulations to be made about charges for prevention services and assistance provided under **sections 15 and 17** of the Act respectively.

5.4 Swansea’s charging policy ensures that the Authority’s **discretionary powers** (highlighted in Tables 3 & 4 on pages 11 to 13) under the Act are applied fairly, and that all charges practices, such as undertaking a *financial assessment* or agreeing a *statement of charges*, are always aimed at reducing any discrepancies or anomalies for each individual’s care and support.

5.5 Swansea Council has determined to use its discretion whether to charge for care and support services it provides. The care and support services for which a charge will be made, and the level of those charges, are contained in Appendix 1 of this policy.

Table 1 - Swansea’s Key Principles

Key Principle	What each citizen expects	What Swansea Council expects
Continuity	I need time to plan for my future, and to find the resources that can meet my own care and support needs	We have a corporate charging policy which seeks to recover the full cost of services where this is legally permitted and appropriate. We will charge for social care services in accordance with the national charging framework (see Appendix 1) and maintain current charges where possible. Interest charges and administrative charges on Deferred Payment agreements in line with the regulations <i>are under consideration (see table 3)</i>
Fairness	I am paying a fair contribution to the cost of my care	We give individuals the right information about charging at the right time. We provide clear explanations of how we charge and what we charge for. We ensure individuals are given clear information about how their contributions have been calculated. We do not charge individuals more than they can afford to pay. We apply the charging rules fairly and transparently.
Equal	I understand that Swansea has a policy of fair charging	We will treat all people with dignity and respect recognising the value of each individual. Swansea is committed to eliminating all forms of
	that complies with national regulations and code of practice	discrimination on grounds of age, gender, disability, marriage or civil partnership, race, religion, beliefs, or sexual orientation. We are working towards Welsh Language standards, and the active offer to carry out services in Welsh. Public information can be requested in other formats which can be arranged on request.

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Transparency	I understand my statement of charges and how they have been calculated	We give clear and simple information about charging. We give clear information about financial assessment before and during the process. We give clear explanations about how an individual contribution has been calculated. We give clear information before and during a review.
Sustainable	I expect the Council to look towards the future, as I am considering my own care and support needs and financial situation	We ensure we make full use of the range of universal services, as well as preventative and early intervention services to meet a person's own well-being outcomes. We agree to a care and support plan that is appropriate and proportionate to meet the eligible assessed need for care and support within the resources we have available. We ensure that care and support plans are reviewed regularly, and within each year, to ensure appropriateness and effectiveness is achieved as well value for money.
Voice and Control	I expect to have voice and control over decisions on my care and support plan	Where someone lacks capacity to make a decision, we will work with an agreed representative, or offer an advocate where appropriate and will act in his or her best interests in line with Part 10 of the Act

6. Charges for care and support services

The Act and Regulations specify circumstances when the authority can and cannot charge for care and support services.

Swansea Council will not charge for services where it is either:

- i. Not permitted to do so by the new regulations or advised not to do so by the Welsh Government code of practice.
OR
- ii. Where it has chosen to exercise its discretionary powers not to do so after taking into account corporate strategic priorities and population wellbeing outcomes.

All directly provided or commissioned social services, whether community based or residential, will be subject to charging, unless specifically excluded by the Act and Regulations or by the authority using its discretionary powers not to charge.

6.1 The following table (Table 2) details charges that cannot be made, under the national charging framework

Table 2 - Charges that are not generally being applied by Councils in Wales.

Name of Service	Charged prior to April 2016	Chargeable under the Act/ Regulations	Charge to apply in 2018/19
Children's services	No	No	No
Care and support provided to a child.	No	No	No
Care and support provided to a child who is a carer	No	No	No
Intermediate Care / Reablement – First 6 weeks after leaving hospital	No	No	No
Social Work practice	No	No	No
Assessment of care and support needs, care and support planning or conducting a review of this plan, provision of care and support plans, provision of statements of a charge, undertaking a review of a determination of a charge or a charge itself	No	No	No
Carry out a financial assessment	No	No	No
Nursing forms of care	No	No	No
Independent Advocacy (provided under Part 10 of the Act)	No	No	No
Care and support provided to those with Creutzfeldt-Jacob Disease	No	No	No
After-care services/support provided under section 117 of the Mental Health Act 1983	No	No	No
Transport to a day centre where the transport is provided by the local authority as part of meeting a person's care and support needs	No	No	No

6.2 The following tables (Table 3 and Table 4) detail when the authority has made discretionary decisions to impose a charge / not to charge. For social care services

Table 3 - Swansea Council made a decision to impose a charge from April 2016.

Name of Service	Charged prior to April 2016	Chargeable under SSWB Act Yes/ No / Discretionary	Flat Rate/ Means Tested if applied	Charge to apply in 2018/19 Yes/ No
Residential care	Yes	Discretionary	Means tested	Yes
Home Care/ Domiciliary	Yes	Discretionary	Means tested Up to maximum charge	Yes
Respite (short term resident) and respite at home	Yes	Discretionary Up to 8 weeks / episode	Means tested Up to maximum charge	Yes
Day Services	No	Discretionary	Flat rate	Yes, subject to consultation
Flexible Support	No	Discretionary	Means Tested	Yes, subject to consultation
Temporary resident	Yes	Discretionary Up to 52 weeks	Means tested	Yes
Reablement – 7 th week onwards	Yes	Discretionary	Means tested (temporary residential care financial assessment)	Yes
Telecare	Yes	Discretionary	Flat rate	New charges to apply subject to business case
Lifelines	Yes	Discretionary	Flat rate	New charges to apply subject to business case

Table 4 –Swansea Council has decided not to impose a charge for the following services

Name of Service	Charged prior to April 2016	Chargeable under Act / Regulations Yes/ No / Discretionary	Flat Rate/ Means Tested if applied	Charge to apply in 2018/19 Yes/ No
Provision of Information and Advice	No	No	N/A	No
Assistance	No	Discretionary	Flat rate	No
Preventative Services	No	Discretionary	Flat rate	No
Night Time Care	No	Discretionary	Means tested	No
Carers	No	Discretionary	Means tested	No
Appointeeship	No	Discretionary	Flat rate with exemptions	Under Consideration
Transport <i>E.g. Transport costs for transport needs not included in a client's care plan</i>	No	Discretionary	Flat rate with exemptions	Under Consideration
Administrative Costs relating to Deferred Payments	No	Discretionary	Flat rate	Under Consideration
Direct Payments	No	Discretionary	Flat rate	No

Decisions to charge or not to charge under the authority's discretionary powers will be reviewed annually when setting the budget for the next financial year, or more regularly if required, and within corporate governance arrangements. These revised charges will, in normal circumstances, be applied at the start of the next financial year.

There may be circumstances, such as during 2016/17 as a transitional year under the Act, in which a new charge or change to the existing charge are required to take place during a financial year.

Any changes to charges will be subject to the normal processes of business case review, public consultation, and equalities impact assessment as require

7. Working out how much a person will pay towards their care

7.1 The overarching principle is that people who are asked to pay a charge must only be required to pay what they can afford. The Authority must take into account, when deciding whether to charge and in setting the level of any charge, contribution or reimbursement they require to be paid or made, the principles upon which this policy is based.

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People who require care and support will be entitled to financial support from the Council in certain circumstances based on their financial means and some will be entitled to care and support at no charge.

A list of Swansea Council social services charges is reviewed, and published annually.

<http://www.swansea.gov.uk/socialcare>

There are three charging categories for social services:

- i. Means tested charging following financial assessment
- ii. Flat-rate charges payable without a financial assessment;
- iii. Care and support provided free of charge (exempt from charging or where discretionary powers are exercised).

A financial assessment will be carried out for all care and support that is subject to means-tested charging, provided or arranged by the Authority.

To make a financial assessment, the authority will inevitably have to ask the person subject to the financial assessment to provide detailed information about their personal and financial circumstances and will allow 15 working days for them to do so.

The Council will consider and decide cases where a service user makes a reasonable request for an extension of time i.e. longer than 15 days, giving reasons why the extension of time is required and, if refused, will give the reasons for the refusal.

7.2 No requirement for a financial assessment

There are some circumstances where a Local Authority is not required to undertake a financial assessment. They include situations where:

- i) We charge a flat rate charge for particular care and support (including for preventative services and assistance (not currently charged for)) and as such, carrying out a financial assessment would be disproportionate to the charge levied.
- ii) The person fails or declines to provide information and/or documentation reasonably required to undertake the assessment. In such circumstances we can charge the service user up to the weekly maximum charge where it applies.

NB: where only partial information is received, we can charge on the basis of available information / documentation if we consider that we have sufficient information to do so.

- iii) The person is receiving care and support for which no charge can be made

8. How a financial assessment is carried out

8.1 A financial assessment will calculate how much, if anything, a person can afford to pay towards the cost of their care (or contribute towards their personal budget) on a weekly basis.

The financial assessment should only take into account the income and capital of the person being assessed. If any type of capital is jointly held (other than land), the capital will be treated as if an equal share is held i.e. 50%, unless the authority is satisfied a greater or lesser percentage of capital is held by the person being assessed.

i) Treatment of Capital

A person's capital is taken into account in the financial assessment unless it is subject to one of the disregards. Detailed information on the treatment and calculation of capital when making financial assessments is provided in:

- **Part 4 - Care and Support (Financial Assessment) (Wales) Regulations 2015**
- **Annex A - Parts 4 and 5 Code of Practice (Charging and Financial Assessment)**

ii) Treatment of Income

In assessing how much a person can afford to pay, the authority will take into account their income. In the main, income is treated the same, whether a person is in a care home or in receipt of care and support in the community.

However there are some differences between the two as to how income is treated.

Detailed information on the treatment and calculation of income when making financial assessments is provided in:

- **Part 3 - Care and Support (Financial Assessment) (Wales) Regulations 2015**
- **Annex B - Parts 4 and 5 Code of Practice (Charging and Financial Assessment)**

Some items to note:

- i. Income must be considered as net of any tax or national insurance.
- ii. The earnings of service users and their partners will be disregarded in the assessment of financial means.
- iii. Similarly the earnings of other household members whose income forms part of the assessment of financial means will also be disregarded.
- iv. Tax credits will be treated as income and will be disregarded in the assessment of financial means.
- v. Income from pensions will be taken into account in assessing service user's financial means.
- vi. Any benefits not specifically disregarded will be taken into account in determining a service user's financial means.

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vii. Partial disregards now apply to War Widows / War Widowers pensions and War Disablement pensions.

Where a service user or their representative advises the Authority of any expenses that can be disregarded as income, they will be required to provide reasonable documentary evidence of those expenses before they can be disregarded as income.

If no such evidence is provided, or the evidence provided is held to be not of a satisfactory standard by this Authority, the financial assessment will be made without disregarding the expense in question.

iii) Protected Minimum Income Amount (MIA) Threshold

Service users' contributions will be subject to a protected minimum income threshold, which is set at a level intended to safeguard their independence and social inclusion.

The calculation of the protected minimum income threshold is set out in the Regulations.

The value of the threshold is set out in List of Charges (Appendix 1 of this Policy).

8.2 Changes in Financial Circumstances

Where there is a change in a service user's financial circumstances, the service user or their representative is required to notify the Authority, so that their entitlement to financial assistance can be reassessed. Where a re-assessment changes the service user's contribution, the service user will be advised of the amended contribution to be payable from the new effective date in a revised Statement of Charges.

The effective date of the new charge will normally be the date on which the change in their circumstances occurred.

8.3 Changes in the Level of Service Provided

Where there is a change in the level of service provided, the charge for the services received may need to be reassessed.

Where a re-assessment changes the service user's contribution, the service user will be advised of the amended contribution to be payable from the new effective date in a revised Statement of Charges.

The effective date of the new charge will normally be the date on which the change in the service provision occurred.

9. Rights of citizens

This policy seeks to promote the independence and social inclusion of care and support recipients, citizens and carers.

As such due regard has been given to:

- United Nations Principles for Older Persons
- United Nations Convention on the Rights of the Child
- UN Convention on the Rights of Persons with Disabilities, as included within the Social Services and Well-being (Wales) Act 2014.

9.1 Accountability

In implementing this policy, the Swansea Council has put forward the legal context for this approach, our key principles for managing the changes and what is expected in terms of practice.

These charging arrangements are backed by clear lines of accountability and responsibility through the Council's corporate governance arrangements and within the social services and financial functions.

9.2 Empowerment

Each person can expect fairness, equal treatment and transparency in their journey through these charging arrangements, and where this is a human rights or mental capacity issue, they can expect to be offered access to advocacy services to help negotiate their way through to a satisfactory conclusion.

9.3 Welfare Benefits **Advice**

Swansea Council can provide access to appropriate welfare benefits advice, particularly to those who receive care and support to aid them in their understanding as to the benefits to which they may be entitled.. Access to specialist advice should be made available to carers of those who receive care when requested.

Information gathered as part of the Financial Assessment, can be shared with the Benefits Advice Team in order to provide welfare advice that would be beneficial to the service user.

10. Statement of Charges

10.1 The way people pay for care if they have the financial means to do so will now be uniform across Wales - there will be one set of assessment and charging arrangements for all adults who are required to pay for their care. This national charging framework will apply to both residential and non-residential care. There are a few discretionary areas available to local authorities and these are outlined in this local policy.

10.2 The Care and Support (Charging) (Wales) Regulations 2015 require a local authority that makes a determination about the amount which it is reasonably practicable

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for a person to pay for care and support and to provide a statement or letter setting out the calculation of the payment that must be made.

The regulations do not specify the exact content / format of the statement to be issued.

11. Uplifts to Charges

11.1 The Council has the flexibility to consider potential uplifts to charges on a regular basis, to take account of inflationary costs to expenditure services and where possible to operate on a full cost recovery basis.

11.2 The calculation of uplifts will as a consequence take account of amongst other things:

- Staffing costs
- Administrative costs
- Increases to rates
- Costs imposed on the Authority by external service providers.

11.3 Where appropriate a clear methodology will be used to determine uplifts, and where necessary an Equality Impact Assessment will be undertaken and public consultation as required.

12. Non-residential care

The term “**Non Residential Care**” applies to the following services:

- a) Community Based Services ie. Domiciliary / Home Care Services and Domiciliary Respite Care Services
- b) Day Care
- c) Telecare and Lifelines

Service Users who are in receipt of the services listed in points b) and/or c) in addition to the services mentioned in point a) will require a single financial assessment based on the total cost of all the services provided to determine if the person is entitled to assistance with the cost of the service.

If the services user is only receiving any of the services mentioned in b) and / or c), no financial assessment is required as flat rate charges apply.

Service Users who do not wish to take part in a financial assessment will be required to pay the full cost of the services provided, subject to a weekly maximum where applicable.

In 2011, Welsh Government announced a cap or **maximum weekly charge** on the amount councils can charge for non-residential care and support. Under section 59 of the Act, or under sections 50-53 of the Act in connection with direct payments, local authorities

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must not charge more than a weekly maximum charge to a person in receipt of non-residential care and support (the maximum amount is specified in Appendix 1).

The charge for care provided will be calculated as follows:

i) Community Based Services

The weekly assessed charge for Domiciliary Care is calculated by multiplying the actual hours of care by the agreed notional hourly rate. There will be no enhancement to the number of hours to reflect double manning, weekend work or out of hours visits. Likewise time spent travelling to and from a service user's home will be disregarded in arriving at the number of hours of care received. The notional hourly rate that will apply in any one year will be set by the Council.

The Hourly Rates are set out in Appendix 1 of this policy. Exceptionally, there may be a need to revise the rate during the year. The hourly rate will be no more than the full cost of the service, and will not necessarily reflect the actual cost to the Council of providing or commissioning domiciliary care services. This service is the subject of a commissioning review within the Sustainable Swansea –fit for the future programme. Any changes to charges would be considered as part of an annual review of charges.

Day services usually take place in a location other than a person's home, and as such are included as community based services. A timetable of attendance at a local authority day service for a part or whole day or number of days may be set out in the care and support plan agreed with the service user.

Following the annual review of charges in 2017, charges for day services provided to adults in Swansea are part of the Council's public budget proposals consultation, and the specific proposal is that charges are applied to people receiving day services for older people, and to day services for adults/ special needs, from 2018/19.

Day Services are part of the commissioning reviews undertaken as part of the Sustainable Swansea –fit for the future transformation programme, and in support of the Adult Services Optimal Model.

iii) Telecare and Lifelines

Telecare is a term used to describe a range of electronic, electrical and other devices which help to maintain an individual's independence, safety and health and wellbeing, usually, but not exclusively, within their own homes.

The most familiar example of this is the Lifeline Telephone used by many thousands of Swansea citizens to provide an immediate link to a continuously staffed call centre in an emergency.

This range of provision sometimes operates below the thresholds of current social care eligibility with a more preventative focus with a flat rate charge for lifelines to cover the costs of equipment, installation and call response.

Telecare for eligible people will continue to be subject to charging arrangements already in place.

13. Residential Care

For more detail refer to:

- **The Care and Support (Charging) (Wales) Regulations 2015** □ **Care and Support (Financial Assessment) (Wales) Regulations 2015**
- **Parts 4 and 5 Code of Practice (Charging and Financial Assessment)**
 - Chapter 9 Charging for care and support in a care home □ Annex D: Deferred Payment Agreements.

a) Long Term Residential Care

When a decision is taken to charge for residential care, as with all charging, a financial assessment is then undertaken. The Authority aims to support the person to identify options of how best to pay any charge. Where a decision is taken that a person has **long term** care and support needs which are best met within residential care, then property is taken into account within the financial assessment.

The main examples of capital considered are the value of property and savings a person holds.

A person's financial circumstances may lead to the offer of a deferred payment agreement (DPA) against the value of a property taken into account within the financial assessment. Deferred Payments are described in more detail in Annexe D of the code of practice.

The Act states that a local authority **must** ensure that the person has a genuine choice and must ensure that more than one option is available within its usual commissioning rate (standard rate) for a care home of the type a person has been assessed as requiring. However, a person **must** also be able to choose alternative options, including a more expensive home.

Where a home costs a local authority more than it would usually pay, a person **must** be able to be placed there if certain conditions are met and where a third party (or in certain circumstances the resident) is willing and able to pay the additional cost.

However, an additional cost payment **must** always be optional and never as a result of a shortfall in the funding a local authority is providing to a care home to meet a person's assessed care needs. Local authorities must follow the Care and Support (Choice of Accommodation) (Wales) Regulations 2015.

This service is the subject of a commissioning review within the Sustainable Swansea –fit for the future programme. Any changes to charges would be considered as part of an annual review of charges. **Commissioning (standard) rate is also subject to annual review, as with all charges.**

b) Short Term Residential Placements (commonly known as respite care) and Temporary Residential Placements

In each case the charge will be no more than the full cost of the service, and will not necessarily reflect the actual cost to the Council of providing or commissioning domiciliary respite services.

i) Short-term residential placements (Respite Care) are those which are generally up to 8 weeks only, and in practice is likely to be 1, 2 or in exceptions 3 or 4 weeks. Persons are now to be subject to the maximum weekly charge, for short-term placements, with a financial assessment. The guidance has taken into consideration that for a non-permanent resident, such an individual would still have outside daily living costs to meet (such as a mortgage) and a desire to support carers.

Where a person is a short-term resident in a care home (Respite Care) the local authority must undertake any financial assessment of a person's means as if the person were receiving non-residential care and support, or receiving direct payments for non-residential care and support.

ii) Community Based Respite Services (Domiciliary Care and Domiciliary Respite Services)

The weekly assessed charge for Domiciliary Care and Domiciliary Respite Services will be calculated by multiplying the *actual hours* of care by the agreed notional hourly rate. Persons are subject to the maximum weekly charge, with a financial assessment. The notional hourly rate that will apply in any one year will be agreed by the Council. The hourly rates are set out in Appendix 1 of this Policy.

iii) Temporary residential placements are those where the stay is for up to 52 weeks (or in exceptional circumstances is unlikely to substantially exceed 52 weeks) and therefore fees should be charged at the residential rate with a financial assessment. If it is known from the outset that a stay will exceed 8 weeks, this should be considered a temporary placement from the outset and not a short term (respite) period.

14. Self- Funders

Under Part 5 of the Social Services and Well-being (Wales) Act 2014, a local authority may impose a charge for providing or arranging the provision of care and support or support of citizens with the means to pay.

Swansea Council may incur administrative costs in recovering fees and charges for arranging for the provision of care and support for an adult whose financial resources are above the financial limit (often referred to as a "self-funder"), but who nonetheless asks the authority to meet his or her needs.

In such circumstances, the Council's approach will be to charge according to our financial policy of full cost recovery. The Council will also seek to recover any additional charges (these may referred to as a "brokerage charge" or "commissioning charge") to maintain and support a placement. Such charges will be backdated to the date on which the

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placement commences, or to the date when contact was made by the self-funder requesting the Council's assistance.

15. Child and Family Services

The Act prevents local authorities from charging a child for the care and support they receive, or for support provided to a child who is a carer.

While the Act contains a provision to allow a parent or guardian to be charged, the Regulations and code currently preclude this on the grounds that this provision was included in the Act to "future proof" it and not by a desire to introduce such charging at this time.

The Authority must not therefore charge for care and support to a child, or for support to a child who is a carer provided under Part 4 of the Act (Meeting needs), nor must authorities seek payment of a contribution or a reimbursement towards such costs when direct payments are being made to secure such care and support.

16. Direct Payments

See Care and Support (Direct Payments) (Wales) Regulations 2015

16.1 Under the Act it is expected that more people will be able to receive Direct Payments if preferred. This means citizens will be given the money to organise the care and support needed to meet their own agreed, well-being outcomes.

16.2 The most significant new provision of the Act is that it enables direct payments to be used to purchase care and support from the authority which made the payment as well as other providers. Also the Regulations allow direct payments to be used to cover residential care costs, for example short periods of reablement, or longer term periods.

16.3 Where direct payments are not made to the service user direct, additional conditions must be satisfied. For example, whether the payment can be used to pay relatives, where vetting is required or conditions on how the payment can be used.

16.4 In respect of direct payments, the Authority must decide whether to make net payments or gross payments. Prior to April 2016 the authority made net payments for Direct Payments and will continue to do so.

16.5 The weekly assessed charge for care and support facilitated by a Direct Payment will be calculated by multiplying the assessed hours of care set out in the care package by the agreed notional hourly rate for personal assistance. The notional hourly rate that will apply in any one year will be agreed by the Council.

16.6 Any determination of contribution towards a direct payment will be set out within the person's statement of charge.

16.7 Swansea Council will seek to protect public funds from fraud, misuse, or wilful mismanagement of money or assets, and will take action to recover any monies lost as a result of such activity.

17. Other Services

Local authorities have a duty to arrange care and support for those with eligible needs, and a power to meet non-eligible needs should it wish to do so. They also now have more discretionary powers, for example:

To impose charges in relation to care and support it provides or arranges (under section 59 of the Act) See section 6 of this policy.

i) Assistance or Preventative Services

Under the Act (section 69) a local authority has discretion to choose whether or not to charge for preventative services and assistance. At present Swansea Council does not charge for this range of services as they are an important driver in managing future demand and building up citizens, families and communities capacity to manage their own care and support.

See Section 6 of this policy

ii) Services to Carers

Swansea Council commissions a ranges to services to support carers and young carers. Carers are vital in maintaining care and support at home, promoting independence and well-being. At present Swansea does not charge for the provision of support to carers.

See Section 6 of this policy

iv) Secure Estates

The charging framework also applies to people who are detained in the secure estate. Whilst detainees have restricted access to paid employment and welfare benefits (and earnings are disregarded for the purposes of financial assessments), any capital assets, savings, income and pensions will need to be considered when undertaking a financial assessment as with any other person in receipt of care and support.

v) Appointeeship

A weekly administration charge can be made in future against the income and capital assets for some service users who receive support from Social Services to manage their financial affairs where they have been assessed as lacking the mental capacity to do so (*See Table 3*).

18. Mental Capacity

The charging policy takes into consideration the capacity of the person as well as any medical condition or impairment they might have.

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Where a person is assessed as lacking capacity to manage their own financial affairs they may still be assessed as being able to contribute towards the cost of their care and support.

Under the Act, the Authority is putting into place additional support to improve access to representation and advocacy, to enhance how they communicate, and participate in decisions, how they are involved in activities such as financial assessments and how they agree to any charges.

Swansea Council will work with the individual who has the legal authority to make financial decisions on behalf of the person who lacks capacity.

For example:

- a. Enduring or Lasting Power of Attorney (EPA or LPA);
- b. Department of Works and Pensions appointee;
- c. Court of Protection Deputy for property and affairs

If a person is found to lack the mental capacity to manage their financial affairs and there is no-one who has the legal authority to make financial decisions on their behalf, then an application as appointee or Court of Protection Deputy may be made by the Local Authority, if there is found to be no other suitable third party willing or able to act.

Where a person has mental capacity, they may still give their consent for another person to act as their financial representative. Where consent has been given, the Authority will work with the financial representative on matters concerning the person's (client's) financial affairs

19. Deferred Payment Agreements (DPA)

See Care and Support (Deferred Payment) (Wales) Regulations 2015 Also refer to Parts 4 & 5 Code of Practice Annex D.

The new regulations set out the conditions a person and their property must meet in order to be eligible for a deferred payment agreement, the level of a deferred payment a local authority can enter into and the arrangements regarding administration costs and interest which may be charged for setting up and operating a deferred payment agreement.

The Authority can under the regulations agree to enter into a deferred payment agreement where the person and their property meet certain conditions prescribed. Principally these are where a person has an eligible property but whose other forms of capital are under the level of the capital limit and they do not have sufficient income to meet their care costs in full.

A deferred payment agreement enables a local authority to meet the cost of a person's residential care in whole or part while placing a charge on their property as security against the deferment. As a property is not taken into account when undertaking a financial assessment for a charge for non-residential care and support, deferred payments are only applicable in relation to residential care. A property would be included as an asset within the financial assessment based upon a professional valuation of the current sale value (this value may be subject to future revaluation).

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The overall purpose of a deferred payment is to enable a person who enters a care home, and who has a property which has been taken into account in their financial assessment to set a charge for this, to exercise choice as to when or whether they sell their property to meet this charge. The aim of a deferred payment is to afford a person time to get their financial affairs in order, or time to arrange for the sale of their property where this is to occur, and to provide them flexibility as to when they sell the property.

Agreements can be for the duration of a person's stay in a care home, much shorter period as they wish, or until they decide to sell their property to pay for their residential care. The agreement may state the actual date of sale or disposal of the property, set a period such as **90 days** after the date of death of the person with whom the Authority has made the agreement, or such longer time as appropriate.

Before entering into a DPA, the Authority will provide a person with a statement of charges, which will include an estimate of the administrative charges required for setting up the agreement and for the whole period when the agreement remains in force. Please note that third party top up payments are not included in any current agreement with the Council

Termination of a Deferred Payment Arrangement- The person may terminate the agreement at any time prior to the specified time, by giving the Authority reasonable notice, in writing and paying any outstanding amounts.

20. Reviews

Parts 4 & 5 Code of Practice Annex E – Review of Charging Decisions and Determinations.

20.1 Section 73 of the Act requires the Authority to make provision for reviews of charging decisions and determinations made. The principles and requirements in place prior to April 2016 for reviews in relation to non-residential care determinations and charging decisions now apply to both residential and non-residential care determinations and charging decisions.

20.2 A person receiving care and support, either in the community or in a care home, has the right to request a review of a decision to impose a charge. Where a person feels an inappropriate decision has been made, either in the level of the charge, reimbursement or contribution or in relation to the basis upon which the decision to impose this was made, the person will be able to request the local authority to review the decision. This initial review should involve the authority itself reassessing the decision made and deciding whether its original decision was correct, particularly where further information was now available.

20.3 The review process is also extended for reviews of situations where a person has been deemed to be a liable transferee, having received an asset with the intention of avoiding or reducing charges for a person deemed to be liable for a charge. This process will provide a consistent review process for such decisions so that where a person wishes a determination in relation to charging, or the level of a charge, reviewed, they will be able to ask an authority to do this in a relatively straight forward way and in

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doing so, potentially obviate the need for a person to make a formal complaint to the authority.

20.4 We will operate a review process as set out in the Regulations and code of practice to enable reviews to be sought of a determination of a charge, contribution or reimbursement, or the level of these, or where a person has been deemed to be a liable transferee.

20.5 It is hoped the vast majority of these requests would be satisfactorily resolved through the review process. However, if a service user or their representative remains unhappy with the decision after it has been reviewed then they have the opportunity to follow the complaints procedure as detailed in The Social Services Complaints Procedure (Wales) Regulations 2014.

20.6 Welsh Government Guidance on these regulations (A guide to handling complaints and representations by local authority social services) advises that a complaint or representation may be made up to 12 months after the date on which the matter which is the subject of a complaint or representation occurred. Alternatively, if later, the date on which the matter which is the subject of the complaint or representation came to the notice of the complainant or the person making the representation. However, this time limit will not apply if the local authority is satisfied that there are good reasons for a complaint or representation not being made within the time limit and, despite the delay, it is still possible to investigate the complaint effectively and fairly.

Appendix 1. Swansea Council List of Charges (to apply in 2018/19)**a) Residential care and support services**

Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Long Term Residential Care – Older People per week			
Older Persons Care Homes	Means tested – up to the maximum standard charge as outlined in the categories below		Standards rate of elderly care, increases to reflect current market rates.
• Elderly care	– £521.22/£530.53	£557.05	Increase of 5% for Council run homes
• Nursing Care	– £537.54	– £569.79	Up by 6% to reflect current market rate for specialist care.
• Dementia Nursing Care	– £552.84	– £586.01	Up by 6%, as above
Long Term Residential Care – Adult per week			
• Learning Disability	– £1,459.69	All care and support placements are individually costed	
• Mental Health	– £800.18		
• Young Adults	– £1,302.56		
Short Term Residential Care – All Adults per week			
Short term residential care - up to 8 weeks (known as Respite care, reablement (from week 6 and up to week 8) or temporary short-term emergency or planned placement)	Means tested – maximum weekly charge	Means tested – maximum weekly charge	Restricted by legislation
Temporary residential care - up to 52 weeks, where placement is known to last more than 8 weeks from the onset/or from week 9 of a short term residential care placement	Means tested - up to £530.53	£557.05	Up by 5%

b) Non-residential, community-based care and support Services

Home Care			
Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Domiciliary or Home Care, including respite at home, supported living	£10.20	£15.00	Significant increase (47%, £4.80 per hour) to bring Swansea more in line with other Welsh LAs Charge to cover respite at home service
Day Services Older People			
Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Older Persons Day Services	No charge	£40 per day, up to the means tested – maximum weekly charge currently £70 per week to apply	New charge, subject to consultation- charge reflects average costs across range of day services
Day Services - Adults			
Adults/ Special Needs Day Services	No charge	– £50 /day	New Charge, subject to consultation – charge reflects average costs across range of specialist day services

c) Other Services

Charges for Services	Charges in 2017/18	Charges in 2018/19	% Increase/ Comment
Telecare / Lifeline	£2.50/ week	£2.63	5% uplift
Meals (within community-based, day services)	£3.50 /day	£3.50 /day	Charge to remain same as new charges to day services are applied.
Court of Protection Deputyship	£745 application fee; £775 for first year management and £650 per year thereafter, or 3.5% of the person's net assets- charge	To remain the same, as dictated by the Office of the Public Guardian	These are fixed rate charges set by the national public guardianship framework, as remuneration for

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	<p>against assets if these are under £16,000; Other additional charges may apply: - £300 property management fee - £216 preparation and lodgement of an annual report</p>		<p>Local Authorities when acting as Court Deputy.</p>
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The following national threshold figures for **2018/19** have recently been confirmed (Feb. 2018) by the Welsh Government Minister for Social Services, and when amended within The Care and Support (Charging) (Wales) Regulations 2015, they are to be used by the authority when carrying a financial assessment in accordance with this Council policy, and the Act 2014:

- **Threshold on Capital:**

Capital Limit applicable in residential care charging is to increase from £30,000 to £40,000 in 2018/19 (the capital limit applicable in non-residential care charging is to remain as £24,000);

- **Maximum weekly charge for non-residential care charges**

Maximum Weekly Charge as applicable in non-residential charging is to increase from £70 to £80 per week;

- **Personal Allowance (Minimum Income Amount)** to people in residential care is to increase from £27.50 to £28.50 per week;

Minimum Income Amount (MIA) is also set, during a financial assessment, for a person being provided with non-residential care and support

Please Note: Under this Charging Policy, any discretionary powers exercised by the Local Authority in respect of what services are charged for, exemptions, contributions or reimbursements are reviewed annually, alongside the list of charges.

Agenda Item 8.



Report of the Section 151 Officer

Cabinet - 15 February 2018

Medium Term Financial Planning 2019/20 to 2021/22

Purpose:	This Report sets out the rationale and purpose of the Medium Term Financial Plan and details the major funding assumptions for the period and proposes a strategy to maintain a balanced budget.
Policy Framework:	Sustainable Swansea – Fit for the Future
Consultation:	Legal Services, Access to Services, Cabinet Members and Corporate Management Team
Recommendations:	It is recommended that:- 1) The Medium term Financial Plan 2019/20 to 2021/22 be recommended to Council as the basis for future service financial planning.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

1. Introduction and Background

- 1.1 Service and financial planning continues to be undertaken against a backcloth of reducing overall financial resources and increasing service pressures and demand.

The Medium Term Financial Plan (MTFP) is an overarching strategy that:

- Covers 3 future years.
- Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
- Links to the Council's adopted strategy '**Sustainable Swansea – Fit for the Future**' as a means of addressing future budget shortfalls.
- Links to the Council's revised Corporate Plan, "Delivering for Swansea" and the delivery of our top 5 priorities.

- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

- 1.2 It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2019/20 to 2021/22 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.
- 1.3 Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the three year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.
- 1.4 It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.
- 1.5 The plan serves to highlight the trend for increasingly difficult times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.
- 1.6 Importantly, it is essential that the MTFP becomes a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2018/19, further reports to Cabinet regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the Autumn of 2018 will provide a key update on the financial outlook and delivery of savings.
- 1.7 The MTFP is one of many documents that are produced in terms of financial planning and control. These include:-
 - The annual Revenue and Capital Budgets of the Authority
 - The annual HRA Capital and Revenue Budgets
 - The formal quarterly budget monitoring reports that are presented to Cabinet
 - The Mid-term Budget Statement intended to be produced each year as an aid to strategic review on progress
 - The Revenue and Capital Outturn Statements taken to Cabinet following year end

- The Statement of Accounts produced and approved by Council on an annual basis.

1.8 The MTFP is intended to form a logical flow from an assessment of forecast resources over the medium term through each step of a structured planning process for future years and as such it specifically details:-

- Section 2 Overview of financial planning environment 2019/20 to 2021/22
- Section 3 Detailed spending and resources forecast 2019/20 to 2021/22
- Section 4 Strategy to address future savings requirements
- Section 5 A summary of the Medium Term Financial Plan and Sustainable Swansea strategy.
- Section 6 Medium Term Financial planning for Schools
- Section 7 Risks and issues surrounding the MTFP
- Section 8 An assessment of reserves
- Section 9 Legal and Equalities implications

2 Overview of Financial Planning Environment 2019/20 to 2021/22

2.1 The Medium Term Financial Plan (MTFP) report considered by Council on 23rd February 2017 included a service and financial overview. This was updated in terms of the Mid-Term Budget Statement verbal report given to Council in October 2017 and is updated further below.

Economic outlook and prospects for Public Finances

2.2 The announcement of both the provisional and final Revenue and Capital Settlements for 2018/19 has resulted in an overall postulated like for like cash increase of £2.3m. However, there is an increase of just £1.75m in block grant after allowing for the changes to social services capital limits for residential care. This needs to be set in the context of the forecast cost of the national living wage impact of £1.7m plus alone.

2.3 However, the current economic climate continues to be uncertain, and the Welsh Government stated in their draft budget document that this is one of the longest periods of sustained austerity in living memory. There is and will continue to be uncertainty over the UK's relationship with Europe and the impact on Wales following Brexit. It is still the case that the Welsh budget will be expected to continue to reduce in real terms over the period to 2021/22.

2.4 Of course, the level of Welsh Government devolved Block Grant is not the only determinant of Welsh Government support for Local Authorities. It is

likely that further delegation and transfer of powers and rights from Westminster to Cardiff, including full devolution of matters relating to business rates, together with further tax changing/raising powers, may impose greater or lesser financial risks to Welsh Government than is currently the case. There is also the fact that Welsh Government has to decide on its own cross-sectoral allocation of devolved funding to public services in Wales.

- 2.5 Whilst it is a positive settlement for 2018/19, it is unlikely that such a good settlement will be forthcoming in future years and, in addition to possible reductions in core funding, the Council also has a wide range of service and demographic pressures which will inevitably impact on demand for services. Equally clearly, there is a potential for further UK Government announcements to impact on costs borne by the Council, particularly in respect of any changes to taxation. The clear example in 2018/19 is of the changes to the National Living Wage, which will add around £1.7m to the Council's annual costs.
- 2.6 As mentioned above, a further complicating factor over the period of the MTFP involves proposals to devolve tax varying powers from Westminster to the Welsh Government. Whilst this notionally impacts primarily on individual taxation, potential devolution of National Business Rates (NDR) has the potential to impact directly on Local Authority budgets and risk. Latest proposals, for example, are to devolve the cost of welfare provision in Wales to the Welsh Government with all the risk that might entail regarding cost movement.
- 2.7 In terms of core revenue funding, the final Revenue settlement issued by the Welsh Government in December 2017 gave an indicative settlement level for 2019/20, which is an improvement on previous years. However there has been no indication beyond 2019/20. This leaves Authorities having to make their own assumptions regarding levels of Aggregate External Funding during the period of the Medium Term Financial Plan, based on an assessment of UK and Wales financial planning and announcements.
- 2.8 All this of course has to be set against a backdrop of significant global instability where events can impact significantly – and at short notice – on the UK economy and the overall UK economic outlook.
- 2.9 For the purposes of the planning assumptions, it is simply not possible to forecast with any certainty the level of funding that is likely to be received from Welsh Government on an annual basis over the period of the MTFP. Instead it is intended to forecast a range of potential funding scenarios, each of which will result in differing financial forecast for the Council over the period covered. The forecasts will be updated using the mid-term budget statement to Council each year to reflect the best information available on a rolling basis.

For the purposes of the MTFP, forecasts will be based around an assumption of a reduction of 1.0% in 2019/20 (as indicated by the Welsh Government), and then cumulative reductions of 1%, 2% and 4% for 2020/21 and 2021/22, although of course reductions will fluctuate on an annual basis.

It is not considered likely that there will be a cash flat position over the period of the MTFP and even less likely that there will be any form of increase.

Year	AEF Reduction @ 1% £'000	AEF Reduction @ 2% £'000	AEF Reduction @ 4% £'000
2019/20*	3,191	3,191	3,191
2020/21	3,159	6,318	12,636
2021/22	3,127	6,192	12,130
Cumulative	9,477	15,701	27,957

* 2019/20 is a reduction of 1.0% across all scenarios as that has been indicated by the Welsh Government.

Note that the above reductions are based on the final AEF for 2018/19 of £319.087m as announced in December 2017.

The above represents a significant spread in terms of potential overall reductions over the life of the MTFP, which as stated previously will have to be updated on a regular basis.

- 2.10 During the timescale of the MTFP there are a significant number of events which could impact on some of the major assumptions we have made. These include:-
- Any voluntary or joint arrangements, including increased regionalisation, in lieu of compulsory Local Government reorganisation in Wales
 - Wider events that could impact on the Global economic position including Eurozone elections.
 - The final exit package agreed by the UK Government in respect of "Brexit"

Support for Capital Programmes

The final settlement indicated support for future General Fund Capital programme at a level of £10.292m for 2018/19, a very slight increase from 2017/18. This support is through a mix of General Capital Grant and support for borrowing.

Planning assumptions for 2019/20, 2020/21 and 2021/22 are based on unchanged levels of support, which is in line with the indicative headline figure issued by the Welsh Government.

As reported elsewhere on this agenda in the Capital Budget & Programme 2017/18- 2023/24 Report, there is an ambitious capital investment programme

which provides support for the newly approved Band B of the 21st Century Schools Programme and major capital schemes flowing from the Swansea Bay City Deal including the Digital Village £30m, Swansea Arena and Swansea Central City Centre Development £121m

The Swansea Bay City Region Deal shall attract substantial grant and loan funding support, which has yet to be formally approved and the capital programme 2017/18 – 2023/24 shall also require significant unsupported borrowing to be undertaken to enable completion.

- 2.11 The total estimated cost of the Band B schools programme envelope is £141.6m (excluding the potential aided sector project which is assumed to require no Council contribution). Of this total, £91m is from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £38.2m. The remaining £51m is proposed to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £12.6m although the 25% local contribution would apply to the annual revenue charge.
- 2.12 The capital financing strategy underpinning the capital budget seeks to maximise grants, supported borrowing, contributions and capital receipts in order to minimise the need to borrow funds. The borrowing requirement identified to support the capital programme is significant and shall require substantial revenue support to service. The revenue implications of the borrowing are reported in the Revenue Budget elsewhere on this agenda. The revenue implications are considered affordable and sustainable over the cycle of the programme.
- 2.13 As indicated above, the position remains that should such capital receipts not materialise the Council will have no option but to consider reductions in spend, seek alternative sources of funding or, as a last resort, consider additional borrowing which shall place a further burden on revenue finances.
- 2.14 In the recent past, the Council has sought to minimise its external borrowing by the use of internal funds, which is entirely consistent with good Treasury Management policy given historic low interest rates on investments and avoiding the 'cost of carry'. Sustained internalisation of borrowing requirement and the significant funding required for the capital programme 2018/19 onwards and the depletion of Reserves and Provisions (including significant sums relating to equal pay settlements) means that externalisation of this debt has become inevitable. It is clear that the Council has an opportunity to progress this at a time when external borrowing rates are at an all-time low and this strategy of externalising debt will continue to be undertaken in 2018/19 and beyond as opportunities arise.
- 2.15 It should be noted however, that even with borrowing rates as low as they are, externalising of borrowing is still likely to have a potentially negative impact on revenue finances going forward.

- 2.16 It remains the case that each year the Council sets aside a significant amount of money (c £14.1m 2016/17) called the Minimum Revenue Provision (MRP) towards the repayment of debt. This provision is in line with the Council's existing MRP Policy. The MRP Policy shall be reviewed in 2018/19. This effective repayment will have to be taken into account when evaluating overall borrowing levels and the ability to service any additional borrowing requirement.
- 2.17 The additional capital investment identified above will attract significant grant funding (especially 21st Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 2.18 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability which is considered over the medium to long term to be up to £200m.

3 Detailed Spending and Resources Forecast 2019/20 to 2021/22

- 3.1 The Capital Budget report forecasts capital spending and resources in the period covered by the MTFP.
- 3.2 In terms of the Revenue Budget, and in the context of financial planning over the period of the MTFP, the overriding issue is likely to be the need to make significant ongoing savings in Service Expenditure in order to meet both projected reductions in core and specific funding from the Welsh Government together with known and anticipated spending pressures.
- 3.3 The following table represents the expected funding requirements (based on current policies and decisions) for the period of the MTFP:

Projected spending pressures/funding deficiency 2019/20 – 2021/22

	Note	2019/20	2020/21	2021/22
		£'000	£'000	£'000
Future cost of pay awards	1			
- Non Teachers		3,600	7,200	10,800
- Teachers		2,400	4,800	7,200
National Living Wage – own pay bill	2	1,700	1,700	1,700
National Living Wage – contracts		1,000	2,000	3,000
Increase in Pension Costs	3	1,700	3,400	3,400
Increased Teachers Pension costs	4	1,100	1,100	1,100
Cumulative contract inflation	5	1,000	2,000	3,000
Capital charges – existing	6	1,750	3,500	3,500
Capital charges - new scheme aspirations	7	1,500	3,000	5,000
Use of General Reserves	8	1,000	1,000	1,000
Use of Insurance Reserve	9	0	700	700
Demographic and Service pressures	10	3,000	6,000	9,000
Mid and West Wales Fire authority Levy	11	500	1,100	1,600
Council Tax Support Scheme	12	600	1,300	2,000
Total known pressures		20,850	38,800	53,000
Aggregate External Finance reduction	13	3,200	9,500	15,700
Total Savings Requirement		24,050	48,300	68,700

Note:

1. *The pay award figures represent an average forecast increase of 2.0% for the period of the MTFP for non-teachers and teachers.*
2. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale - national spinal point currently being reviewed.*
3. *The Year 2 and 3 costs arising from the triennial revaluation of the local government pension scheme effective from 1st April 2017. The provisional assumption is an effective stepped 1% increase each year to overall costs.*
4. *The Teachers' Pension Scheme (TPS) increases in 2019/20 due to a reduction in the discount rate from 3% to 2.8% per HMT - TPS rises from 16.48% to just over 18%.*
5. *Reflects the assumed minimum cumulative effect of contract inflation.*
6. *The additional estimated borrowing costs as a result of the current Capital programme together with potential increases arising from externalisation of borrowing due to cashflow requirements.*
7. *The initial additional estimated borrowing costs for the delivery of the major aspirational capital programme.*
8. *The need to remove the budgeted take from general reserves underpinning the 2018/19 budget.*

9. *The 2017/18 budget report agreed an annual take from the insurance reserve for three years, this has now been further extended for two more years, after which this money can no longer be assumed available and alternative funding will need to be identified.*
10. *Assumed Demographic and Service pressures mainly around Schools and Adult and Children's Services.*
11. *Estimated Fire Authority Levy increase.*
12. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage as set out previously in the medium term financial plan.*
13. *Reflects results of the provisional local government finance settlement for 2019/20 (-1.0%) and assumes a reduction of 2% for future years.*

3.4 As stated, this forecast contains no provision for increases in net service costs, in particular:-

- a) Any increase in costs arising from decisions on Government taxation – most significantly increases arising from upward increases in landfill tax costs.
- b) Corporate costs in excess of budget provision in respect of issues relating to higher than assumed employee costs (higher than 2% pay awards), or bigger movements in minimum statutory wage.
- c) Any one off costs arising from changes to service delivery across the Council, including transformational change.
- d) Any general inflation provision relating to non-contractual issues.
- e) Any increased costs or reductions in income arising from ongoing changes to welfare reform, in particular the introduction of Universal Credit during the lifetime of the MTFP.
- f) Any budget changes arising from further regionalisation of any services particularly where projected budget transfers may be in excess of current CCS service budgets.
- g) Any increases in Capital financing charges beyond those allowed for which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda and is wholly dependent on decisions around potential externalising of internal borrowing.
- h) Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements.
- i) Any potential downward movement in service specific grants, some of which we have experienced at short notice in the past.

3.5 In addition the forecast does not allow for any potential increase in non-schools' employer superannuation rates for 2020/21 which will be based on a triennial valuation as at 31st March 2020. There is also likely to be a further impact on non-funded schemes including the Teachers' Pension Scheme at a future date.

3.6 Local Government Reform, much discussed over the past two years, remains very much in the offing although precise, alternative future

proposals remain awaited . There will be further regional working required, which will become more systematic and mandatory. No account of any additional costs or savings resulting from any further regional working has been included in the forecast.

4 Strategy to Address Future Savings Requirements: Sustainable Swansea – Fit for the Future

- 4.1 The scale of the financial, demographic and sustainability challenge requires the Council to adopt a radically different approach to previous years. An approach that focuses on:
- *The core future purpose of the Council*
 - *The transformation of services and the model of delivery*
 - *Greater collaboration with other councils and local organisations, community groups and residents*
 - *And, above all, sustainable solutions with prevention at its heart.*

This ambition is set out in *Sustainable Swansea – fit for the future*, our long term plan for change, underpinned by our Innovation Programme.

- 4.2 It is equally clear that if the Council wishes to prioritise investment in priority services then the actions being taken under the Sustainable Swansea programme represent good practice irrespective of future savings requirements.
- 4.3 The Strategy was agreed by Cabinet and reported to Council in October 2013. The Delivery Programme was approved by Cabinet on 16th July 2015. It remains the Council's overarching approach to budget and medium term financial planning, to help deliver the well-being of future generations, and it is important that we continue to use the narrative in all our communication and that we apply the budget principles across all our thinking. The budget principles are reflected in the proposals set out in this report.
- 4.4 Since the July 2015 meeting of Cabinet we have:
- Continued to work on the delivery of the Savings Programme
 - Commenced and delivered the first two phases of Service commissioning Reviews
 - Identified our next phase of cross cutting reviews.

Our Service Priorities for 2018/19 and the MTFP period

- 4.5 Although the Council is currently focused on a plan to save an additional £60m plus over the period of the MTFP, it is vital that we continue to retain Member and management focus on the significant proportion of our budget that will remain. Our gross budget is just under £700m (excluding Housing Services (HRA)) and we spend around £1.6m a day on services to residents.
- 4.6 The Council has clear and strong long term ambitions for Swansea and the proposals for savings must be seen in the context of the following:

- The Council's top 5 priorities and future plans for services (a revised Corporate Plan was agreed on 24th August 2017) to help deliver the well-being of future generations
- The core objectives of Sustainable Swansea – which embrace all that we do
- The application of the budget principles – which guide our decision making
- The ongoing and sustained reduction in external funding and the need to meet known budget pressures.

- 4.7 The Council's overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore - particularly in the current climate of significantly reduced resources - to set out clearly our expectations on all services and relative priorities for funding in the context of the significant reductions that we face.
- 4.8 This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement (excluding schools) over three years was applied, for example, just to the Director of Resources (excluding Council Tax Reduction Scheme) and Place Services, the budgets for these areas would have to be almost cut in their entirety. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next 3 years, given the relative size of their budgets.
- 4.9 A statement of budget priorities and policy statements that flow from this is set out in **Appendix A**. This statement follows an assessment of services in relation to the following criteria:
- **Invest:** those Services where the Council will increase current levels of investment
 - **Maintain:** those services where the Council will broadly maintain current level of spend in the medium term
 - **Reduce:** those services where the Council will reduce the current level of spend over the medium term.
- Regardless of relative funding levels, there is also an absolute requirement that **all services** must transform and strive for maximum efficiency.
- 4.10 Based on the statement of priorities and having regard to the “gearing effect” when considering savings, the indicative 3 year saving/investment targets for each major block of services (including 2018/19), as reported to Cabinet on 14th December 2017, is set out in the table below. This table is important at this stage only as it gives an indication of prioritisation of services, as currently adopted by Council, although it is clear that there are many combinations around Service expenditure reduction that would potentially achieve the same saving.

Service	Current Budget £m	Percentage Reduction/Increase over 3 Years	Amount Realised £m
Schools \$	143.6	+1.5%	+2.2
Rest of Education	21.1	-15%	-3.2
Social Care – Child & Families	35.4	-15%	-5.3
Social Care- Adults	68.4	-20%	-13.7
Poverty & Prevention*	6.1*	+5%	+0.3
Place	50.8	-50%	-25.4
Resources +	22.1	-50%	-11.0
Total	347.5m		-56.1m

*\$ Assumes **local** schools protection continues limiting any material scope for reduction in cash terms.*

** Note that whilst this is the controllable budget for Poverty & Prevention, the Council spends **significantly more** on this area through the contribution of a wide range of other services.*

+ Resources is £43m less £21m Council Tax Reduction Scheme.

- 4.11 This statement will form the basis of our future Medium Term Financial Plan, as well as individual service plans although no formal assumptions should be made around annual budget changes based on this MTFP.
- 4.12 It should be noted that the savings targets detailed above are for the period 2019/20 to 2021/22 and will need to be extended to 2022/23 as planning assumptions for that year become more predictable.
- 4.13 A statement of General Principles to be adopted for all Services together with a summary of specific service priorities is given at Appendix A to this report.

Potential Funding 2019/20 to 2021/22

- 4.14 The Revenue Budget report detailed elsewhere on this agenda identifies possible savings for the 2018/19 financial year. Some of these proposals will generate further savings in future years and so will contribute to the future years' savings requirement.
- 4.15 In addition there are a number of service specific savings proposals that are being considered – it should be noted that these have not yet gone out to consultation, but will do so at the appropriate time.

4.16 These are detailed in Appendix C, but are shown in summary below:

	19/20 £'000	20/21 £'000	21/22 £'000
Future Year Impact of current proposals:			
Resources	839	3,050	3,412
Poverty & Prevention	70	202	316
Education	253	396	488
Social Services	1,291	1,791	1,791
Place	1,195	2,000	2,805
Cross Cutting	59	59	59
Invest to Save - Social Services	2,405	4,860	5,350
	6,112	12,358	14,221
Future Proposals to be Considered:			
Resources	241	1,161	1,161
Poverty & Prevention	151	245	245
Education	193	805	2,055
Social Services	0	0	0
Place	1,601	2,193	2,743
Cross Cutting	750	750	750
	2,936	5,154	6,954
Total Service Specific Savings	9,048	17,512	21,175

4.17 In addition to savings proposals, Council Tax levels must be considered as part of the MTFP. Budgeted gross council tax yield for Swansea for 2017/18 is £108,096,086, which we have rounded to £108 million. 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, (which has been taken account of in the spending pressures above). No assumption about growth in the Council Tax base has been made, to remain prudent and err on the side of caution.

4.18 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.

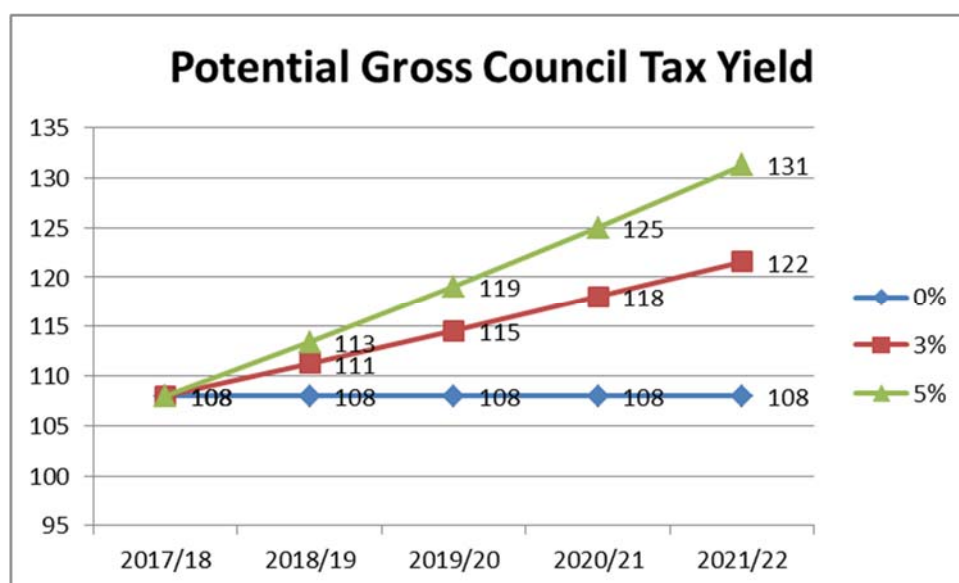
The following stylised planning assumptions are made:

- 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%.

The chart below demonstrates the different levels of Council Tax that could be expected under the different scenarios:



5 Summary of the Medium Term Financial Plan and Sustainable Swansea Strategy

5.1 The summary anticipated savings requirement over the period of the Medium Term Financial Plan is shown below and is extracted from the table shown at paragraph 3.3 of this report.

	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>	<u>2021/22</u> <u>£'000</u>
Cumulative budget shortfall	24,050	48,300	68,700

5.2 The assumptions surrounding the compilation of these figures are given in detail within the table at paragraph 3.3 above and, in particular, are heavily dependent on the assumption of an ongoing reduction in AEF for each of the three years covered by the MTFP.

Clearly there is the risk of significant volatility in future years arising from:

- The cumulative effect of any variation in these assumptions in early years

- The uncertainty around assumptions surrounding the latter years of the forecast.

5.3 Notwithstanding that position, in addressing the ongoing budget deficit, the Council has a number of actions that it can take in terms of achieving a balanced budget. These include:

- Realisation of future years' budget savings arising out of previously agreed savings and 2018/19 consultation proposals
- Additional Directorate/Service Area targeted savings as detailed in paragraph 4.16 of this report
- Potential rises in Council Tax levels, as estimated in paragraph 4.18 above.

5.4 Bringing these items together, and assuming a balanced position for 2018/19, the following indicative position is envisaged:

	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>	<u>2021/22</u> <u>£'000</u>
<i>Cumulative budget shortfall</i>	24,050	48,300	68,700
<i>Future year impact of current service savings proposals</i>	-6,112	-12,358	-14,221
<i>Future year proposals to be considered</i>	-2,936	-5,154	-6,954
<i>Potential Council Tax increase at 3%</i>	-4,000	-7,000	-11,000
<i>Remaining Cumulative budget shortfall</i>	11,002	23,788	36,525

5.5 In terms of addressing the remaining cumulative budget shortfall, there are further options available to the Council that at the moment are not firm enough to be able to include in the table above, but nevertheless are being worked through and considered for future inclusion.

5.6 These options include reviewing services and funding provided to schools, potentially higher than 3% increases to Council Tax, some further invest to save schemes and further review of services. These have the potential to realise further funding of circa £25-30million meaning there is a remaining shortfall to be delivered of circa £5-10million over 3 years.

This remaining gap would be potentially bridged if:

- Future MRP savings were realised (estimate £3-4m) following MRP review
- Contingency fund ceased (£3.5m)

5.7 The Council will, as previously agreed, deliver the bulk of this through the Sustainable Swansea programme. Details of the Programme, including progress to date, are shown at Appendix B to this report.

6 Medium Term Financial Planning for Schools

6.1 The purpose of this section is to highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools' budgets in the light of funding assumptions detailed elsewhere in this report.

6.2 More specifically the Detailed Budget report to Council in respect of the 2018/19 Revenue Budget outlines the specific budget proposals for that year.

6.3 It is important to note that, given the size of the potential budget deficit facing the Council over the period of the MTFP, it is envisaged that Schools will continue to be required to make some contribution to savings targets during this period. However, the Council will continue to prioritise education funding and spending pressures and take into account the extent to which these can be met on annual resources available and competing spending needs.

6.4 The table shown in paragraph 4.10 of this report details the proposed indicative Directorate Savings targets for the period 2019/20 to 2021/22 in respect of the Revenue Budget. Those projected savings targets offer relative priority to Education and Schools budgets in particular.

6.5 It would be prudent to assume, however, that despite the notional 'flat' position for schools highlighted in paragraph 4.10 of this report, reductions in real term budgets of around 2% p.a. will be required to meet the Council's budget needs going forward.

6.6 It is essential therefore that we continue to engage with Schools on a strategic review of provision as simply cutting in real terms by 2% p.a. will not work.

7 Risks and Issues Implicit within the MTFP

7.1 As stated throughout this report the financial risks facing the Council include:

- The volatility of settlements received from the Welsh Government from indicative planning stage to provisional settlement and the absence of any future year guidance on levels of likely settlement.
- Assumptions around the reductions in core funding from the Welsh Government being incorrect, particularly if understated.
- Ongoing reductions in specific grants which require equivalent reductions in expenditure, often at short notice, which are both uncertain and unpredictable in terms of timing.
- Delay or non-delivery of key savings strands which are essential to meet the projected service reductions identified in this report.
- Significant further changes to Central Government fiscal policy with regard to the Public Sector.

- The introduction of new legislation and statutory requirements which impose additional burdens on the Council.
 - The ongoing practical impact of legislation such as the Wellbeing of Future Generations (Wales) Act 2015.
- 7.2 The table at paragraph 3.3 of this report outlining the potential budget shortfalls over the period of the MTFP contains a significant number of assumptions around future cost pressures, particularly with respect to pay awards, which may have a significant cumulative effect if not settled at the levels indicated. This has the potential to change significantly the projected deficit towards the end of the planning period.
- 7.3 The assumptions contained within the plan specifically assume:
- The Council will deliver a balanced revenue outturn in respect of the current and future financial years and, to that extent, no deficits are identified that would require additional funding in future years.
 - The Capital programme is constrained to the extent that the maximum additional debt charges that are incurred (which should be considered temporary until capital receipts are achieved) do not exceed the sums included in the MTFP. In particular that any additional borrowing requirements in respect of aspirational capital development will be met from additional income generation from such schemes or a combination of funding from the public and private sector that evidences financial neutrality and sustainability.
 - The Council continues to achieve its ambitious savings targets.
- 7.4 It is assumed that there will be substantive change to the structure of service delivery, including additional regionalisation of services. It is however far too early to financially quantify and describe those changes so they are explicitly excluded at present.

8 Use of Reserves

- 8.1 The purpose of this section is to highlight the current planned use of General Reserves to support the 2018/19 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 paragraphs 8.3 to 8.8 below.
- 8.2 Conclusions and recommendations in respect of reserves usage is given in paragraph 8.9 below.
- 8.3 The current 2017/18 Revenue Budget was set with no planned use of General Reserves.
- 8.4 In terms of planning assumptions there is no assumption of ongoing use of or availability of General Reserves beyond the one off emergency use for 2018/19 in relation to education specific grants reducing or ceasing.

- 8.5 Whilst the Council maintains a number of specific reserves they are not factored into planning assumptions because they are either ring-fenced under statute or scheme of delegation (e.g. Schools' delegated reserves), or they are earmarked to meet known liabilities.
- 8.6 In October 2017 Council received and approved a report which re-allocated earmarked reserves based on known changes to the risk profile of the Council and it is anticipated that a similar report, probably for inclusion in the mid-year budget statement, will be taken on an annual basis.
- 8.7 Allowing this consideration outside of the annual budget process and after previous year outturn is known will give elected Members better opportunity to reflect on the level of General and earmarked reserves in line with the guidance detailed in paragraph 8.10 below.
- 8.8 In addition various sections highlighted throughout this report refer to significant ongoing risk around current activities – particularly single status and outstanding equal pay claims.
- 8.9 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.
- 8.10 On 12th January 2016 the Welsh Government issued guidance to Local Authority Members on matters to be taken into consideration when scrutinising the level of Local Authority Reserves held at any point in time. This has been circulated to all Members and any recommendation relating to the holding or release of reserves will be undertaken with reference to the principles underpinning best practice as issued by the Chartered Institute of Public Finance and Accountancy and this guidance.

9 Legal and Equalities Implications

Legal Implications

- 9.1 There are no legal implications arising from this report.

Equalities Implications

- 9.2 The budget reductions implicit in the 2017/18 approved budget were subject to the corporate and appropriate Equality Impact Assessment process, which was considered as part of the overall budget process.
- 9.3 Where additional budget savings requirements are identified as part of the 2018/19 and MTFP budget processes they will again be subject to the equality impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

Background Papers: None

Appendix A Statement of Budget Principles and Service Budget Priorities

Appendix B Sustainable Swansea Work-streams and Progress to Date

Appendix C Savings Proposals

Statement of Budget Principles and Service Budget priorities

GENERAL PRINCIPLES FOR ALL SERVICES

1. There are a number of principles that apply to all the Council’s services, regardless of the assessment of relative priorities. These are set out below.

Budget Principles

2. The Council has adopted a number of Budget Principles which underpin *Sustainable Swansea*:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles.

All Services are also required to address these Principles as part of business planning and developing savings proposals.

Service Transformation and Efficiency

3. There are expectations upon all Services in relation to transformation and efficiency which must be met regardless of relative priority for funding:

Transformation	All service must transform through a fundamental review of purpose, however services are commissioned, to: <ul style="list-style-type: none"> • deliver better outcomes • develop a sustainable delivery model, fit for the future • reduce costs and secure value for money
Efficiency	All services must continue to strive for efficiency, in particular: <ul style="list-style-type: none"> • reduce management and other overheads • maximise opportunities for increasing income from charges, trading and external sources

	<ul style="list-style-type: none"> • reduce the cost of purchasing supplies and services • work with others to achieve better outcomes • look for opportunities for residents or community groups to take or share responsibility for services
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STATEMENT OF BUDGET PRIORITIES: PEOPLE'S SERVICES

4. Schools and Education

Education is working towards a "one education budget" strategy across delegated and non-delegated budgets. Whilst recognising the relative priority given to Education (and Social Services), significant savings cannot be made without reductions in the Schools Delegated Budget over the coming years.

Moreover, further significant cuts in the remaining non delegated education budgets will have a direct impact on areas of pupil specific support and further reduce the support that can be provided to schools from the department.

At the same time, greater focus is being given to the regional delivery of services, with increasing numbers of services being delivered via regional arrangements in the coming years. At present it is not clear what the full financial impact of such changes will be, though Swansea will continue to be robust in its presentations to the regional consortia and Welsh Government about our needs.

A further move towards a fundamentally different relationship between schools and the local authority is required. The future model for Education provision includes:

- Radically changing the way support for pupils is provided – more flexible earlier intervention and support, as local as possible
- A consistent approach to support the needs of all pupils through a continuum of support
- Integrating and aligning services with Social Services and other agencies such as Health
- Working more closely with communities, recognising the role of schools at the heart of their communities, seeking to minimise transport costs and, wherever feasible, co-locate other services on school sites to aid sustainability (where revenue and capital funding streams are at least sufficient to cover the costs involved).

We will deliver this through:

- Coherent revenue and capital strategies
- Optimising the level of delegation of funding and responsibilities to schools to allow the greatest flexibility in the use of the available resources
- Supporting earlier intervention and support for pupils:
 - Reducing the need for formal statements

- Providing increasingly targeted specialist support, reflecting the findings of the recent independent behaviour review
- Building capacity in mainstream educational provision
- Empowering & facilitating more collaborative school to school support
- Ensuring delivery of Out of County places for specialist provision are commissioned jointly with other services to seek to maximise economies of scale.
- Delivery of significant financial savings through a continuing coherent 'one education budget' strategy:
 - Retaining an absolute core level of statutory and regulatory provision at the centre
 - Ensuring a full cost recovery of costs of any support provided to schools above this level and providing the minimum level of Council funding required to fully access the remaining available specific grants
 - Ceasing financial contributions to support the few remaining areas of discretionary educational provision.

5. Social Services- Child & Families

No significant policy changes are proposed in Child and Family Services.

We will maintain the current Safe LAC Reduction Strategy to reduce the number of looked after children and achieve the planned savings and service improvements.

There will be an increasing expectation of evidencing impact of early intervention and prevention services being more closely aligned to support families and children earlier, to lessen the need for greater intervention later.

6. Social Services – Adult Social Care

Cabinet have agreed a new Adult Services Model, which supports the service changes that will be needed to deliver improvements in experience and performance, and also to deliver the significant savings required in the medium term.

This model outlines how we will focus on the following objectives:

- Better prevention
- Better early help
- A new approach to assessment
- Improved cost effectiveness
- Working together better
- Keeping people safe.

Underpinning these principles is the need to build trusting relationships with those that we work with, improve communication and work co-productively to design and deliver services and interventions.

Further, we will be finalising and then implementing the outcomes of the Commissioning Reviews for: Day Care Services, Residential Care Services

and Domiciliary Care Services and devising the Learning Disability, Physical Disability and Mental Health Commissioning Strategies. These are the Council's regular process for consistently reviewing service provision and comparing with other services to ensure value for money and improvements in service delivery.

7. Poverty & Prevention

We have agreed a comprehensive Tackling Poverty Strategy, which was extensively reviewed in 2017 to ensure it is meeting its aims. The overarching themes are:

- Empowering local people through involvement and participation
- Changing cultures to reflect that tackling poverty is everyone's business
- Targeting resources to maximise access to opportunity and prosperity.

We will be adopting the following principles to this work:

- A whole Public Services Board and whole Council approach.
- Building resilience, social capital and social networks.
- Involvement and participation of service users.
- Implementing 'what works' in future delivery.

We have also revised our Prevention Strategy, which has been consulted upon in 2017 and outlines our approach in this important area. Our vision is to '**....secure better outcomes and better manage demand through preventative approaches**'.

The principles we will adopt as Swansea's optimum model for preventative activity are:

- A whole Public Services Board and whole Council approach;
- Making every conversation count;
- Holistic universal and early intervention services;
- A culture where all services are acting at every point to de-escalate need and build on strengths;
- Adopting strength based approaches using the strengths of individuals, families and communities;
- Supporting independence at all stages, with different levels of interventions offered;
- Building resilience, social capital and social networks;
- Delivery partners have confidence in the approach;
- Making evidence based investment decisions of what reduces demand;
- Learning about 'what works' is fundamental to future delivery.

8. STATEMENT OF BUDGET PRIORITIES: PLACE SERVICES

The Place-based services will continue to face significant challenges to meet its overall 50% reduction in budgets although recognition has been given to the fact that these services have faced significant recent cuts and directly impact on the environment and communities the Council serves, so it is more about working smarter and leaner. The main areas affected are as follows:

- Introductions of the actions arising out of the commissioning reviews across all areas
- Conclude the procurement process for the cultural and leisure services allowing Cabinet to make a decision about the long term delivery of these services
- Delivery of the key cross cutting reviews for services in the community and integrated transport
- Maximise commercial opportunities and income generation for services and assets
- Seek opportunities for community involvement in the delivery of services including parks
- Invest where necessary to maintain vital services including replacement waste fleet and key service areas
- Continue to prioritise key corporate priorities including the regeneration of the City Centre and delivery of the city deal.
- Work within the affordability of the housing revenue account to deliver more council homes and the welsh housing quality standard for our council tenants.

9. STATEMENT OF BUDGET PRIORITIES: RESOURCES

The Director of Resources will see a 50% reduction over the next 3 years, around £11m.

To deliver such a challenge our policy must be to:

- Change the current model of delivery to increase self-service for residents and businesses as well as within the Council for staff and Councillors
- Manage demand for central support services by ensuring the workforce has the right skills for the future, particularly managers
- Focus only on the critical functions of the corporate centre such as governance, financial control, core HR advice and commercial capability and stop doing other things
- Look for opportunities for shared service and collaboration models with other organisations and partners, in order to maintain support services as efficiently as possible
- Radically change our approach to customer contact and engagement, to shift to digital channels and reduce costs
- Consolidate and reduce the cost of all common support functions across the Council, such as financial processes, ICT, business support
- Maintain overall investment in ICT, on a business case basis, to support the transformation agenda, including on-line self-service, agile and mobile working and direct service innovation such as telecare.

SUSTAINABLE SWANSEA – FIT FOR THE FUTURE

Transformation Programme 2018-19

The Sustainable Swansea – Fit for the Future Programme

The Sustainable Swansea Programme is the Council's transformation plan across the whole organisation. Planning started back in 2014 with implementation running from 2015 through to 2022. The programme is the Council's proactive response to pressures, mostly in the external environment, to ensure Swansea communities have the right support and remain sustainable in the long term in the context of reducing budgets and rising demand for public services.

A large part of the Sustainable Swansea programme involves a change process called 'Commissioning Reviews'. This is a 22 week process involving in-depth analysis, stakeholder involvement / feedback, benchmarking, and an options appraisal. It is the intention for every service to go through a Commissioning Review in the life of the programme. The Council developed a toolkit to support services through the process.

Importantly, since 2015:

- **17 service area commissioning reviews** have been undertaken (15 completed) and most of these areas are now implementing decisions from their options appraisals.
- The Council has **achieved £60m of savings** through a range of measures and projects including Commissioning Reviews.

The table below highlights some of the main areas of delivery through Sustainable Swansea to date. The expected benefits, outcomes and impact of these projects were defined up front however, it takes time for these to be fully realised. Where benefits are already emerging these are also listed:

<p>Commissioning Review Process and Modernisation of Services</p>	<ul style="list-style-type: none"> ▪ 17 Commissioning Reviews delivered (11 are now implementing their three year plans) ▪ Staff are expanding digital ways of working and developing online services, making it easier for residents and customers to get what they need and encouraging a shift from high to lower cost transactions. ▪ 31 request forms including automated payments ▪ Online payments of over £108,741 reducing back office finance functions ▪ BACs and Card payments increased ▪ 26% of bulk waste requests are now online reducing processing time within the contact centre ▪ Hanging Basket ordering system online has increased sales to wider customer base with £13.6k taken in online sales (parks and cleansing) ▪ The Agile working Strategy has enabled new ways of working and the subsequent release of satellite offices, delivering in excess of £1m per annum revenue savings and £3m in capital receipts. The Council is now reviewing new ways to utilise space in public buildings, to reduce silo working, improve collaboration and agile working, as well as saving money and generating income. Plans to release 2-3,000 square metres of office space within the Civic Centre could improve the way the Council works and generate potential income ▪ Flexible working is reducing staff travel. Through the introduction of new technologies, staff can now work remotely including from home. As a result business travel mileage has dramatically reduced.
<p>Service Commissioning Review Implementations</p>	<ul style="list-style-type: none"> ▪ Residential and Outdoor Centres – The sale of Dan y Coed has completed. Historically only an Education Service, the new business manager has: enhanced the list of services for income generation, retained the historical service for schools, is developing a new online presence including online booking, has introduced deposit systems and re-profiled roles and structures to fit the future service model. A feasibility and bid has been submitted to develop the next phase of the model to maximise income. ▪ Waste Management – Three recycling centres have been developed including challenge stations for residual waste to complement the ‘no black bag’ policy. The impact has been to raise awareness of recycling whilst also delivering a dramatic reduction in tonnage collected (approx 10,000 tons to 2,000 tons). The Service was recognised nationally for this innovation, winning the iESE Award, LPG Awards and was shortlisted for a number of APSE awards. The new pink bag initiative is rolling out and recycle rates are on target for 64% in 2020, the Council is currently performing at 63.7%

- **Business Support** – This project delivered many changes across three phases including:
 - Implementation of the Service Centre and Transactions Team which incorporates the employee services helpdesk.
 - Rollout of end to end process changes with regard to purchasing and paying suppliers for goods and services, moving this all online.
 - Significant improvements in self-service support for officers and managers online.
 - The services which are available to the public through the Contact Centre have been increased to include Street Lighting, Parks & Leisure, Parking Services, and Cashiers.
 - Online forms have improved both the speed and efficiency for the public and increased business intelligence capability within the Council.
 - Strategic support for the Member-led approach and cross-party Policy development has implemented
 - A consistent approach to Business Support across the Council is progressing with the development of Business Support ‘mini hubs’ within the People and Place Directorates. This will enable corporate consistency whilst being tailored to Service needs.
- **Cleaning** – Phase 1 and Phase 2 of site assessments have been completed resulting in: a reduction in hours for some cleaning staff, new output specifications being introduced at sites, performance and monitoring quarterly, and new team working helping with the management of workforce. Income generation opportunities are now being explored alongside electronic timesheets.
- **Corporate Building & Property Services** – Re-profiling and structures have been implemented, the Service now delivers the kitchen and bathroom programme in-house. This has resulted in the recruitment of 40+ trades personnel some having a multi-skilled discipline and not a specified trade ensuring the workforce has sustainable skills. 14 new apprentices have joined the service. The new homes build project has also been completed. The service is currently adopting mobile working.
- **Family Support** – Launch of the Domestic Abuse Hub was implemented in July 17.
- **Adult Services** – The Social Services delivery model was agreed in Nov 17 and will feed into the new Services in the Community cross-cutting work. Transformation of domiciliary care and residential care are part of the wider Adult Services Improvement Plan.
- **Public Protection** – Programme of process mapping and analysis across public protection started in Nov 17 and will be completed by January 18.
- **City Regeneration and Planning** – Recommendations from the commissioning review are being implemented including implementation plans for a new model and mobility hire services.

	<ul style="list-style-type: none"> ▪ Catering – A Business Development Officer analysing internal catering for income generation opportunities. Reconfiguration of the canteen facilities to be planned for early 2018 ▪ Cultural Services – In-house transformation completed as planned, this included full staff restructuring across operations and establishments ▪ Paid Access to services – Tendering for Leisure/Outdoor/Theatres and Brangwyn Leisure progressing as per the implementation plan. ▪ Culture Strategy and Outreach – Transformation underway as planned in areas such as parks letting schemes, creation of development teams, and commission of water safety charges review with the RNLI ▪ Highways and Transportation – Initial Integrated Unit works have been completed in 17/18, bringing together transport teams from across the Council. Further planning to be undertaken. The review is scheduled to be presented to Cabinet in January 18
Future Council	<ul style="list-style-type: none"> ▪ The Organisational Development Strategy has been developed and proposes a phased implementation over four years to ensure the Council’s workforce has the skills for the future. The work is underpinned by the principles of the 21st century public servant and 21st century Councillor developing people’s skills and behaviours alongside the Council’s culture. ▪ Workforce modernisation has focused on absence management this year in order to address sickness levels and increase productivity. The Council’s performance is improving and recently entered the top quartile across all Local Authorities in Wales however, further time is needed to see the true impact of this project. Further workforce modernisation projects are underway such as reviewing zero hour contracts. ▪ A Corporate co-production, communication, consultation and engagement strategy is in development. The new approach to co-production will be piloted with the Services in the Community cross-cutting project to ensure residents, businesses and other important stakeholders can be involved in shaping future community services ▪ A Commercial Strategy and plan is underway. A significant number of commercial projects have already been delivered within Services alongside a more commercial approach to procurement and contract management. This work is being fast tracked and increased to deliver budget proposals over the next four years.
How	<ul style="list-style-type: none"> ▪ Feedback indicated the Commissioning Reviews had a positive impact on the workforce encouraging staff to ‘think differently’ about how and why the Council delivers its services

Sustainable Swansea has impacted the Council's culture

- **The Commissioning Review process has in itself led to a significant culture change**, with staff owning the process and being integral to the development of the solutions. The reviews have involved stakeholders at all levels including trade unions, Councillors, Scrutiny, and internal and external stakeholders. This has broken down silo working and led to significant financial and other benefits such as improved outcomes for residents and customers
- **Demand Management – Delivered a Demand Management Strategy and Toolkit** for staff, developing the skills of staff to help them identify and understand Service demand and resolutions. Techniques such as Systems Thinking have been used to gather important demand data for the Domestic Abuse Hub pilot, other areas that will be explored in the new cross cutting themes will be in Housing and the Food Safety team.
- In addition the co-production approach within social services has seen a change in how service users engage with the Council. This approach of service user involvement will develop with the corporate co-production approach.

The programme is reviewed and adapted annually as result of:

- Projects completing as planned
- Changes in the environment including new legislation
- New pressures or challenges, requiring an innovative approach
- Annual budget setting to ensure that transformation priorities and resources are aligned to savings targets.

The Sustainable Swansea model below has been updated and adapted to align with this MTFP. The three segments: Transformation, Digital and Future Council are the **priorities for the year** so that resources can be targeted to deliver both change and financial targets. Around these priorities are the **principles of the programme**: These act as the 'lens' through which staff can continuously review working practices and plan for change.

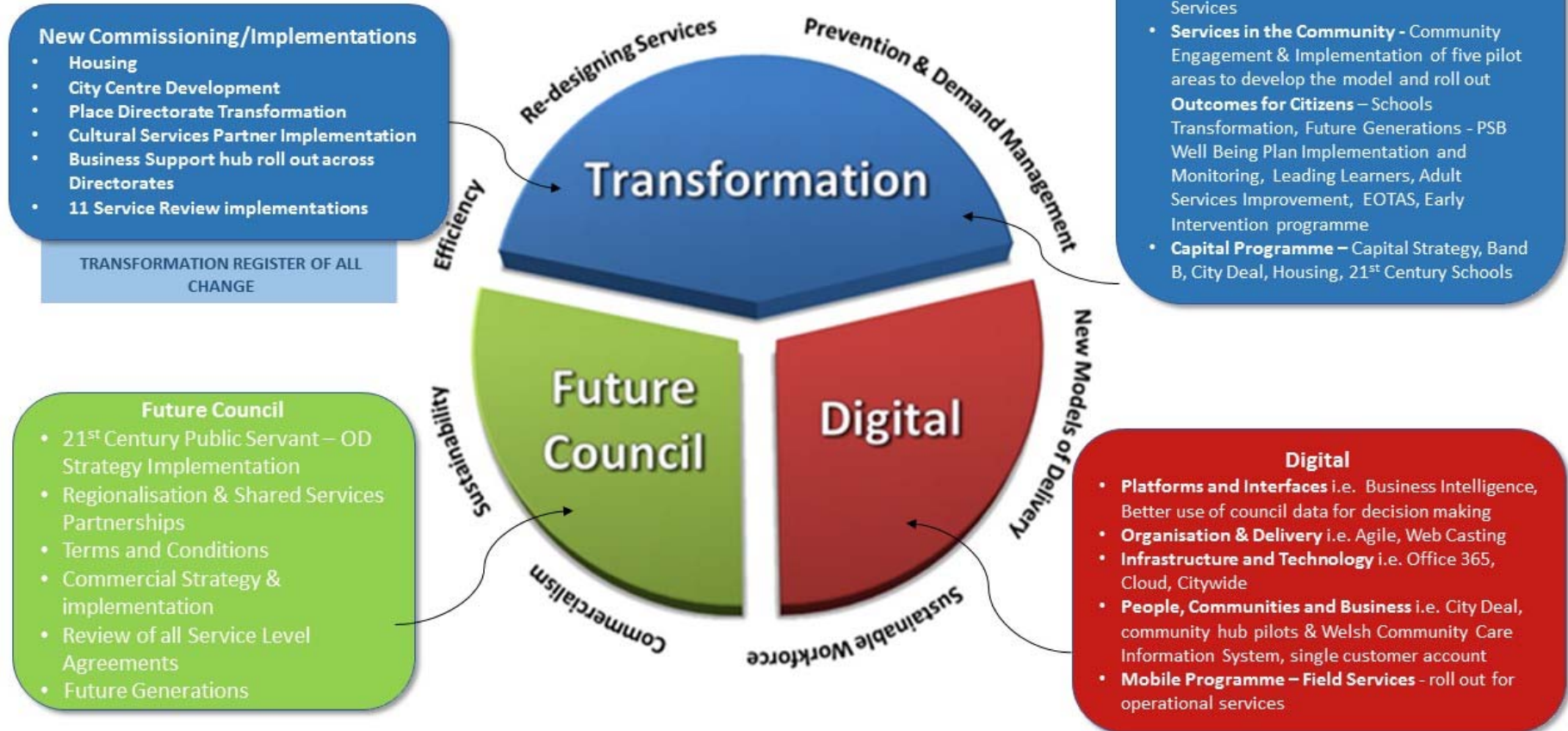
The three priority areas have been changed in the following ways:

- **Transformation:** Last year's report highlighted the shift from individual Service Commissioning Reviews to a cross-Council approach, bringing Services together around common themes. The four themes have been developed alongside key stakeholders. In addition the programme will complete the remaining commissioning reviews and support their implementations as well

Directorate specific changes. The Council also has a Transformation Register which tracks and monitors all changes across the organisation and ensures a Team Swansea approach.

- **Digital:** This is the continued implementation of the Digital strategy with particular focus on implementing mobile and field working for operational services and installing public accessible Wi-Fi to Council buildings which is part of the commitment to help residents and service users get online and increasing digital inclusion. Also supporting the infrastructure developments around City Deal and regeneration of the City Centre, further roll out of agile working for staff with new technology, and implementation of the all-Wales Community Care Information System for Social Services and Health.
- **Future Council:** Organisational development is a key priority over the next year to ensure the workforce has the right skills for the future and that staff, managers, and Councillors have a supportive development environment. The commercial strategy implementation is also a key priority in ensuring the Council has a sustainable model into the longer term. All this work is being undertaken in the context of growing regionalisation.

Sustainable Swansea – Fit for the Future



APPENDIX C

		19/20	20/21	21/22	
DIRECTOR	HEAD OF SERVICE	£'000	£'000	£'000	Saving Proposal
Future Impact of 2018/19 Savings Proposals					
Resources	Various	829	1,027	1,379	Management Review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates
Resources	Various	0	2,003	2,003	Service Reviews and demand management across all areas of the Directorate
Resources	Various	10	20	30	Review and full cost recharge of Welsh Translation Service to users
People	Adult Services	500	1,000	1,000	Management savings across all levels within Adult Services
People	Adult Services	11	11	11	Review of Community Alarm Service (separate consultation)
People	Adult Services	170	170	170	Implement preferred options as outcome of Commissioning Review leading to reduction of in-house beds
People	Adult Services	110	110	110	Review of Day Services eligibility (separate consultation)
People	Adult Services	500	500	500	Implement preferred options as outcome of Commissioning Review
People	Education	40	40	40	Catering and cleaning services - further review of actual costs to achieve full cost recovery
People	Education	103	149	229	School Meal prices: further increases (5p / £2.30: Sept 18; 10p / £2.40: Sept 19; and 10p / £2.50: Sept 21)
People	Education	50	100	100	Robust management of demands on remaining severe and complex needs budgets
People	Education	6	12	18	Further reductions in regional improvements service ring-fence consistent with funding settlements
People	Education	6	12	18	Further assumed reductions in Education Improvement Grant matching funding requirements
People	Education	18	18	18	Ethnic minority achievement service - full recovery of eligible costs from external grant
People	Education	30	65	65	Further review of management posts in light of changing demands and capacity issues
People	Poverty & Prevention	0	10	10	Reduce satellite youth clubs provision (Gendros, Montana, Morrison, St Thomas, Friendship House)
People	Poverty & Prevention	0	42	81	Reduction in investment in Early Years
People	Poverty & Prevention	50	110	145	Maximise grant funding and income opportunities
People	Poverty & Prevention	20	40	80	Alignment of Early Intervention and Family Learning provision
Place	Corporate Building	125	125	125	Staffing and transport savings due to more efficient mobile working
Place	Corporate Building	50	100	150	Reduced maintenance on a number of building assets assuming a number will have been rationalised (sold, transferred to community running)
Place	Highways and Transportation	250	250	250	More efficient and effective transportation across all Council activities
Place	Highways and Transportation	15	15	15	Swansea Marina increased income opportunities outside of actual mooring fees
Place	Highways and Transportation	5	10	15	Increases in licensing charges
Place	Various	750	1,500	2,250	Increased fee earning activity, assuming full cost recovery
Cross cutting	Cross Cutting	59	59	59	Reimburse only half of all staff professional fees
People	Adult Services	500	1,000	1,000	Review all Mental Health and Learning Disability packages of care, to ensure that they are fit for purpose and those eligible for health funding receive it. (separate consultation)

		19/20	20/21	21/22	
DIRECTOR	HEAD OF SERVICE	£'000	£'000	£'000	Saving Proposal
People	Adult Services	505	1,010	1,300	Review all packages of care to ensure fit for purpose and effectively manage new admissions to residential and domiciliary care. (separate consultation)
People	Adult Services	500	1,000	1,000	Targeted increase in recourse to direct payments as alternative to non-complex domiciliary care packages and complex care packages for Mental Health & Learning Disabilities (separate consultation)
People	Adult Services	500	1,000	1,000	Charging Policy and Annual Fee Increases
People	Child & Family Services	0	0	200	Savings arising from the Safe LAC Reduction Strategy
People	Child & Family Services	400	850	850	Demand management ensuring Child & Family work only with those children with eligible needs requiring a Social Work intervention.
		6,112	12,358	14,221	Total of Future Impact of 2018/19 Savings Proposals
New Proposals from 2019/20					
Resources	Various	25	25	25	Give notice and withdraw from corporate subscription (EU & LGA)
Resources	Various	40	60	60	Increased income opportunities including Mansion House and new advertising
Resources	Various	176	176	176	Management Review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates
Resources	Various	0	900	900	Review insurance reserve, attitude towards risk and excesses
Cross cutting	Cross Cutting	750	750	750	Review of staff terms and conditions
People	Education	36	36	36	Give notice and withdraw from WJEC contribution
People	Education	97	129	129	Review of Music Service to enable break-even position
People	Education	0	500	1,500	Whole of Transport Review
People	Education	40	80	80	Further streamlining of SEN panel / review processes
People	Education	0	0	250	Review of Out of County placements / delivery model
People	Education	20	60	60	SIMS / MIS Joint Working and broadband / licence costs through enhanced scale discounts with NPT
People	Poverty & Prevention	119	204	204	Adult and community learning - planned recovery of full costs with review of WG ACL grant allocation and additional income initiatives
People	Poverty & Prevention	32	41	41	EIS Reduction in investment in Disability
Place	Corporate Property	650	850	1,350	More efficient use of Corporate properties to make full use of rental opportunities and community involvement
Place	Culture and Tourism	471	563	563	Savings arising from the completion of Cultural Commissioning Reviews
Place	Highways and Transportation	20	20	20	Expansion of Camera Car Operation
Place	Highways and Transportation	30	280	280	Management Review of CTU including becoming a commercial operation
Place	Highways and Transportation	280	280	280	Savings on School Transport arising from availability of new safe Walking Routes to School
Place	Various	0	50	100	Regionalisation savings (assuming future regional model for mandated services)
Place	Waste Management and Parks	150	150	150	Transfer of Botanical Gardens
		2,936	5,154	6,954	Total of New Proposals from 2019/20
		9,048	17,512	21,175	Total of all Proposed Savings

Agenda Item 9.



Report of the Section 151 Officer

Cabinet – 15 February 2018

Revenue Budget 2018/19

Purpose:	This report sets out the current position with regard to the Revenue Budget for 2018/19 for consideration by Cabinet.
Policy framework:	Sustainable Swansea – Fit for the Future
Consultation:	Cabinet Members, Legal, Access to Services & Corporate Management Team
Recommendations:	<p>It is recommended that:</p> <ol style="list-style-type: none">1) Cabinet considers the outcome of the formal consultation exercise, and agrees any changes to the Budget Proposals in Appendix D, together with the position regarding delegated budgets as set out in Sections 4.10 and 4.11 of this report.2) Cabinet note the current Resource Gap identified in Section 4.5 of this report and, in line with the potential actions identified in Sections 9 and 10 of this report, agree a course of action to achieve a balanced Revenue Budget for 2018/19. In addition to a review of current savings proposals Cabinet will need to:<ul style="list-style-type: none">- Review and approve the Reserve transfers recommended in this report- Agree a level of Council Tax for 2018/19 to be recommended to Council3) Subject to these changes, Cabinet recommends to Council for approval:<ol style="list-style-type: none">a) A Revenue Budget for 2018/19;b) A Budget Requirement and Council Tax levy for 2018/19.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction and background

1.1 This report details:

- Financial monitoring 2017/18
- The Local Government Finance Settlement 2018/19
- Budget Forecast 2018/19
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2018/19
- Summary of funding proposals
- Risks and uncertainties

1.2 The financial assessment in relation to 2019/20 – 2021/22 is contained in the ***Medium Term Financial Plan 2019/20 – 2021/22*** elsewhere on this agenda.

1.3 This report builds upon and needs to be read in conjunction with -

- The budget strategy agreed by Council on 22nd October 2013 – ***'Sustainable Swansea: Fit for the Future'*** focusing on the principles and strategies to be adopted as part of the current and future budget process.
- The report to Cabinet on 29th July 2014 – ***'Sustainable Swansea: Fit for the Future: Delivery Programme'*** which agreed the specific objectives of the programme and set out an outline programme for delivery.
- The update report on Sustainable Swansea – Fit for the Future as approved by Cabinet on 16th July 2015.
- The report to Cabinet on 14th December 2017 – ***Sustainable Swansea – Fit for the Future: Budget Proposals 2018/19 – 2021/22*** setting out the Council's proposals for budget consultation.

1.4 The report sets out the outcome of the budget consultation and invites Cabinet to consider the comments received from residents, community groups, partners, employees, School Budget Forum, Joint Phase Head Teachers, Trade Unions and others. Cabinet are asked to consider any changes to the draft Budget proposals and proposed Council Tax level, prior to recommending the budget to Council. The report also includes an Equality Impact Assessment statement so that Cabinet can be aware of the key issues before finalising budget proposals.

2. Financial Monitoring 2017/18

2.1 Cabinet considered a report on the estimated Revenue Outturn for 2017/18 at its meeting of 8th February 2018. It is projected that the Council will outturn at a position that reflects a slightly improved position from the £7.3m forecast overspend at quarter 2.

- 2.2 Current 3rd quarter financial monitoring highlights a slightly improving picture for the Council overall but, as is the case in quarter 2, there is substantial variation in performance across Directorates.
- 2.3 There are significant variances on savings built into the base budget for 2017/18; if these savings are not achieved there will continue to be an impact in 2018/19 and beyond.
- 2.4 The initial scale of potential overspends for 2017/18 remains significantly in excess of any potential sums available to offset that shortfall. The current indication is that there still needs to be urgent and decisive action to pursue additional savings across the Council, as even if not now achievable during 2017/18, they need to be ready for 1st April 2018.
- 2.5 Current estimates are that the overspend is likely to be around £6m (approximately 1.6% of original budget) as an upper figure, predominantly because of overspending in adult social services, resources and one off pay related costs from the enhanced early retirement/voluntary redundancy scheme.
- 2.6 Due to use of earmarked reserves, designed to assist with the one off costs of the early retirement/voluntary redundancy scheme it is expected that there will need to be a final take from the General Reserve of approximately £3.4m in order to finance this residual overspend.

3. The Local Government Finance Settlement 2018/19

- 3.1 The Cabinet Secretary for Finance announced the final Revenue and Capital Settlement for 2018/19 on 20th December 2017.
- 3.2 The final Revenue Settlement for 2018/19 provided an additional £2.588m compared to the provisional settlement issued in October 2017, and included in the budget proposals report to Cabinet in December 2017. This is mainly due to the fact that the Welsh Government provided an extra £20m for Councils in 2018/19, an extra £7m for the increase to the capital limit for charging for Residential Care and an extra £1.3m for targeted relief for supporting local businesses. For Swansea there is £0.558m specifically identified for the residential care capital limits, general support for local businesses is estimated at £0.120m, leaving approximately £1.9m as a general increase. Changes are as follows:

	<u>£'000</u>
Forecast decrease in Welsh Government support 2018/19 per Cabinet report 14 th December 2017	-277
Increase to the residential care capital limits	+558
Increase for support for local businesses (estimated)	+120
Increase due to updated data and assumed relative changes in tax base	+349
Increase resulting from extra All Wales £20m allocation from Welsh Government (estimated)	+1,561

- 3.3 The result is an overall improvement on forecast Aggregate External Finance of some £2.588m. However, there are likely further reductions in several specific grant totals, some of which are already clearly emerging (e.g. Education Improvement Grant, waste element of the Single Environment Grant) which will significantly affect actual grant received by the Council in due course. The overall outcome on all specific grants will not be known for some time and as such the overall funding picture may not reflect the improvement evident on the settlement alone.
- 3.4 Implicit in the settlement is assumed partial protection in respect of Social Services. The local value of that protection is not particularly specified in terms of value but it is anticipated that funding in terms of known service pressures identified in Section 4 of this report will satisfy any ministerial funding expectation.
- 3.5 In respect of Schools, there is no longer an ongoing formal ministerial protection or funding guarantee so any decision over schools funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.6 In revising the Medium Term Financial Plan and setting the Budget for 2018/19, it is essential that the Council adheres to and continues to implement the objectives in *Sustainable Swansea – fit for the future*. The Council has made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for residents.
- 3.7 **The financial pressures and level of risk that we face and will continue to face make the need to implement these changes ever more urgent. The increase in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.**

4. Budget Forecast 2018/19

Overview

- 4.1 The budget proposals for 2018/19 as submitted for consultation on 14th December 2017 resulted in a projected funding deficit of £22.177m. The funding deficit was made up of projected funding pressures of £27.976m partly offset by a provisional increase on Welsh Government Aggregate External Finance (AEF) of £6.076m in respect of transfers into the settlement, plus a slight reduction in the overall level of AEF of £0.277m.
- 4.2 The announcement of the final settlement, together with a slightly improved view on the financial position with regards to 2017/18 outturn, means that the overall funding deficit forecast for 2018/19 will inevitably have changed.

- 4.3 In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions, in particular around the pay offer made by the National Employers Council, which was announced in December 2017.
- 4.4 The options for funding the deficit that is identified remain as:
- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
 - Increases in Council Tax levels (including opportunity to reconsider the 3% planning assumption)
 - Potential further reductions in the Contingency Fund
 - Use of Reserves and Balances (not advised).

Forecast funding shortfall 2018/19

- 4.5 The revised shortfall in funding previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below:-

Table 1(a) – Projected pressures 2018/19

	2018/19 £'000
Future cost of pay awards	
- Non Teachers – average of 2.5%	4,500
- Teachers	2,400
Pay and grading scheme	2,700
<i>Costs imposed without funding by UK Government:</i>	
- National Living Wage – own pay bill	700
- National Living Wage – contracts	1,000
Increase in Pension Costs	1,700
Cumulative contract inflation	1,000
Capital charges – existing	1,500
Use of General Reserves (not advised)	0
Demographic and Service pressures	3,000
Proposed targeted investment in services (EOTAS)	300
Mid and West Wales Fire authority Levy	356
Council Tax Support Scheme	1,000
Passported through AEF to services – grants	6,073
Passported through AEF to services – new responsibilities	1,299
Foster allowances - full year effect	700
Adult Services pre-existing baseline pressures from 2017-18	3,500
Service Pressures Accepted	4,114
Loss of specific grant – Ethnic Minority Achievement Unit	870
New Service Pressures in respect of specific grant reductions	130
Total known pressures	36,842
Aggregate External Finance increase CASH	-2,313
Rebase of External Finance (grants as above)	-6,073
Total Savings Requirement	28,456

- 4.6 The reasons for the increase in the overall savings target since Cabinet in December are detailed in Table 1(b) below:

Table 1b – Movement in projected pressures

	2018/19 £'000
Target per Cabinet Report 14th December 2017	22,177
Change in Aggregate External Finance from the Welsh Government between provisional and final settlement	-2,588
Increase to forecast local government pay award	2,700
Increase in respect of residential care capital limits (new responsibility)	558
Increase in respect of Homelessness (new responsibility)	741
Projected increase in Levies (Fire and Port Health)	56
Reduction in increase required for Council Tax Support Scheme (updated assessment)	-300
Inclusion of Service Pressures in table 1(a)	4,244
Loss of specific grant – Ethnic Minority (Education)	870
Other minor consequential estimate refinements	-2
Cumulative revised target	28,456

Inflation

- 4.7 The 2017/18 revenue Budget provided a corporate provision of £1m for inflation, which was specifically to cover the cost of the Apprenticeship Levy.

Given current UK inflationary levels and forecasts to come through the year there is a strong case for increasing the corporate (General) provision for inflation in 2018/19. Mainly to cover the increase of costs associated with contracts, £1m will be provided in the corporate provision.

It is the case, however, that the Council is likely to experience significant cost pressures in specific areas as detailed in Table 2 below and these have already been provided for as follows.

Table 2 – Potential Service inflationary and cost pressures:

	£'000
Increased contract costs due to rises in inflation	1,000
Increased contract costs due to rise in National Minimum Wage levels (already in services)	1,000
Increased costs due to rise in National Minimum Wage levels (own pay bill) (already in services)	700

In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage to be introduced over the next three financial years. Whilst the actual increases will vary year to year there will be continued pressures. This will affect direct employee costs incurred by this Council during 2018/19, and it is highly probable that this will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases. These will need to be funded from the corporate inflation provision on a case by case basis as the need arises.

The cap on public sector pay awards has loosened somewhat this year, with increases approved for firefighters and teachers that are higher than the previous 1% cap. Indeed, the initial offer made by the National Employers on behalf of the main local government pay sector is worth (on average) around 2.5%. This increase for 2018/19 has now been fully built into, and adds to, revenue budget pressures.

The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total provision for inflation £2m, although half of this has to be considered already fully committed for that levy.

As in previous years, and as detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Prioritisation

- 4.8 It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained. Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets fully from longer term real terms cuts.
- 4.9 Reductions can be viewed in two ways:
- Cash reductions in levels of funding provided to Schools
 - Real terms reduction in Schools funding, taking into account known spending needs.
- 4.10 For 2018/19 there is no longer any Ministerial funding commitment to schools. Although the Cabinet Secretary for Finance has notionally prioritised funding for the school element of the settlement, the fact is that there is no additional cash for this. However it is intended to provide funding for various service pressures as a local priority for Cabinet.

The net result of these proposals is an increase in the underlying base budget cash settlement to Schools of some £2.2m (1.5%) for 2018/19, which is a

much better position than the 0.6% increase in this Council's funding from Welsh Government.

This year the headline figure across Wales in respect of Pupil Deprivation Grant remains the same as for 2017/18, if allocated across authorities on the same basis then this will mean no change to Swansea Schools.

Education Improvement Grant is forecast to decrease by 11.4% across Wales, which could have a more significant impact on Swansea Schools and wider education provision (a possible reduction of £1.1m)

- 4.11 Table 3 below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

Table 3 – Impact on Schools delegated budgets

Item	£'000
<i>Cash position</i>	
Net core delegated base budget 2017/18	143,608
Increase for Pay Award - all staff (2%)	2,600
Increased Pension costs re non-teaching school based staff	300
Increased demographics pressures	1,000
Non-funding of cost increases	-2,698
Recognition of pressures faced by schools	1,000
Core delegated base budget 2018/19	145,810
	+1.5%

i.e. The above cash increase assumes that Schools will help meet the additional costs of teachers pay awards and pension increases for 2018/19.

The base increase in core delegated budget would therefore be 1.5%.

In recognition of not being able to fund all pressures, and the challenging position thus still facing schools, in line with the proposals set out in the 14th December cabinet report, schools are additionally able to specifically access up to £1.3m, in 2018-19, from the contingency fund and restructure reserve. Total schools additional new support for 2018-19 will therefore be £3.5m, albeit £1.3m of that is on a one off basis.

Further delegated funding increases for Specialist Teaching Facilities and Additional Learning Needs one-to-one for 2018/19, and other specific grant changes, means that the total amount available to school governing bodies and head teachers to decide to spend locally and flexibly has significantly increased further from the 2017/18 original budget. The total gross school cost centre budgets set out in Appendix H have increased by more than £3.9m for 2018/19 or 2.7% in respect of changes within the control of this authority.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Pupil Deprivation Grant and Education Improvement Grant (now including Foundation Phase grant)) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

As a result of the advised Welsh Government allocation of the Post 16 Education Grant for 2018/19, a reduction of nearly 10% for this authority, schools funding will now have to absorb a reduction of £501k, meaning overall the schools gross increase is proposed at £3.405m, an increase of 2.4%.

Social Care protection

- 4.12 Similarly to Schools, the Welsh Government overall Revenue Settlement for 2018/19 included a notional prioritisation of funding for social care. In reality there is no significant additional funding specifically for social care as the overall settlement whilst increased, does not even begin to address inflationary pressures, let alone service specific pressures.

Overall the cash budget proposed for social services increases by around 2.5% or £2.7m, including money allocated for the increase in capital limits for social care.

Capital Financing Charges

- 4.13 There is a base line increase of a net £1,500,000 compared to the 2017/18 approved budget reflecting both additional unsupported borrowing and the potential requirement to externalise elements of that borrowing during 2018/19 dependent on expected movements in borrowing rates.

As at 1st April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (internal borrowing). This is highly dependent on cash-flows of the Council and it is anticipated that, during 2018/19, as has happened in 2017/18, there may be a further need to externally borrow to replace elements of current internal borrowing.

Whether or not that need arises, I am mindful that we continue to enjoy historically low rates of interest on borrowing, and that a decision may be required to externalise further elements of current internal borrowing should there be a predicted and marked increase in forecast rates in order to best serve the Council's interests in the medium to long term.

Furthermore the authority has a potential range of ambitious and challenging investment plans and opportunities in the shape of 21st Century Schools Band B programme, the City Region Deal, City Centre redevelopment, and new housing plans, which are set out in the report on Capital elsewhere on this agenda.

Whilst this has no immediate impact on 2018-19, there is a longer term requirement to anticipate additional capital financing costs peaking at around £14m per annum extra (in 2025/26).

Fire Authority Levy

- 4.14 Since the 14th December 2017 Cabinet report we have been notified of a proposed increase in the Fire Authority Levy of £0.356m (2.9%). We will need to await final notification, which will include changes expected due to the relative allocation across each levied Authority.

Pay & Grading Settlement

- 4.15 A single pay and grading structure was introduced across the Authority with effect from 1st April 2014.

The introduction of this scheme is a positive achievement and in future years will add certainty to pay estimates. The Council has made considerable progress in terms of completing the Appeals process arising out of implementation and in making payments of back pay to those who gained under the new scheme and/or were successful in the appeals process.

The current budget proposals do not set aside any additional sum in respect of pay and grading based on the substantially complete progress that the Council has made to settle all outstanding liabilities.

In line with previous reports, the budget proposals for 2018/19 allow for £2.7m of increased employee costs for 2018/19 in relation to incremental increases for those staff who were originally assimilated to the bottom of their pay scale on implementation of the pay and grading scheme. This will be the final year of increases for incremental progression to be funded corporately.

Council Tax Reduction Scheme

- 4.16 The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in table 1(a) in paragraph 4.5 of this report in the sum of £1.0m.

5. Specific Savings Proposals: Update

- 5.1 In determining its budget proposals, the Authority has embarked on a specific long-term strategy – ‘*Sustainable Swansea: Fit for the Future*’ - as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015.

- 5.2 The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 14th December 2017 to recommend specific savings proposals totalling £17.002m in 2018/19 for consultation. Cabinet now needs to consider whether or not to make any changes to these proposals in light of the outcome of the consultation.
- 5.3 The overall savings proposals, totalling some £17.002m as summarised below include specific service savings, cross cutting items, invest to save items and a reduction in the contingency budget. These are detailed in Appendix D.

Table 4 – Summary of Savings proposals (as at 14th December 2017)

Savings	2018/19 £’000
Specific service savings as submitted for budget consultation	10,252
Cross cutting savings as submitted for budget consultation	1,055
Invest to save savings as submitted for budget consultation	4,295
Reduction to the contingency fund	1,400
Total (as detailed in Appendix D)	17,002

- 5.4 As with previous years, the Corporate Management Team will ensure that the Sustainable Swansea crosscutting savings targets are allocated to specific Heads of Service and cost centres for delivery during the course of 2018/19.
- 5.5 Details around the currently assumed proposals for Council Tax levels are shown in section 9 of this report.

5.6 Details around use of the Council's Reserves, contingency and inflation provisions are shown in section 8 of this report.

6. Outcome of Budget Consultation Process

Budget consultation Results

6.1 The annual budget consultation ran from 14th December 2017 to 2nd February 2018. The consultation included a public survey available online and in hard-copy in council venues. We also undertook targeted consultation activity around the Social Services charging proposals, letters were sent to those affected and support offered within services from staff. Overall we received 1158 responses to the survey. We also held a children and young people's Big Conversation event attended by 80 pupils. A full summary of consultation results can be found in Appendix E. The consultation on social services charging was included within the separate report to Cabinet.

6.2 The EIA process has been running continually through the budget process. The EIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process. We will continue to publish each EIA report with the relevant corporate report at: <http://www.swansea.gov.uk/eia>

6.3 Cabinet and Council will need to consider the response to consultation and the EIA report and demonstrate how we are taking account of the feedback. This is particularly the case, of course, if we are minded to proceed with any proposals where there is a significant majority of those responding opposed to this, bearing in mind that consultation feedback is just one of the factors that we need to consider when making difficult budget choices

Main Results from the survey:

6.4 The survey provided the opportunity for people to have their say on:

- Future funding of services
- Funding approach to Education
- Specific budget proposals

Future funding of services

- 57% Would you be prepared to pay more for some services rather than lose them?
- 78% Would you prefer for the Council to deliver services in a different way rather than lose them?

Education

- 71% agree with our approach to the funding of education

Specific proposals

6.5 The majority of proposals were supported by respondents. Areas which received the highest levels of objection and agreement are outlined below:

Agree

- **93% agree** – Commercialise the use of the arts wing in the Grand Theatre
- **89% agree** - Introduce targeted free parking offers on certain days during the year in non-city centre car parks
- **88% agree** - Maximise the use of the Park of Rides sites e.g. offering private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits
- **87% agree** - Retention of the recently trialled rapid response fly tipping team.
- **87% agree** - Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act

Disagree

- **53% disagree** - Reducing the learning and outreach programme for galleries and museums
- **49% disagree** - Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision
- **49% disagree** - An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay

Other Correspondence

We received a letter on behalf of the members at Bishop Gore School in objection to the proposal to charge staff to park on school grounds during working hours. A copy of the letter can be found within the Budget Consultation Results report attached as Appendix E

Children and young people event: The Big Conversation

- 6.6 The Big Budget Conversation was the 5th annual consultation with children and young people on the Swansea Council budget proposals. The event gave 80 pupils from 12 secondary schools across Swansea an opportunity to consider a number of budget proposals that Swansea Council have to make in order to meet the required savings target. The full outcome of the Big Conversation can be found within summary of consultation results
- 6.7 The Council recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people.

The event gave young people a chance to have their say on:

- Future Generations Act
- Views on the Council and its budget
- Specific Budget Proposals

The consultation was aligned to the corporate public budget consultation, attendees were given the opportunity to comment on a maximum of 6 proposals, therefore the number of responses received per proposal differs.

Specific Proposals

6.10 Agree

- Keep the Rapid Response Fly Tipping Team (25 responses – 23 agree, 2 disagree)
- Reduce the number of flower beds – (24 responses – 21 agree, 3 disagree)
- Swansea Council should make changes to its car parking system to save and raise money – (35 responses – 33 agree, 2 disagree)
- Review all care packages to make sure they are in line with the Social Services and Well-being Act – (22 responses – 22 agree, 0 disagree)
- Introduce a pre-paid card system so people can use direct payments to pay for their care – (20 responses, 14 agree, 3 no opinion, 3 disagree)

Disagree

- School meal price increase (25 responses – 1 agree, 24 disagree)
- Reduce box office hours and brochure only available digitally – (15 responses – 1 agree, 14 disagree)
- Close the Grand Theatre in August – (27 responses – 9 agree, 18 disagree)
- Reduce the learning and outreach programs for galleries and museums – (21 responses – 2 agree, 19 disagree)
- Removal of satellite youth club provision – (15 responses – 6 agree, 9 disagree)
- Remove funding for Enterprise Officers – (24 responses - 1 agree, 23 disagree)

Schools Budget Forum

- 6.11 The views of the Schools Budget Forum have been received and need to be taken into account by Cabinet and Council before the budget is finalised. See letter at Appendix G.

Summary

- 6.12 Finally, Cabinet is asked to note that, as part of the budget consultation process:
- An account of the consultation responses will be placed on the Council's website
 - The detailed consultation responses have been sent to the relevant Head of Service to:
 - Reply to any particular responders as appropriate, for example, community groups, Assembly Members
 - Where appropriate, build the comments into the implementation of the proposals, subject to these being agreed by Council.
- 6.13 Cabinet is requested to consider the outcome of consultation and to agree whether or not to make any change to the savings proposals in Appendix D.

- 6.14 As previously agreed, engagement on the delivery of the objectives in *Sustainable Swansea, fit for the future* will continue during 2018.

Changes proposed to the budget in this report

- 6.15 As a result of the public consultation Cabinet will need to consider whether it is minded to make any further recommendations to Council on its final proposals for the 2018/19 budget.

7. Staffing Implications

Background

- 7.1 The Cabinet Report of 14th December 2017 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2018/19 as set out in **Table 6** (shown as Full Time Equivalent (FTEs))

Table 6 – Impact of Savings Proposals on FTEs 2018/19

Service Saving Proposals	FTEs
Resources	17
Place	20
People	11
Total	48

- 7.2 The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.
- 7.3 The S188 Letter was sent out on 14th December 2017 and consultation with Trade Unions ran until 1st February 2018.
- 7.4 Eight meetings have taken place with the Trade Unions since the S188 was issued; with further meetings scheduled as and when required.
- 7.5 It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.
- 7.6 It should also be noted that in view of the fact that the Resources Directorate has to make a further £3m of in year savings, fresh consultation commenced with the Trade Unions and Staff on 22nd January 2018, with further meetings scheduled during the 45 day period, i.e. until 8th March 2018. This has

resulted in a total of 61 posts being at risk. However, due to work undertaken by management in utilising vacant posts, bumped redundancies and approving further ER/VRs, this number as at 22nd January had reduced to 26.

- 7.7 A reduction in posts in 2018/2019 will be unavoidable, given that the Council spends over 40% of its overall budget on employees (significantly more in some Service Areas).
- 7.8 As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
 - *The use of fixed term appointments where a post needs to be covered*
 - *Stopping the use of agency staff unless a clear business case can be made*
 - *Redeployment and retraining wherever possible*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies and a time limited enhanced ER/VR offer*
 - *Encouraging staff to work flexibly e.g. reduce hours or job share*
 - *Flexible retirement*
 - *Redeployment Open Days for staff*
 - *Enhanced redundancy payment (maximum of 45 weeks). This currently applies to applications approved before 31st March 2018 and with end dates up to 30th June 2018.*
- 7.9 The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings, those in management/supervisory posts and those employed in business support functions.

Issues

- 7.10 The Trade Unions have raised some concerns in relation to the level of information provided to them, and the timing of the proposals, which includes the service savings proposals for each service area, which includes details of where the posts at risk are.

Unison have now submitted a formal response to the budget proposals.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies

These figures will be updated on an ongoing basis.

HR are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.11 The formal staff consultation period ended on 1st February 2018; although consultation meetings with the Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4 week period up to 12 weeks, which depends on the employee's length of service.

The formal staff consultation period of the Resources Directorate will end on 8th March 2018 and therefore no redundancy notices will be served before this date.

8. Reserves and Contingency Fund Requirement

Background

- 8.1 It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2 In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
 - level and timing of capital receipts
 - treatment of demand led pressures
 - expected performance against challenging budget requirements
 - treatment of planned efficiency savings / productivity gains
 - financial risks inherent in major capital developments and funding
 - the availability of reserves, government grants and other funds
 - general financial climate to which the authority is subject

In addition, whilst the Council is making some progress towards rebalancing the budget for 2017/18 and beyond, there remains potential volatility until March 2018, but a draw from General Reserves at year end is considered inevitable. Any consideration on use of reserves to fund the 2018/19 Revenue Budget is dependent on the level of confidence in predicting 2017/18 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should be ordinarily be no planned use of general reserves for future budgets (but see below re late notice of loss of specific grants).

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

8.3 In considering reserve levels Members should have specific regard to:-

- The report of the Section 151 Officer to Council on 26th October 2017 'Review of Revenue Reserves'
- The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

8.4 The General Reserve amounted to £12.360m at 1st April 2017.

8.5 The Revenue Budget for 2017/18 approved by Council on 23rd February 2017 assumed no transfer from General Reserves to support the budget. Any final determination on the use of reserves will depend on the outturn position for 2017/18, however as referred to in paragraph 2.6 it is now assumed to be likely that approximately £3.4m will be required to be taken from the General Reserve to fund the forecast overspend in 2017/18.

8.6 At this point in time, given the substantial uncertainty around specific grant losses, it is proposed to transfer £1m of the General Fund Balance to support the 2018/19 Revenue Budget. If those grant losses are rectified by Welsh Government then the draw from the General Fund balance should not proceed.

Therefore the level of General Fund balances estimated at 31st March 2019 would be £8.000m. This is considered the absolute minimum level acceptable given the relative size and scale of the Council's operations and revenue budget and is only proposed because of the impact otherwise of large scale, especially education, specific grant losses.

Contingency Fund

- 8.7 The 3rd quarter financial monitoring report detailed several forecast uses of the Contingency Fund in 2017/18. At this time, it is anticipated that the £5.4m budgeted contribution in 2017/18 will be fully expended and/or used to fund the Council's final outturn position. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2017/18 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2018 is nil.
- 8.8 In assessing the value of the Contingency Fund requirement in 2018/19, the following potential requirements are relevant:
- (a) The risks and issues detailed in Section 11 below.
 - (b) The need to provide a potential source of finance for the ER/VR scheme (given it is extended until 30 June 2018), together with the need to fund any redundancy costs arising from service reorganisation bearing in mind the Council has now retained only limited Earmarked Reserves for this purpose.
 - (c) The poor outlook for Public Finances as set out in the Cabinet report on 14th December and summarised in the MTFP report elsewhere on the agenda.
 - (d) The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards) will be a call on the fund in year.
- 8.9 Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2018/19 base budget, which continues to maintain reduced levels of risk, it is recommended that the contribution to the Contingency Fund in respect of 2018/19 is reduced to between £3.5m and 4m, depending upon any budget decisions Cabinet is minded to recommend. Again this is considered the absolute minimum range necessary to be maintained in light of the likely costs of the ERVR scheme until 30 June 2018.

Earmarked Reserves

- 8.10 The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C.

On 26th October 2017 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves of the Council.

- 8.11 The Revenue Budget for 2017/18 approved by Council on 23rd February 2017 included budget provision for two separate transfers to reserves as follows:-

- £1.0m to fund a contribution to the restructuring reserve specifically in respect of the national WCCIS IT solution (Welsh Community Care Information System).
- £0.95m to mitigate any loss of specific grants that could have detrimental effects on service targets.

Allocations have already been made from this latter budget provision, especially in relation to waste grant reductions in 2017-18.

- 8.12 It is clear from analysis of specific grant approvals so far received in respect of 2018/19 that the Council is likely to face a significant reduction across a number of services in terms of specific grants.

Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants (e.g. waste grant) that any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

It is therefore proposed that the remaining reserve contribution of £0.3m is transferred to Place budgets to mitigate the effect of the continuing further loss of waste grant.

In addition, whilst not explicitly budgeted for on the face of the revenue account, there is an underlying planning assumption that £3m of the Restructuring Costs Reserve provisionally be committed towards meeting part of the cost of actual staffing reductions as they fall due in 2018/19 as part of the evolving reviews of senior staffing, business support, stopping lower priority services and the wider commissioning reviews.

Review of Insurance Fund

- 8.13 A further review was completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.
- 8.14 In the light of that assessment £700k was released for the three years starting with 2017/18 and was already reflected in the budget proposals previously considered by Cabinet in December 2016.
- 8.15 Furthermore, the Section 151 Officer is confident that this can be supported for an additional two years, so will now end in 2021/22.

Adequacy of Reserves

- 8.16 Whilst the proposed use of Earmarked Reserves in 2018/19 funds some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2018/19 and future years, I am satisfied that the proposed management of reserves in 2018/19 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which is just adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.17 Given the considerable risks and uncertainties facing the Council in 2018/19 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints.

9. Budget Requirement and Council Tax 2018/19

- 9.1 The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £433.216m will be financed partly by Revenue Support Grant of £239.946m and National Non-Domestic Rates of £79.141m.

Based on the report to Cabinet on 14th December 2017, and in line with assumptions contained in the Medium Term Financial Plan for 2018/19 approved at Council on 23rd February 2017, a Council Tax rise of 5.0% would generate an additional sum of £6.033m, a band 'D' charge of £1,268.64.

- 9.2 Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £434.619m.
- 9.3 The above proposals are based on an indicative Council Tax rise of 5.0% which is within the range of planning assumptions of the Medium Term Financial Plan.

10. Summary of Funding 2018/19

- 10.1 The implications of sections 4, 5, 6, 7 and 8 above, together with the assumed 5% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £28.928m in 2018/19 as detailed in Table 7 below.

Table 7 – Budget Proposals 2018/19

	£'000
Savings identified per Section 5.3 above	17,002
Exclusion of Schools pressures to be funded by schools	2,698
Reserve changes (further reduction to contingency fund, restructure reserve and specific grants reserve)	2,195
Draw from General Fund	1,000
Net effect of Council tax base increase and proposed charges	6,033
<hr/>	
Overall resourcing	28,928

- 10.2 Cabinet is asked to consider whether, as a result of the consultation exercise, it wishes to make any further changes to the budget savings proposals for 2018/19 and, if so, any other consequential changes that may need to be addressed. The higher than expected increase in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.

11. Assessment of Risks and Uncertainties

- 11.1 As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular, the following items:

(a) Implications of specific 2017/18 overspends

The 3rd quarter financial monitoring report discussed at the Cabinet meeting on 8th February highlighted a number of service overspends. It is anticipated that remedial action already in place will serve to mitigate some of the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2018/19. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it is assumed that whilst the cost of pay protection arising out of single status implementation can be funded centrally, any additional costs that will have arisen as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

It is essential in terms of the financial challenges facing the Council beyond 2018/19 that further savings proposals are continuously developed as part of the *Sustainable Swansea* programme and implemented over and above those proposed within this budget. This will be a continuation of plans already underway and specifically include existing and the next waves of commissioning reviews and a further particular focus on more cross cutting themes.

The 2018/19 budget includes significant and extensive savings targets which must be fully achieved. It is a requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, alternative savings are achieved in year to meet approved Directorate Budgets.

Given the nature and scale of the savings challenge during 2018/19, there will be continued and enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Financial Strategy and Transformation Group and Cabinet.

As noted above, further proposals will be brought to Cabinet during the year as necessary.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. In addition £1.0m has been provided for potential inflationary increases in areas where there is a significant element of contracted out services.

(e) Care Home Fees

Budget provision has been made for the 2017 contract settlement with care home providers. However, it is likely that fees will need to be further monitored given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(f) Specific Grants

A number of specific grants are yet to be announced. In the event that the level of specific grants awarded for 2018/19 is less than that for 2017/18, which is highly likely based on limited announcements made so far, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant. Recent experience suggests that there may be

substantial in-year reductions to grant funding streams that will require urgent and concerted action in terms of mitigation.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure.

The proposals on earmarked reserves detailed in Section 8.12 of this report propose transferring the remaining balance for loss of grants to Place to replace the loss of the waste grant, this means that any future bids for funding to cover loss of specific grants will have to be made against the already significantly reduced contingency fund.

The assumption in the budget for the Ethnic Minority Achievement Unit (EMAU) is that, following recent Welsh Government indications, there will be some form of a specific grant in 2018/19, however there have been no further substantive offer details released as yet. The budget is set on the assumption that the grant will continue in some form for 2018/19 only and predominantly fund the total cost of the service. Any shortfall in funding will be a further drain on the, as aforementioned, significantly reduced contingency fund, and inevitably be a further base budget strain beyond 2018/19, if the specific funding were to then end.

In addition minor changes have now been funded by this Council from its limited budgets to ensure that where specific grants and funding relating to educating Gypsy Traveller Children and provision of school uniform grants would have otherwise ceased, these services remain in place, at least for 2018/19.

To facilitate maintaining these three areas previously funded by education grants, given the lateness of notice, it is proposed to draw £1m from the General Fund Reserve and seek to continue dialogue with the Welsh Government to urgently reverse these proposals.

In respect of the significant Post 16 Education grant reduction of £541k by the Welsh government, the budget is set on the assumption that schools will have to fully absorb their share of this grant loss (£501k). Given the size of the reduction and the late timing of the announcement this has high risk attached to it.

(g) Equal Pay Back Payments

The bulk of equal pay claims both in number and value have now been settled. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

(h) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years, of which 2018/19 represents last year.

(i) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(j) Capital Financing Charges

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision.

The Report on the Capital Programme for 2017/18 – 2023/24 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt.

In additional mitigation it is intended in 2018/19 to formally review at Council the policy with respect to the Minimum Revenue Provision. This has the potential to reduce capital financing charges in the short to medium term, albeit at the expense of increases in the longer term. Careful consideration will need to be given to the optimum balance to be struck having due regard to affordability, timing, future capital grant flows, future income streams and our obligations to have full and due regard to the Wellbeing of Future Generations.

- 11.2 Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.
- 11.3 The above risks are both substantial and potentially significant in value. Therefore during 2018/19 specific actions are being put in place which will involve:-
- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
 - Ensuring compliance with the Council's Financial Procedure Rules which require Responsible Officers to manage budgets within the limits set by Council.

- The impact of any changes to specific grant funding streams.

12 Equality Impact Assessment (EIA)

- 12.1 Budget proposals continue to be subject to the Council's Equality Impact Assessment (EIA) process. Appendix F contains the Equality Impact Assessment (EIA) Statement for the Budget. The focus continues to be on mitigation of impact on the community.
- 12.2 Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.
- 12.3 Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year. As a result, the assessment of impact is not a one-off exercise – it is a continuing process.
- 12.4 To ensure ongoing rigorous process, the following elements are of note:
- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
 - EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
 - Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
 - Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.
- 12.5 In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed. Therefore we will continue to publish each EIA report with the relevant corporate report at:
- <http://www.swansea.gov.uk/eia>

13. The Medium Term Financial Plan (MTFP) 2019/20 – 2021/22

- 13.1 Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

14. Legal Implications

- 14.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Background Papers: None.

Appendices:

Appendix 'A' Revenue Budget summary 2018/19
Appendix 'B' Net Directorate budget proposals
Appendix 'C' Earmarked Reserves
Appendix 'D' Specific savings proposals
Appendix 'E' Summary of consultation responses
Appendix 'F' Equality Impact Assessment Statement
Appendix 'G' Response of the Schools' Budget Forum
Appendix 'H' Directorate Budgets

	APPENDIX A	
REVENUE BUDGET SUMMARY 2018/19		
<i>DIRECTORATE</i>	REBASED	ORIGINAL
	BUDGET	BUDGET
	2017/18	2018/19
	£'000	£'000
RESOURCES	43,733	41,906
PEOPLE - POVERTY AND PREVENTION	6,282	6,378
PEOPLE - SOCIAL SERVICES	108,376	111,075
PEOPLE - EDUCATION	20,508	20,799
PEOPLE - EDUCATION - DELEGATED TO SCHOOLS	143,608	147,013
PLACE	55,134	56,605
<i>NET DIRECTORATE EXPENDITURE</i>	377,641	383,776
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	1,000	2,000
<i>OTHER ITEMS</i>		
LEVIES		
SWANSEA BAY PORT HEALTH AUTHORITY	84	86
CONTRIBUTIONS		
MID & WEST WALES COMBINED FIRE AUTHORITY	12,275	12,631
<i>CAPITAL FINANCING CHARGES</i>		
PRINCIPAL REPAYMENTS	15,316	16,066
NET INTEREST CHARGES	15,893	16,643
<i>NET REVENUE EXPENDITURE</i>	422,209	431,202
<i>MOVEMENT IN RESERVES</i>		
GENERAL RESERVES	0	-1,000
EARMARKED RESERVES	2,260	2,614
<i>TOTAL BUDGET REQUIREMENT</i>	424,469	432,816
DISCRETIONARY RATE RELIEF	400	400
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	424,869	433,216
COMMUNITY COUNCIL PRECEPTS	965	1,403
<i>TOTAL REQUIREMENT</i>	425,834	434,619
<i>FINANCING OF TOTAL REQUIREMENT</i>		
REVENUE SUPPORT GRANT	237,242	239,946
NATIONAL NON-DOMESTIC RATES	79,531	79,141
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	108,096	114,129
COUNCIL TAX - COMMUNITY COUNCILS	965	1,403
<i>TOTAL FINANCING</i>	425,834	434,619
<i>COUNCIL TAX BASE for the City and County of Swansea</i>	89,465	89,962
<i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i>	1,208.25	1,268.64
<i>GENERAL RESERVES</i>		
AT 1 APRIL	12,360	9,000
AT 31 MARCH	12,360	8,000
Note - 2017/18 budget has been rebased to reflect the 2018/19 grant transfers from the Welsh Government and other in year changes		

REVENUE BUDGET 2018/19								
NET DIRECTORATE BUDGET PROPOSALS								
	Resources	People - Poverty and Prevention	People - Social Services	People - Education	People - Education Delegated to Schools	Place	To be allocated	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Original estimate 2017/18	42,708	6,068	103,814	21,108	143,608	50,763	0	368,069
Directorate Transfers	0	0	0	0	0	0	0	0
Original estimates following transfers	42,708	6,068	103,814	21,108	143,608	50,763	0	368,069
Transfer to (+) / from (-) reserves 2017/18	-839	0	-285	-60	0	298	0	-886
Original estimate 2017/18 excluding reserves	41,869	6,068	103,529	21,048	143,608	51,061	0	367,183
Transfers for specific items 2017/18	0	0	3,557	0	0	2,516	0	6,073
Baseline adjustments 2017/18	1,041	335	844	-600	0	1,880	0	3,500
Adjusted service budgets 2017/18	42,910	6,403	107,930	20,448	143,608	55,457	0	376,756
Baseline adjustments 2018/19	0	10	543	-1,068	1,203	1,041	0	1,729
Spending Needs	1,899	280	7,650	1,891	2,152	2,386	0	16,258
Pay inflation provision	650	251	1,206	497	200	1,696	0	4,500
Savings:								
Specific consultation proposals	-3,641	-566	-6,544	-969	-150	-3,733	0	-15,603
Senior Staff Savings	0	0	0	0	0	0	0	0
Original estimate 2018/19 excluding reserves	41,818	6,378	110,785	20,799	147,013	56,847	0	383,640
Transfer to (-) / from (+) reserves 2018/19	88	0	290	0	0	-242	0	136
Net Directorate budgets 2018/19	41,906	6,378	111,075	20,799	147,013	56,605	0	383,776

APPENDIX B

REVENUE BUDGET 2018/19					
EARMARKED RESERVES					
	Balance	2017/18	Balance	2018/19	Balance
	31/03/17		31/03/18		31/03/19
	£000	£000	£000	£000	£000
DIRECTORATE RESERVES					
Equalisation reserves	0	0	0	0	0
Commutated sums	-5,030	-21	-5,051	-20	-5,071
Repair & renewal funds	-3,362	-326	-3,688	-218	-3,906
Profit share	-1,218	-65	-1,283	-66	-1,349
Service reserves	-4,590	362	-4,228	318	-3,910
TOTAL DIRECTORATE RESERVES	-14,200	-50	-14,250	14	-14,236
CORPORATE RESERVES					
Contingency Fund	0	0	0	-3,450	-3,450
Insurance	-15,695	700	-14,995	700	-14,295
Transformation/Efficiency	-11,814	530	-11,284	78	-11,206
TOTAL CORPORATE RESERVES	-27,509	1,230	-26,279	-2,672	-28,951
UNUSABLE/TECHNICAL RESERVES	-877	45	-832	44	-788
SCHOOLS DELEGATED RESERVES*	-7,575	0	-7,575	0	-7,575
TOTAL RESERVES	-50,161	1,225	-48,936	-2,614	-51,550
* No updated information available - balances held by individual schools					

APPENDIX D

HoS Budget	Proposal	Savings 2018/19 £'000
Resources	Management review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates	995
Resources	Service Reviews and demand management across all areas of the Directorate	597
Resources	Review and full cost recharge of Welsh Translation Service to users	160
Resources	Review funding of union representatives	72
Resources	Reduce budgeted council tax reduction scheme costs to same level as actual spend (demand led, varies annually)	500
Resources	Working commercially across the Council on income / contract spend, prioritising resources as per strategy and plan	1,150
Adult Services	Management savings across all levels within Adult Services	762
Adult Services	Review of Community Alarm Service (separate consultation)	10
Adult Services	Implement preferred options as outcome of Commissioning Review leading to reduction of in-house beds	169
Adult Services	Review of day services eligibility (separate consultation)	110
Adult Services	Maximise Income for Local Area Coordination from partners	80
Adult Services	Implement preferred options as outcome of Commissioning Review	500
Adult Services	Introduction of prepaid cards to service users to minimise potential for direct payments to be used incorrectly	150
Child & Family Services	Leaving care accommodation costs to be aligned to maximise eligibility for grant funding	150
Education	School Meal Charges - full year impact of September 2017 5p increase	23
Education	Free breakfast costs - further review of support given	69
Education	Catering and cleaning services - further review of actual costs to achieve full cost recovery	95
Education	Corporate review of terms and conditions - school staff parking charges	150
Education	School Meal prices: further increases (5p / £2.30: Sept 18; 10p / £2.40: Sept 19; and 10p / £2.50: Sept 21)	40
Education	Robust management of demands on remaining severe and complex needs budgets	261
Education	Continuing managed savings through wider impact of implementation of new models of learner support	130
Education	Further reductions in regional improvements service ring-fence consistent with funding settlements	32
Education	Further assumed reductions in Education Improvement Grant matching funding requirements	11
Education	Ethnic minority achievement service - full recovery of eligible costs from external grant	40
Education	Further review of management posts in light of changing demands and capacity issues	55
Education	Adult and community learning managed savings	80
Poverty & Prevention	Develop and spin out the Food not-for-profit Enterprise	70
Poverty & Prevention	Completion of Rights Respecting Schools Award	10
Poverty & Prevention	Reduce third sector funding via the Change Fund by 10%	25
Poverty & Prevention	Management savings	4
Poverty & Prevention	End the Enterprise Officers Contract and look for funding alignment opportunities	70
Poverty & Prevention	Joint commissioning opportunities for LGBT Youth Club provision (YMCA)	20

HoS Budget	Proposal	Savings 2018/19 £'000
Poverty & Prevention	Reduce satellite youth clubs provision (Gendros, Montana, Morriston, St Thomas, Friendship House)	40
Poverty & Prevention	Reduction in investment in Early Years	47
Poverty & Prevention	Maximise grant funding and income opportunities	145
Poverty & Prevention	Management and staffing efficiencies	60
Poverty & Prevention	Alignment of Early Intervention and Family Learning provision	20
Corporate Building	Staffing and transport savings due to more efficient mobile working	200
Corporate Building	Reduced maintenance on a number of building assets assuming a number will have been rationalised (sold, transferred to community running)	100
Corporate Property	Implement preferred options of Commissioning Reviews for Corporate Property, Cleaning Services and Cultural Services	308
Corporate Property	Additional rental income , including Liberty Stadium	400
Corporate Property	Efficiencies achieved in mail contracts	60
Culture & Tourism	Implement cost recovery by charging schools/other public sector for education services at museums and galleries	21
Culture & Tourism	Reduced staffing and opening hours at the Grand Theatre	176
Culture & Tourism	Cease Grand Theatre printed programme and concentrate on digital only	20
Culture & Tourism	Grand Theatre and Brangwyn increased income	220
Highways & Transportation	More efficient and effective transportation across all Council activities	250
Highways & Transportation	Reduced staff mileage claims as a result of a more agile and digital workforce	200
Highways & Transportation	Efficiencies in management and maintenance of vehicle fleet provision and wider highways and transportation processes	120
Highways & Transportation	Swansea Marina increased income opportunities outside of actual mooring fees	25
Highways & Transportation	Sell park and ride spaces to other employers	20
Highways & Transportation	Increased infrastructure works on behalf of Housing Department. Investment in Housing assets presents significant opportunities.	20
Highways & Transportation	Disability Crossover budget - installing dropped kerbs at junctions. Future funding from member environmental improvement budgets	20
Highways & Transportation	Increased car parking charges, set to match demand patterns, including Sunday parking	100
Highways & Transportation	Enforcement of moving traffic offences (via new technology)Investment in new technology	30
Highways & Transportation	Increases in licensing charges	5
Place - Cross Cutting	Increased fee earning activity, assuming full cost recovery	750
Place - Cross Cutting	Senior staff savings	250
Waste Management & Parks	Seek community ownership/sponsorship of flower beds	25
Waste Management & Parks	Rationalisation of Playgrounds	30
All Services	Reduce sick pay expenditure	1,000
All Services	Reimburse only half of all staff professional fees	55
Non Services	Reduction in earmarked reserves (contingency fund)	1,400

HoS Budget	Proposal	Savings 2018/19 £'000
Savings Requiring Initial Investment		
Adult Services	Review all Mental Health and Learning Disability packages of care, to ensure that they are fit for purpose and those eligible for health funding receive it (separate consultation).	500
Adult Services	Review all packages of care to ensure fit for purpose and effectively manage new admissions to residential and domiciliary care (separate consultation)	221
Adult Services	Targeted increase in recourse to direct payments as alternative to non-complex domiciliary care packages and complex care packages for Mental Health & Learning Disabilities (separate consultation)	500
Adult Services	Charging Policy and Annual Fee Increases	1,000
Adult Services	Investment in new posts to underpin the savings set out above	-564
Child & Family Services	Savings arising from the Safe LAC Reduction Strategy	3,000
Child & Family Services	Demand management ensuring Child & Family work only with those children with eligible needs requiring a Social Work intervention.	450
Child & Family Services	Implement the recommendation of the Family Support Commissioning Review and reconfigure in house Family support service.	200
Child & Family Services	Investment in new posts to underpin the savings set out above	-980
Economic Regeneration	Investment into Economic Regeneration following commissioning review with a specific focus on maximising external funding opportunities	-32
Total Savings before council tax increase		17,002

Budget Consultation Results 2018

1. Budget Consultation

Consultation on the specific budget proposals ran from 14th December 2017 to 2nd February 2018. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 1,158 people took part in the budget consultation survey.

The consultation was available online at www.swansea.gov.uk/budgetsurvey and hard copies were made available in Libraries and Council venues across the City.

We also undertook targeted consultation activity around the Social Services charging proposals, letters were sent to those affected and support was offered within services by staff.

We had 3,715 visits to our Budget Consultation webpages (up 106% from last year) with 1,942 clicks through to the survey itself during this consultation. The link on Staffnet went straight to the main budget page.

Communication and Social Media

The consultation was widely promoted across Swansea within the press and social media. Example of social media can be found in Appendix 1. This resulted in:

- 10 press releases in total
- 15 media mentions, including two front page leads of the Evening Post and a number of radio mentions.
- 12 Facebook posts – with a total reach of 35,142 and 1,904 engagements
- 6 Facebook videos promoting the budget consultation resulting in 3,242 views
- 26 tweets sent out on Twitter – 70,048 impressions and 1,526 engagements

2. Budget Consultation Summary Results (full results Appendix 2)

The survey provided the opportunity for people to have their say on:

- Future funding of services
- Funding approach to Education
- Specific budget proposals

Future funding of services

57% Would you be prepared to pay more for some services rather than lose them?

78% Would you prefer for the Council to deliver services in a different way rather than lose them?

Education

71% agree with our approach to the funding of education

Specific Proposals

The majority of proposals were supported by respondents. Areas which received the highest levels of objection and agreement are outlined below:

Agree

93% agree – Commercialise the use of the Arts Wing in the Grand Theatre

89% agree - Introduce targeted free parking offers on certain days during the year in non-city centre car parks

88% agree - Maximise the use of the Park and Ride sites e.g. offer private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits

87% agree - Retention of the recently trialled rapid response fly-tipping team.

87% agree - Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act

Disagree

53% disagree - Reducing the learning and outreach programme for galleries and museums

49% disagree - Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision
49% disagree - An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay

Other Correspondence

We received a letter on behalf of the members at Bishop Gore School in objection to the proposal to charge staff to park on school grounds during working hours. A copy of the letter can be found at Appendix 4

3. **Children and Young People** (full results Appendix 3)

On Friday, 19th January 2017, 80 young people participated in the 4th Annual Big Budget Conversation, where they had an opportunity to consider a number of budget proposals that Swansea Council have to make in order to meet the required savings target.

Young people attended from the following schools:

- Birchgrove
- Bishopston
- Bishop Gore
- Bishop Vaughan
- Cefn Hengoed
- Dylan Thomas
- Gowerton
- Morriston
- Olchfa
- Pentrehafod
- Pontarddulais

Swansea Council recognises every child's right to be heard in decisions that affect them and to ensure a quality experience for children and young people.

The event gave young people a chance to have their say on:

- Future Generations Act
- Views on the Council and its budget
- Specific Budget Proposals

The consultation was aligned to the corporate public budget consultation. Attendees were given the opportunity to comment on a maximum of six proposals, therefore the number of responses received per proposal differs.

Specific Proposals

Agree

- Keep the Rapid Response Fly Tipping Team (25 responses – 23 agree, 2 disagree)
- Reduce the number of flower beds – (24 responses – 21 agree, 3 disagree)
- Swansea Council should make changes to its car parking system to save and raise money – (35 responses – 33 agree, 2 disagree)
- Review all care packages to make sure they are in line with the Social Services and Well-being Act – (22 responses – 22 agree, 0 disagree)
- Introduce a pre-paid card system so people can use direct payments to pay for their care – (20 responses, 14 agree, 3 no opinion, 3 disagree)

Disagree

- School meal price increase (25 responses – 1 agree, 24 disagree)
- Reduce Grand Theatre box office hours and make brochure only available digitally – (15 responses – 1 agree, 14 disagree)
- Close the Grand Theatre in August – (27 responses – 9 agree, 18 disagree)
- Reduce the learning and outreach programs for galleries and museums – (21 responses – 2 agree, 19 disagree)
- Removal of satellite youth club provision – (15 responses – 6 agree, 9 disagree)
- Remove funding for Enterprise Officers – (24 responses - 1 agree, 23 disagree)

Appendix 1

Cyngor Abertawe - Swansea Council
 Published by Field Max [?] · January 23 at 1:00pm · 🌐

Viewing: English ▾

More than 80 young people have had their say about Swansea Council's latest budget proposals at a special event for secondary schools. The pupils representing 12 comprehensive schools across the city gathered at Bishop Vaughan Catholic School where they examined the plans and then asked questions and delivered their own opinions and ideas. Their views will now be taken into account as part of the wider budget consultation that closes this Friday (Jan 26).

In 2018/19 the council needs to find £22m in savings but plans to commit additional money to schools and education. Swansea residents still have time to take part in the draft budget consultation before it closes on Friday by visiting: www.swansea.gov.uk/budgetsurvey

Hard copies of the consultation are available at libraries, the Civic Centre and Guildhall.



Performance for Your Post

2,937 People Reached

21 Reactions, Comments & Shares ⓘ

5 Like	5 On Post	0 On Shares
2 Love	2 On Post	0 On Shares
1 Haha	1 On Post	0 On Shares
1 Wow	1 On Post	0 On Shares
12 Comments	11 On Post	1 On Shares
0 Shares	0 On Post	0 On Shares

156 Post Clicks

53 Photo Views	3 Link Clicks	100 Other Clicks ⓘ
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NEGATIVE FEEDBACK

0 Hide Post	0 Hide All Posts
0 Report as Spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Cyngor Abertawe - Swansea Council
 Published by Patrick Fletcher [?] · December 28, 2017 · 🌐

Viewing: English ▾

SWANSEA Council is saving millions of pounds a year cutting back on paperwork and automating services as part of its modernisation drive.

Over the last few years £60m has been saved in back-office and other costs thanks to a programme that's seen extra income generated and investment in streamlining services.

Clive Lloyd, Cabinet Member for Service Transformation and Business Operations, said the council's modernisation programme is helping keep costs down to ensure its overall budget remains on track.

He said: "We've cut back on the amount of office space we need, automated more than 30 requests for services and streamlined services to reduce overheads.

"On top of that, new approaches to waste management has reduced the amount of black bag waste by thousands of tonnes and helped us meet Welsh Government targets three years early."

In the coming years the council plans to go still further in its efficiency and savings-drive to help protect frontline services and jobs.

The plans are part of the council's budget for next year and Cllr Lloyd is urging residents to participate in the consultation.

He said: "Despite all the savings we've made so far, we need to make £80m-plus of savings in the years ahead. Before we do that we need residents to tell us what they think of the proposals we're bringing forward.

"Last year hundreds of people had their say and our budget plans were strengthened as a result.

"This year we've already been listening to head teachers and allocated an extra £2.2m to their budgets to help offset the financial pressures our schools face."

Performance for Your Post

5,549 People Reached

65 Reactions, Comments & Shares ⓘ

6 Like	5 On Post	1 On Shares
1 Haha	1 On Post	0 On Shares
1 Angry	1 On Post	0 On Shares
54 Comments	46 On Post	8 On Shares
3 Shares	1 On Post	2 On Shares

613 Post Clicks

0 Photo Views	59 Link Clicks	554 Other Clicks ⓘ
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NEGATIVE FEEDBACK

0 Hide Post	0 Hide All Posts
0 Report as Spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Council Budget 2018/19: Have Your Say

The services we provide and what they cost

The Council provides services to more than 240,000 residents. These services include education and schools, care services to the elderly and disabled, care and protection services for children, waste and recycling collections, highways maintenance, subsidised public transport, leisure and recreation, environmental protection and licensing and planning.

You can find details of the many services we provide, including a full A to Z of Council services, on the following link:- www.swansea.gov.uk/residents
www.abertawe.gov.uk/preswylwyr

The Council has £400 million to spend. The vast majority of this money comes from the Government and grants, and we raise further money from council tax and income.

On average we spend £4,000 on every household in Swansea. The figures below show where our money goes (figures are in millions).

Planning for the future

Although you may have read that the amount of money we receive from Welsh Government is likely to decrease slightly next year, this has to be balanced by the fact that we expect £22.2 million of additional expenditure which is outside our control such as the nationally agree pay awards, for example.

On top of this we think that our funding from Welsh Government will reduce significantly in the coming years which means we'll have £30 million less to spend at a time when demand for services like social care is rising.

The public have already told us their priorities are schools, social services and other local service such as highways and waste . But with less money we'll have to reduce spending on these priorities whilst making bigger cuts in other areas to balance the books.

We raise over £100million in council tax each year, but this doesn't even cover the cost of our social services, let alone all the other services we provide. The overall cost of council services means simply raising council tax is not an option. So we have to take other steps.

We've already reduced our costs by transforming the council through our Sustainable Swansea: Fit for the Future programme. This includes modernising services by using the internet, reducing administration and back-office services, generating income to pay for services and helping families earlier so that we can reduce costs later on. This is expected to save £17million next year alone.

We've saved money by reducing senior staff and we've identified efficiencies and savings in services totalling over £60 million in the last three years. We're planning to further reduce management, business support and other back office costs by another £3-4million in the coming year alone.

We're also reviewing all of our services to ensure they are delivered in the best way and saving money by working with partners such as the police and health.

And the public can play their part by helping to run services, such as the successful scheme where bowlers are maintaining their greens, or by increasing recycling at home.

But it's not all about reducing spending. We want to invest in the city centre, in building new council houses, improving classrooms and delivering the City Deal with the potential to create 10,000 jobs.

Balancing all of these things will mean taking difficult decisions. We may have to close some services but if we take action now and find sustainable alternatives, we'll be able to protect more services.

That's why we want to talk to you now and get your views on how we can deliver services in the future.

Future funding of services

Due to the ongoing reduction in funding from the U.K and Welsh Governments, we have to rethink how we deliver our services.

We want your views on how we can provide services in the future:

- 1. Would you be prepared to pay more for some services rather than lose them?**
56.9% Yes
43.1% No
- 2. If yes, please state in the box below which services you would be prepared to pay towards in the future:**
340 comments
- 3. Would you prefer for the Council to deliver services in a different way rather than lose them?**
78.1% Yes
21.9% No
- 4. If yes, please state in the box below how would you like services delivered differently in the future.**
365 Comments

Budget Proposals

Education:

5. Do you agree or disagree with the proposal listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
School Meal prices: further increases (5p / £2.30 per day: Sept 18; 10p / £2.40 per day: Sept 19; and 10p / £2.50 per day: Sept 21)	28.5%	43.8%	16.4%	11.2%

Potential Implications of the Local Government Finance Settlement for Schools

The Council faces a challenging budget situation in the light of U.K Government budget decisions and Welsh Governments Local Government Finance Settlement. We have previously sought to advise schools on the financial situation and how this will impact the funding we provide to them. We indicated to schools that this could likely mean year on year real terms reductions in the region of 2.5%. The recent settlement figures, unfortunately, have confirmed the scale of the challenge.

It is also likely that the total Education Improvement Grant available from the Welsh Government next year will be reduced by around 11%. This further exacerbates the pressures to be managed by schools and the education department. Despite this challenging picture the Council remains committed, as far as possible, to continue with relative prioritisation of the delegated schools budget over recent years.

This will provide more funding than has been made available through the Welsh Government Settlement and will be significantly better in comparison with the level of cash savings which will need to be delivered across other Council services. Nevertheless, it will still present a serious challenge to schools because of the significant scale of cost pressures that have been passed to local authorities from the U.K. Government and are unfunded within the Welsh Government Settlement. These include:

- Teachers' pay and pension cost increases
- Other school staff pay and pension cost increases
- Demographic pressures as a result of increasing pupil numbers
- Other cost increases from business rates and Service Level Agreements

The overall unfunded cost pressures are estimated at between 2.5% and 2.8% for 2018-19 and around 3% to 3.5% based on Welsh Government projections for 2019-20.

Against an overall cash reduction of 0.1% in general grant funding from the Welsh Government, the Council is proposing to provide a cash increase of around 1.5% for 2018-19 towards these significant cost pressures and will continue to work with schools to enhance future sustainability through, for example:

- sharing ideas and best practice across schools
- further collaborative working, and
- working in partnership with officers to manage the wider non-delegated service cost pressures

6. Do you agree or disagree with our approach outlined above?

22.2%	Strongly agree	48.8%	Tend to agree	16.2%	Tend to disagree	12.7%	Strongly disagree
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7. Please give your views on the above here:

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Social Services:

The Social Services and Well-being (Wales) Act ('the Act') that changed the way local councils in Wales provide social care and support. It came into force in April, 2016. It means that councils must provide information, support and services in the way that the Act sets out. The Act gives individuals and their carers more of a say in the care and support they receive. The Act focuses on helping people to stay well, to be safe from harm, to be as independent as possible and to be supported within and by their local community.

The Act has five principles:

Promoting Well-being: Working with people to understand what matters to them and helping them achieve what is important for their well-being

Voice and control: Putting people at the centre of their care; giving people a voice in making decisions about their life and control over reaching the outcomes that matter to them

Prevention and early intervention: Increasing preventative services within the community to help people to keep well and help us to know when you may need extra support to prevent problems reaching a critical stage

Co production: Providing opportunities for you to be involved in how your care and support is designed and provided

Collaboration: Strong partnership working between the various organisations and people that support you, helping you live the life you choose for longer

Added to the above, Social Services is facing unprecedented challenges in terms of the numbers of people who need to access our services and the increasing costs of providing them.

With an ageing population and better and earlier diagnosis and treatment of long-term complex conditions such as learning disabilities and physical disabilities, people are living for longer with more complex needs. This increases the number of people who at some point in their lives might need some form of formal support.

Whilst the budget for Social Services has decreased slightly over the years, the costs particularly in the independent sector have increased significantly due to the key pressures linked to the costs of for example paying the national living wage, increased national insurance and pension contributions.

The increase in people needing support and the costs of providing it will continue to increase, so we need to get smarter in terms of how we support people. In line with the Social Services and Well-being Act, we need to encourage people to be as independent and self-supporting as possible so we can concentrate our services on those who really need them.

In order to meet the requirements of the Act we have to do some things differently:

8. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act. Care packages will become more focussed on achieving the outcomes that matter to people depending on their circumstances and needs; including effective use of equipment and telecare services. This may mean that some people have either more or less care, depending on their individual circumstances and needs, but we will ensure that nobody is left without the care they need	37.7%	49.0%	7.9%	5.4%
In order to increase citizens' voice and give people direct control over the care they receive we propose to actively promote the use of direct payments as an alternative to traditional care provided by local authority services. We will make it easier to use direct payments by introducing a pre-paid card service	28.3%	42.5%	15.7%	13.5%
In order to promote well-being, review our services in line with Councils Commissioning Review processes so the services that we deliver or we ask others to deliver on our behalf meet the best possible outcomes for people. This might mean some changes to our services, such as our approach to providing technology to support people in their homes, how we provide residential and day services for older people and how we provide services for younger adults with physical disabilities, learning disabilities and mental health concerns	27.3%	48.8%	13.2%	10.6%

Poverty and Prevention:

9. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Replace grow local grants with investment in a community enterprise company	16.5%	50.4%	21.6%	11.5%
Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision at St.Thomas, Morriston, Gendros and Montana in18/19 and Friendship house in 2019/20	14.7%	36.0%	34.8%	14.5%
Remove funding for Enterprise Officers (who provide support for young entrepreneurs) based in Gower College	27.2%	27.7%	31.9%	13.3%

Cultural Services:

10. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Reducing the learning and outreach programme for galleries and museums.	16.2%	30.8%	34.6%	18.4)
Bring the Grand Theatre in line with other theatres by closing during August. It will still be available for hire.	25.1%	40.5%	19.5%	15.0%
Improve our digital box office offer which will allow us to Reduce box office hours at the Grand Theatre 40% less	39.4%	42.8%	10.2%	7.7%
Produce the Grand Theatre brochure in a digital only format	34.5%	34.5%	19.9%	11.2%
Commercialise the use of the arts wing in the Grand Theatre to increase usage	53.6%	39.8%	3.3%	3.3%

Highways and Transportation:

11. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Freeze car parking charges within the City Centre during the construction stage of the city centre redevelopment	52.6%	29.6%	11.6%	6.1%
Introduce targeted free parking offers on certain days during the year in non-city centre car parks	54.6%	30.7%	8.7%	6.1%
Introduce targeted free car parking periods (e.g. after 3pm) on certain days per year in the City Centre	57.0%	32.3%	6.1%	4.5%

An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay. The council will take a graduated approach to charging so those car parks with lower levels of usage will see lower increases in charges	18.9%	32.0%	24.2%	24.9%
Modify Sunday parking charges to reflect the needs of shoppers and traders. 50p for the first 2 hours, £2 all day parking	36.8%	36.3%	12.6%	14.3%
Maximise the use of the Park of Rides sites e.g. offering private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits	51.0%	36.8%	5.3%	6.9%

Waste Management and Parks:

12. Do you agree or disagree with the proposal listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Review the provision of flowers beds, reducing the number of flower beds whilst protection our green flag status. Seek community ownership and sponsorship opportunities where possible	31.4%	39.1%	18.3%	11.1%
Retention of the recently trialed rapid response fly tipping team. The team will be responsible for checking hot spots and tackling incidents of fly-tipping across Swansea when they have been reported to the council	47.5%	39.7%	7.5%	5.3%

Any Other Comments:

13. If you have any other comments about the budget proposals or anything else contained in the budget Cabinet report please write in here:

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The Big Budget Conversation

Bishop Vaughan // 9.30AM – 2PM // 19th Jan 2018

80 Young People 12 Secondary Schools

We received
58 positive comments
34 negative comments
about the budget proposal
presentation.

Young people were asked
what they thought of the
questions on the budget.

We received
44 positive responses
37 negative responses

We received **65 main
messages** that young people
want to communicate to the
council

Young people made
38 other comments
about the budget.

Young people recorded
116 initial thoughts
about the budget proposals.

1,828 opinions
were gathered in
one exercise.

Young People evaluated the budget questions and the session itself.

"...Surely there's a better,
more socially productive
way to distribute that
money?"

"More voluntary
work to reduce
money"

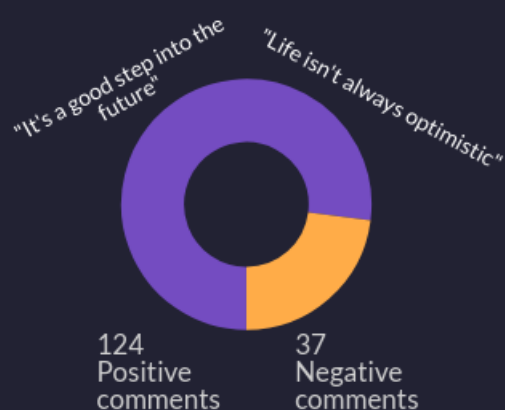
"Need more
opportunities to ask
questions"

"Spend now to save later"

Young people's views on the budget questions, the councils intentions and areas where they could input their views will be passed on to Consultation Coordinators in Swansea Council. It is the role of elected Councillors to implement decisions and bring about change based on the views of young people.

The Future Generations Act

Young people responded to the
Welsh Government's video .



Young People voted and had a say on the topics that were important to them.

Topics included: school meals,
sustainable schools, day services for
younger and older people, direct
payments, park and ride, social care,
entrepreneurship, outreach
programs, the arts, youth clubs, and
the environment...

How can Swansea Council use technology to improve the services it provides to the public?

Responses: 7

- Have all forms and documents online
- Instead of wasting money on things we don't need, we should invest in poverty-stricken areas
- Like Cardiff, Swansea's bus stops should have an electronic timetable which displays how long there is until the next bus arrives. E.g 'The next bus is the number 22 to City Centre and will arrive in 5 minutes'
- Advertise interesting things in Swansea
- Technology should be used but not in place of people's jobs
- They could use ipads to show live action pamphlets of each attraction in Swansea. Smore is where you could make a live pamphlet with videos.
- More electronic billboards / street advertisements to enable to council to make more money from local companies by increasing the price of adverts and having more of them to display.

Swansea Council should change the way it delivers some services.

Responses: 2

- There's many ways to save money for services. E.g. decrease opening hours for services that are not used regularly.
- I agree with this ^

Swansea Council should cut/lose/get rid of some services.

- No responses

Swansea Council is proposing another price increase of school meals from next year. 5p from Sept 18, 10p from Sept 19, 10p from Sept 21. What do you think of this?

Total responses: 25

Positive responses (agree with the price increase): 1

Negative responses (disagree with the price increase): 24

- The price of school meals is too expensive as it is – I say they stay as they are
- Should be at least £2.30p
- I disagree with this ^
- I strongly disagree with the price increase
- If they can be reduced, they should stay the same
- I believe that these increases are really expensive
- School meals are too expensive for what they are. I pay that much for a McDonald's which is better.
- I agree with this ^
- Prices for food are getting expensive and it needs to be reduced
- I agree with this^
- Oh, hell no
- This person gets it ^
- Defo, not if anything is cheap
- I strongly disagree because some parents don't have enough money to give to their children for food every day

- Shoot pigeons to stop poop on cars – free bird meat in schools
- Retweet this ^
- School meals are already expensive enough
- I personally think that the prices for food should be lowered because it costs me £3 just to have a meal to fill me up
- I think they should stay the same
- I agree that the meals are already quite expensive, it is hard for families who are less fortunate to pay for their children to have dinners
- School meals are becoming too expensive. Maybe do a survey to see what food people want to help cut down on waste.
- For the foodies ^
- Hell, no. I strongly disagree because even now is expensive enough to increase. Please make it cheaper.
- I think school meal prices should not increase
- I disagree with the idea and think the prices should stay as they are.

Would you be prepared to pay more for some services instead of losing them altogether?

Total responses: 21

Votes for YES (10)	Votes for NO (6)
Yes for sports facilities Athletics and sport Sport Sports facilities Depends what it is Yes, depends Maybe Depends Depends on what it is Yes	Depends Nah, leave it as it is It depends on the service Depending on the service It depends on if I need the service or not No, no, no, no, this is not OK
What services would you be willing to pay more for?	What services would you not be willing to pay for?
Sports Sports facilities Music service in schools	Youth clubs Youth clubs

Do you have any suggestions about how we can reduce costs within the Social Services?

Responses: 4

- More volunteers to help with
- Volunteers
- Open charities
- Donations

Swansea Council should help schools pilot and set up sustainable plans for the future.

Responses: 1

- I strongly agree

The Social Services and Well-being (Wales) Act ('The Act') means that councils must provide information, services and support. Swansea Council should review all existing and new care packages to make sure that they are in line with The Act.

Total votes: 22

Agree: 22

Disagree: 0

Comments: 16

- If they are going to bring in The Act and want it to be a success then they need to make sure people have one list/path to follow
- We can make people feel supported by offering them money to support their educational needs (e.g. in university/college)
- It should be advertised and shown to everyone not just people in a problematic situation so in any case when they enable it they know what to do
- Yes, I agree
- Yes, I agree
- Of course they should care of
- Agree
- Yes, if it's out of order and proven less useful then it's no use
- Obviously
- Agree
- Yeah, I agree
- I agree
- I don't know
- I don't understand what this question means
- This is difficult to understand
- Strongly disagree

Swansea Council should reduce the box office hours at The Grand Theatre by 40% by using a digital box office instead. The Grand Theatre brochure should only be available in a digital format.

Total votes: 15

Agree: 1

Disagree: 14

Comments: 14

- It gets rid of a simple job that might only provide minimum wage. Is this considerably beneficial?
- Closing down the box office (for a few hours) would reduce job opportunities.
- No because the website is hard to use plus in the box office you get better deals
- More jobs so no
- Keep the jobs
- Keep the jobs
- Keep the jobs but use a digital brochure
- What about people who can't access the internet?
- Disagree
- People have jobs and they're being taken over by robots
- There should be a brochure on paper for people who can't access the internet
- Yes because they can save money by not paying wages to them people

- Would result in loss of money
- If someone's internet is not working they won't be able to gain access to tickets. Websites can be faulty, not letting someone buy their tickets etc

Swansea Council should bring The Grand Theatre in line with other theatres and close during the month of August. (The Theatre will still be available for hire).

Total votes: 27

Agree: 9

Disagree: 18

Comments: 16

- The theatre is where many people make money, without funding they will be stuck
- I care about my musicals and they improve tourism
- Closing the theatre during the time when tourism is at its peak is, quite frankly, a stupid idea. We can earn much more if we advertise The Grand Theatre.
- I love musicals
- Why would closing and losing money benefit?
- It shouldn't close as it is the summer holidays and children would want to see a play
- Nah to the ah to the no no no
- This is controversial
- They should save money and put whatever shows they would have had on a different day
- Swansea theatre doesn't have to be the same as other theatres
- Why August?
- I don't mind, only if it's cheap
- Is this beneficial? Considering other theatres close, wouldn't it increase its popularity?
- If it would close then it should stay closed and not to rent
- Gives workers a break
- Young people are off from school – entertainment

Swansea Council should reduce the learning and outreach programmes for galleries and museums.

Total votes: 21

Agree: 2

Disagree: 19

Comments: 13

- The outreach programmes aren't essential as we learn thoroughly with the school environment
- We should charge people to use museums. Money by the council should be spent better elsewhere.
- Have schools help children to learn to raise and/or save money to go on trips
- If people have a real passion for art there are plenty of classes and places to go and see art for free. This could save the council money.
- They are enjoyable but not everyone will think this
- They are educational
- They are educational

- They should not. These programmes are important and allow people to grow.
- No because they can learn more
- Wales should be on par with other countries when it comes to displaying our unique heritage and culture
- They should reach out to people
- If the council reduce learning and outreach programmes for galleries this could result in a loss of understanding of Swansea's history and culture.
- Galleries and museums enable the younger generation to learn about Welsh culture and heritage. As well as this, galleries and museums are an effective way of raising money through tourism. Why would you close them?

Swansea Council should keep the Rapid Response Fly Tipping Team who respond when the public report incidents of fly tipping across Swansea.

Total Votes: 25

Agree: 23

Disagree: 2

Comments: 13

- #savetheenvironment
- I agree because fly tipping is bad for wildlife and the environment but also there should be more bins around
- It will encourage them faster but it still won't look nice
- Perhaps to save money and keep services running
- The Fly Tipping Response Team should be 2 times a week
- If Swansea is unattractive there will be no tourism and there will be less money in Swansea's economy
- This is important but there should be more of an effort to prevent this from having to happen. E.g. education on recycling and more people picking up rubbish outside their houses.
- Use money for rapid response ambulance helicopters, not fly tipping
- That is a charity ^
- My point, give money to them as well ^
- It encourages the fly tippers to continue as their rubbish is being cleared away for them and they are not facing consequences
- I think there should be more recycling bins like in the city centre
- Wales has a very tight-knit community and in the areas where there is fly tipping, the community will officiate and punish the fly tippers

Swansea Council should reduce the number of flowerbeds but still protect our Green Flag status. The Council should find sponsorship for flowerbeds and support communities to look after their own flowerbeds.

Total Votes: 24

Agree: 21

Disagree: 3

Comments: 17

- Many people do volunteer work, some people might love gardening but not be able to have their own garden. These can also be groups of people who would benefit from gardening because it can be therapeutic.
- I like flowerbeds
- I think this is important

- Environment should be a priority
- Yes, because sponsorship would significantly reduce the money spent by the council
- Yes, I agree
- Yes, make it pretty
- I agree with supporting communities to keep their flowerbeds
- I love flowers
- Agree – have more flowers because it makes the city look pretty
- Who really cares? It doesn't contribute. I would prefer more facilities to be honest.
- More flower beds
- The flowerbeds support wildlife
- The council should focus on more important things
- I think people could volunteer to plant the flowers
- Don't waste money on them
- They shouldn't because flowerbeds make the town lively

Swansea Council should provide more suitable outreach programs for youth clubs by removing our satellite youth club provision at St. Thomas, Morriston, Gendros and Montana in 2018/2019 and at Friendship house in 2019/2020.

Total votes: 15

Agree: 6

Disagree: 9

Comments: 12

- No because children need to have fun locally
- There is no need for youth clubs as most of them are unattended anyway
- Small clubs have a bigger impact
- There needs to be more youth clubs
- There should be more
- There should be more advertisements about them
- Need to raise awareness of youth clubs before closing them – I have never heard of Friendship House
- Youth groups should stay open because they are places where children can socialise rather than stay home on their computers. Youth groups should be advertised more.
- I disagree strongly because with the smaller clubs if there are more clubs more people could have fun but without travelling the distance
- More youth clubs in new areas
- Do youth clubs have a benefit? Can they lead to trouble for young people?
- There needs to be more clubs like this and more effort to make the ones that exist bigger and better

Swansea Council should remove the funding for Enterprise Officers (who provide support for young entrepreneurs) based in Gower College.

Total Votes: 24

Agree: 1

Disagree: 23

Comments: 13

- Disagree because the entrepreneurs will have an opportunity to foresee what they may be good at
- Young adults need support in life and help on how to do things
- No, it is beneficial to young people
- To get a true feeling of entrepreneurship, the council should not mother and instead let them fail and learn from their mistakes
- Helps increase business in Swansea
- They should be encouraged if that's their career path
- No because children need to learn about business
- No, it helps the next generation to get into business
- I think it is a good idea and should not be removed, especially for primary schools
- The council shouldn't fund it unless there is any other funding. These experiences inspire people to have their own business, bring more money into Swansea's economy
- It should be funded because there will be more opportunities
- It enables people to be independent
- Are there more entrepreneurs as a result of this? Capitalism forces people to choose a safe and secure route, so less people are likely to be entrepreneurs anyway.

Swansea Council should make changes to its car parking systems to save and raise money.

Total votes: 35

Agree: 33

Disagree: 2

Comments: 17

- Not by much
- Yes because they would save a lot of money
- Parking should cost
- If done well they could raise lots of money
- Why does it cost so much money for a run-down car parking space?
- Parking should cost
- Parking shouldn't cost anything
- People will be dissuaded by high price rates
- No, parking is a rip-off currently
- I disagree
- Parking is already expensive
- Parking doesn't need to cost anything
- Why is parking priced at all?
- I agree because some people don't have much money
- It's too expensive. Why is it expensive? The shop aren't making money because of car parking
- It depends on if they're raising money or not
- I agree

Swansea Council should offer Park & Ride spaces to private companies and offer seasonal/annual parking tickets to encourage people to use more park and ride facilities.

Total votes: 28

Agree: 25

Disagree: 3

Comments: 7

- Not many people use it, it's cheap anyway so no need
- Pensioners and people unable to work should receive free travel (or discounted ticket price)
- Seasonal tickets and annual tickets should be offered to working class people.
- Helps global warming #savetheplanet
- Global Warming
- It will help the environment and global warming
- The system in Swansea should change to allow both of these to go hand in hand, saving money and creating space for buildings by outpricing parking and encouraging the park and ride scheme, you can achieve the former and reintroduce the failed bendy bus initiative that has already cost the council a lot .f money

- Example: a social worker costs £400. It's free up to the first £300 so the receiver of care pays £100.
- It depends on the care. Elderly people should have it for free if they have worked all their life.

Swansea Council should introduce a pre-paid card system so people can use direct payments to pay for their care.

Total Votes: 20

Strongly Agree: 1

Agree: 13

No opinion: 3

Disagree: 3

Strongly disagree: 0

Comments: 3

- If care is require, it should be paid for by the government
- Different councils should have different price plans depending on how much money the county has
- It's easy access to pay with portable cash

What did you think of the questions about the budget?

Positive responses: 43

Mixed responses: 2

Negative responses: 38

Very good	General things that need changing in Swansea	Great amount of questions for us to think about
Good x 6	Good to help people get	Relevant x 2

	involved	
Enjoyable	Made me think	Something to think about
Interesting x 3	Set out well	Alright
Covered many areas	Covered a lot of problems	Valuable
Simple to answer	Important	Influential
Good questions for the age band	Questions and games engaged people	Reasonable
All focussed on things that allow people to enjoy the city	Good	Easy to answer
Easy to understand	Made me think	We must be challenged to speak up
It challenged us to speak up	Good	Made me think about what can be done
Appropriate	I now understand the pressures on the government	I'm happy with where the money is going
Most were easy to understand		

Good idea but I didn't understand what they were asking me
Fun to go around but I didn't get some of them

Hard to understand	Didn't really understand	Made me annoyed at some of the council's ideas
Hard to answer	Not enough questions	Should be clearer
Good questions but not enough discussion	Could have been explained more	Confusing at the start but the staff helped me to understand
Confusing at the start	Confusing	Hard to understand because of the vocabulary
Wanted a discussion	Could have been worded easier	Could have been explained differently
Good to get our opinion across	I wanted to say something but there was no question for it	Should be worded differently
Challenging as they have many answers	Not that interesting	Should be more specific
Could have been worded simpler	Should have been on technology instead of paper	Too hard wording
Could have been discussed	Difficult to understand for year 7	None focussed on poverty
some of them were slightly off subject	Could have been more thought-provoking	Wording hard
Needed more background info and explanation	they were good but some of them were slightly off	Hard to answer

	subject	
Not phrased in a clear way	Questions about issues I was not aware of	

What is the main message you want to communicate to the council?

Total comments: 65

- There should be more opportunities such as The Big Conversation for youngsters to express their opinion to the council.
- There should be more awards for youngsters in Swansea for good citizenship and community work.
- How much money goes into the world?
- Spend more money on education.
- Get the tidal lagoon as long term it will generate profit.
- I would like to talk about the litter problem in Swansea.
- We need to modernise schools for the future generation.
- Get the tidal lagoon in order to save money.
- Instead of building an arena, help people in poverty.
- We need to get more involved in what's going on.
- We want to get involved a lot more.
- Spend the money wisely.
- Stop wasting money and sort out recycling.
- Anything that could help the social.
- Focus on poverty-stricken areas.
- Watch your budget and spend less of it.
- Do not spend money on things which are not needed (prioritise).
- There isn't enough money for helping poverty,
- More money should go to those in poverty.
- Spend more money on parks and youth clubs.
- Money should be spent on poverty.
- Saying you are not cutting school budgets and raising the cost of everything is not an improvement. You are only saying school budgets aren't being cut for the cameras.
- More money should be spent on educational needs like trips and labs.
- Don't spend money where it isn't needed, e.g the stadium/arena.
- The money should be spent on the right things not pointless things that could be avoided.
- They should put the youth's opinion over clearer and invest in such things as poverty and human rights.
- School budgets.
- Not enough money spent on poverty.
- Think about an effective strategy that will have more advantages than disadvantages.
- Prioritise what and how much money goes to what.
- The difference between wants and needs.
- Needs v wants.
- Nothing because everything I needed was done and spoke about.
- Think about projects and focus on the future as well as the present.

- Think before you build.
- Keep listening to us.
- Take it one step at a time and care about us and other young people's future and the effect you have.
- Give us more money all over.
- They need to offer attractions in Swansea
- How much money goes into the world?
- Allow 16 year old to vote.
- Reduce use of paper in schools.
- Votes at 16.
- More eco-friendly plans like improving public transport and reducing the price of it.
- More money should go into youth groups and poverty.
- Instead of using money on digital equipment, the budget should be spent on poverty-stricken areas.
- They shouldn't spend money on unimportant things. Money should be spent on sports, for example inviting 'Welsh Athletics' to come and help children to keep fit for competitions.
- Instead of books in schools we could use ipads and just use google docs and then we wouldn't have to move around classrooms.
- Find better ways to budget the money, for example, unnecessary road works or works to the city centre.
- Don't cut education and social services. I think there should be cuts to the waste, roads etc and more money put into council tax support to prevent more crimes and accidents.
- Investigate the households that are receiving benefits to see if they are being given too much money, thus being disadvantaged from trying to find a job (if they are able).
- Money shouldn't be spent on unimportant things. Money must be spent on education because there is no point in offering jobs if people haven't been taught about the subject.
- Mental health awareness and LGBT+ Rights.
- Young people's ideas must be considered and listened to. This should be done by holding similar conferences in order to discuss the ways in which the council wants to spend its money.
- Let the children choose – most of the money is given to education and so affects the children that receive the education.
- Instead of 1% funding for poverty, give more towards addressing poverty and ending it
- How can young people get their voices heard without the right to vote for council members at 16? The focus is primarily on adults and in my opinion it's very unfair.
- More money should be spent on education.
- The council have less budget and are helping education.
- Reduce parking fees
- At the last Big Conversation we discussed the prevalence of poverty in Swansea, and established this as severe issue. With this considered, why does the council intend to spend a large amount of money on unnecessary structures (the 3500 seater arena) that we frankly do not need? Surely there is a better, more socially productive way to distribute that money?

- Don't use so much paper in schools and try to use reusable methods eliminating waste paper e.g. stamps onto books.
- The tidal lagoon is the best way forward.
- They should recreate old buildings into businesses for more employment.
- Please don't make an arena.

What else would you like to say about the budget?

Total comments: 38

- More money should be invested into poverty and awards/rewards for youngsters/outstanding youngsters in the community.
- The budget is too low for education.
- There could be more schools as the population is growing rapidly.
- We need more money for the things the council want to do.
- Put more money into education.
- There could be more invested in free activities.
- There could be more investment in free activities and getting schools involved.
- I believe it might be used to buy unimportant stuff.
- Equality between the unpopular departments.
- The budget should be spent on essential things not luxuries like the arena.
- Some things are under budgeted.
- I was surprised at how much money we have managed.
- The government should provide us with more money to spend.
- I was surprised at how much the budget was.
- Not spent wisely.
- The budget granted is huge but I believe that it might be used to do unimportant stuff.
- Focus on finding jobs not building un-needed things.
- Some things are under-budgeted.
- Mental health care.
- Prioritising money is very important.
- You need to look at needs v wants when buying/planning/building.
- Spend the money on good beneficial things like education.
- It's good for Swansea.
- Stop decreasing.
- There's not enough budget.
- More of the budget needs to go to the leisure centre.
- The budget should be shared out and not given small amounts.
- It is quite worrying about the cuts being made.
- If money was spent now to prevent future problems it could eventually save money.
- Spend it wisely.
- The Tidal Lagoon would be very beneficial because it would allow the area to create more job opportunities
- The Tidal Lagoon will save money. Don't axe the music service.
- Please listen to our thoughts on the subject, specifically the element about music and the arts; cutting these budgets is a huge loss. More importantly again, I'd like to underline how bad I think it would be to charge young people for care services.

- The budget is big but it is used on useless things.
- Maybe less spent on social services.
- I understand that tourism is an important contributor to our economy; however, I believe the council should aim to improve the lives of people within the city before spending large amounts of funding on the encouragement of holidaymakers and tourists.
- Too much money is given to the Fire Service. I feel that firefighters should become retained in areas such as Sketty and that more attention should be on fire and collision prevention.
- I have talked to many people about the tidal lagoon and they all thought it was the best way forward > our future > our choice.

Appendix 4

BISHOP GORE SCHOOL

YSGOL YR ESGOB GORE



Headteacher: Mrs Helen Burgum, B.A (Hons), M.A (Ed)

23/1/18

Dear Sir/Madam,

On behalf of our members at Bishop Gore school and as a response to the information we were given on Monday 22nd January regarding the council's proposals to charge staff to park on school grounds during working hours, we would like to make the following points:-

- It is an unfair tax based on incremental staff salaries.
- It is being used as a way to prop up diminishing school budgets.
- It is discriminatory against staff who use their own cars, as opposed to other modes of transport which may not be possible.
- Staff already buy equipment for pupils such as pens and pencils, because they do not have the bare essentials for teaching and learning.
- Parking facilities are uneven, unmarked, unsupervised and inadequate for staff numbers currently working on site.
- Staff will not pay these parking charges, preferring instead to use free parking areas within the local community, therefore straining relationships.
- Staff are expected to transport large quantities of books to mark, between home and school, which will not be possible when cars are off site.
- Charges are calculated annually and staff are on site approximately 39 weeks per year.

In conclusion, we wholeheartedly disagree with these proposals.

Alison David - NASUWT

Jennifer Harding-Richards - NEU

Neil Thomas - UNISON



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Cyngor Abertawe
Swansea Council

**Equality Impact Assessment (EIA) Statement for Swansea Council's Budget
2018/19**

1. Introduction

This statement provides an overall view of the budget EIA process for the Council, along with any specific relevant details for 2018.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

As reported previously, the council has needed to take substantial action to respond to the wide range of service and financial pressures that it faces, including the reduction in external grant.

We, like other local authorities, will be facing a significant reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

Although the amount of money we receive from Welsh Government is likely to decrease slightly next year, this has to be balanced by the fact that we expect £22.2million of additional expenditure (which is outside our control) such as the new apprenticeship levy, for example. We also believe that our funding from Welsh Government will reduce significantly in the coming years which means we'll have £30m less to spend at a time when demand for services like social care is rising.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our EIA process as well as officer expertise.

The authority embarked on a specific strategy 'Sustainable Swansea - Fit for the Future' as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

Further information on 'Sustainable Swansea - Fit for the Future' is available at: <http://www.swansea.gov.uk/sustainableswansea>

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Equality Impact Assessment (EIA) process

The council has had an EIA process in place for a number of years which was reviewed and streamlined for the second time last year. The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the EIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full EIA report is necessary)
- Completion of a full EIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website alongside the relevant report
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of EIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the EIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each EIA report with the relevant corporate report at:

<http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Sustainable Swansea - Fit for the Future' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on a wide variety of specific proposals. This includes consultation with children and young people. Others are consulted on using service-specific groups and/or activities.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

Our stakeholders are:

- All citizens of, and visitors to, the City & County of Swansea
- Council staff
- Partner organisations
- Council Tax Payers.

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2015) and 2011 Census is as follows:

- The gender split of the **City & County of Swansea** is **50.1% Female** (121,500 people) and **49.9% Male** (120,900 people).
- Children and young people **aged 0-25 years** represent **32.8%** of the population, or **79,500** people.
- **Over 50s** represent **37.5%** of the population (90,900 people), of which **46,800** are over 65 (around 19.3% of the total population).
- **6.0%** of the total population of Swansea (**14,300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- **23.3% (55,719 people)** had a long term health problem or disability including 11.3% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- In 2011, there were **26,332** Welsh speakers in Swansea, or **11.4%** of the population. **44,659** people had one or more skills in Welsh.

Further information about Swansea's population can be found at <http://www.swansea.gov.uk/keyfacts>

Officers consider the particular service users or groups affected when applying the EIA process.

6. Staffing

The Cabinet report in December 2017 referred to 48 posts throughout the Authority which included 17 in the Resources Directorate. With regard to the Resources Directorate, these 17 posts were considered along with additional savings that had to be made, which equated to 61 posts. This number has been subsequently reduced to 26 as a result of ERVRs, Bumped Redundancies and deleting vacant posts. The total number of posts considered at risk currently is therefore 57, some of which do have direct links to equality related work

7. Third Sector Impact

Any reduction in grants to external bodies may impact Third Sector organisations. There could also be other proposals that may impact the sector which, if agreed, may require re-configuring or re-commissioning of services. In this context there may be opportunities for Third Sector organisations to be involved in this work. There could also be proposals that look to Third Sector support in the continuation of services through different means of delivery.

8. Publication Arrangements

All EIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

9. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where EIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those EIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform EIAs
- this is an ongoing process and as noted this statement and many EIAs will remain open for varying periods of time
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our EIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Sustainable Swansea - Fit for the Future'.

APPENDIX G

PONTYBRENIN PRIMARY SCHOOL
HEADTEACHER/PRIFATHRO: Mr P S Williams



Glyn Rhosyn
Gorseinon

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Dear Councillor Stewart,

The school budget forum formally responds to the education budget proposed for April 2018-March 2019 with the following observations:

1. Swansea schools continue to provide excellent value for money and have above average ESTYN inspections compared to any other local authority within the education consortium, even though the monies distributed to Swansea schools compare unfavourably to other local authorities in the consortium and indeed across Wales.

The forum understands that part of our poor funding position, reflects the nature of the formula used by Welsh Government to allocate Revenue Support Grant to Councils and the way that this is heavily weighted to local authorities where 'sparsity' is a strong factor.

This funding position seems to be further exacerbated by the way in which grant funding is allocated to authorities through the regional consortia, as this again seems to disadvantage schools in urban settings. In simplistic terms, Local authorities such as Swansea and Neath Port Talbot who are more urban in nature get less money per pupil than the other four Local authority regions in the consortia.

This situation has a negative influence on providing a broad and balanced curriculum. For example, a school in Carmarthenshire with 600 pupils will receive far more money than a similar sized school in Swansea. This is due to the 'perceived' need to give greater amounts to schools where the geographical landscape is sparse i.e. Rural settings

The forum appreciates and acknowledges that the leader of learning in the cabinet and the chief education officer are working hard to change the funding formula that the consortium adopts. However when you have six chief education officers, four of whom represent local authorities that are 'sparse' in nature, the forum wonders how successful the two representatives of the urban authorities are going to be in changing the formula funding to a more equitable per pupil formula across the regions in the future. The forum acknowledges the level of challenge faced to bring about a change and has every faith that they will continue to face up to this challenge and try to elicit a positive change for Swansea.

It is the forums understanding that there is a move to a more centrally defined future structure for ERW across the six local authorities with less direct involvement of the local authorities.

This is a significant concern for the Forum as is anticipated that the financial situation for Swansea is going to get worse. This is maybe something that needs investigating and the forum is happy to use any resources at it's disposal to help ensure a better settlement for Swansea.

2. Head Teacher colleagues at the School Budget Forum recognise that the Local Authority is in an invidious position when setting a budget for education. They appreciate that funding levels devolved from Westminster to Welsh Government are far from generous, and that in turn the funding delegated to Swansea is not enough to cover the significant demands and cost pressures the Authority's services face. They also realise that it would be impossible for the Council to address all of Education's needs without significantly cutting funding to other services to a level that would mean they could not function, let alone function effectively.

Nevertheless, whilst there are difficult choices for the cabinet to make, it is the Budget Forum's role to advocate for Education in Swansea and to raise awareness of how the potential decisions Councillors might make, will affect schools and their communities. The council is heartened to hear Councillors say that they are committed to Education, and that the relative prioritisation of school budgets is very much welcomed, however, given some of the recent events, there are questions as to how deeply embedded and principled the commitment is.

Do we want our children in education to have more limited opportunities to find and develop their talents in schools because head teachers cannot offer the same opportunities due to financial restrictions?

Whilst the Forum supports the Council's bid to be recognised as a 'City of Culture', the forum would consider that the culture should be recognised as a culture of learning, where there are high expectations for the young people of Swansea to succeed, backed up with strong financial investment by the council to schools and high quality learning and creative opportunities.

The forum recognises that the council's desire to generate a local economy that is attractive to large I.T. businesses, who will invest their money into a skilled workforce, is a bold and positive move, but if we are to be at the forefront of new technological innovations, we will need a workforce that is local and capable to fill these essential posts. Only if we invest in education and schools will this result in ambitious, capable, enterprising and healthy constituents of the future.

As a Forum, we do not accept the majority of constituents are more interested in refuse collections and street lights staying on. We feel the constituents want the younger members of their family to prosper and achieve success through apprenticeships and qualifications that cannot be taken away from them, but will be their passports for success in their lives. If the Council's consultation with constituents contained more focussed questions, relating to this and its prioritisation, perhaps the responses would see education given a higher status in responses.

As well as considering future potential, the forum believes that with diminishing real terms financial resources, the current excellent performance of schools is unsustainable in the short and long term future. Many schools have been projected to have a deficit budget in 2018/2019 and anticipate severe financial difficulty. Schools are already cutting back on staff

and in turn, creative learning programmes, this can only impact negatively on the excellent work being done and the standards achieved.

3. Your recent presentation to the head teachers of Swansea, proposing a relative prioritisation of education was welcomed by all stakeholders. You stated at the time that schools could be assured of a £2.2 m cash increase in the delegated schools budget and that if there was any additional funding in the final local Government finance settlement then this would also be passed on fully to schools. You hoped at the time that this might bring the cash increase to around £3.5m. So it is pleasing to see that in your recent media interviews <http://www.itv.com/news/wales/2018-01-11/headteachers-warn-schools-in-wales-are-at-breaking-point-due-to-budget-cuts/> you stated that schools can expect to receive additional funding of £3.5m.

The Forum presumes that this amount reflects the level of additional funding received in the final financial settlement and honours the commitment you gave at the Headteacher meeting to pass on any such additional funding. The forum would simply ask for confirmation that schools will indeed see a £3.5m cash increase in the delegated schools budget next year.

However, I have been asked to raise with you the fact that other comments made in the same media interview have raised concerns.

You referred to there being 'no cuts in education.' Whilst this may well be the case in terms of cash cuts, this is certainly not the case in real terms. Schools will still need to cover the increased pension contributions expected of employers as well as the cost of the Local Authority's generous pay award offered to LSA's and the associated on-costs that will go with this award. There will undoubtedly also be other costs to be covered in addition to these. Whilst the forum recognises that a £3.5 m cash increase in the delegated schools budget is considerably more than the funding that might be expected following the financial settlement provided by the Welsh Government to Swansea, it nevertheless would still represent a real terms cut for schools once all the cost pressures are considered. These amount to well in excess of £4m, or 3% as we understand it, whereas even the higher £3.5m cash increase you have stated would be lower at around 2.5% for all schools across Swansea.

With regard to the 'Fair Funding Campaign', it was hoped that the message sent out to parents from all schools in Swansea be communicated supportively by the council and that your previous commitment to 'carefully manage future media messages' would be respected and enacted. As such we believed that there was a collegiate point of view agreed professionally between schools and the council, and this would be conveyed by public support during media coverage. However, in the interview you gave, this does not appear to be the case and many have found this to be disappointing.

As broadcast, your interview appeared to be suggesting that the funding issues highlighted by the 'National Fair Funding Campaign' did not apply to Swansea. However, whilst we recognise the clear relative prioritisation of Education budgets in recent years, schools nevertheless continue to face significant real terms reductions in funding and considerable financial challenges. In the current financial year, the funding of schools in Swansea is still ranked as 18 of 22 Local Authorities across Wales. Schools in many other authorities continue to be funded at a higher level, and so the campaign for fair funding is most relevant to Swansea schools. This position continues to be a disappointing one.

It may not have been your intention in the interview which you gave in the morning at county hall, to give somewhat conflicting messages, your responses certainly give a different perspective to that given to parents at the fair funding campaign on the same night. Many parents were pleased to see you at the meeting and some recorded on their mobile phones your public conversations with the audience on the fair funding campaign.

Until now school leaders have embraced the improved communication and frank discussions with officers and the cabinet in moving education forward together as a Local Authority. However, the impression given by the interview, coupled with the surprise announcement of car parking charges in schools, i.e. no consultation with the groups who have worked hard with the authority to make meaningful changes to funding and spending, has eroded confidence and trust that we are working together to solve the challenges faced by all.

Whilst appreciating that perhaps the intention of introducing a parking fee in schools is intended to generate income to schools, it would seem that the possible impact of such a move has not been thought through. As schools have delegated funding and powers to decide on expenditure and income generation, should this not be a Governing body and not a Council decision?

Moreover, the forum would not consider this to be deliverable in practice.

Forum concerns include the fact that, where it is an option, staff are likely to use public highways where this is an option, causing issues for local residents. Schools are likely to see an increase in the cost of travel expense claims, in fact resulting in increased expenditure. The fee will also be seen as a tax on working in school with the loss of goodwill.

The Forum also asks if it has been confirmed that it would not conflict with national terms and conditions? How will the money be collected and passed to schools? Also, as indicated in 67 head teacher replies to the school budget forum in November, if employees within schools were afforded the same rights as other employees (agile working/ flexitime) of the council, they would not argue with the car charge. If the council are expecting staff to pay for parking in line with other services, can schools expect that repairs will be paid for in the same way that those who work in the main buildings are not expected to contribute to repairs of the Civic Centre.

These are just a few practical issues that do not appear to have been adequately considered. The forum would also seek confirmation and on-going evidence that such a charge would be extended to all council staff and not just school based staff, as you assured headteachers at the budget meeting.

Delegation of powers means total delegation of powers. It is important to note that none of the other 21 local authorities have proposed such a scheme as a local authority whole scale directive.

In conclusion, it is important to note that the Joint Finance Group has regularly met this year with Local Authority Officers to analyse the way in which all schools are funded through the Swansea schools funding formula, so that it is based on strong principles and as far as can be achieved, meets the needs of the pupils in our care. This level of understanding I feel is sector leading across the consortium and one that could help the consortium look at their own funding principles in the future.

It is also noteworthy is the fact that service level agreements (SLA's) have been closely scrutinised with significant challenge given to the managers of each service. So whilst charges to schools have significantly increased as a whole with pay and other cost pressures, the close scrutiny has identified reductions in costs of a number of service level agreements which have totalled over £69000. This has brought about efficiency savings and effective working for schools and Local Authority departments alike. An example of good practice must continue in the future, as it has proved beneficial to all schools.

The forum would wish to invite you to the next meeting, but mindful that this is quite a few weeks away, would suggest that these concerns could be considered further as part of the forthcoming Education Strategy Group agenda.

Lastly, I hope the details provided in the forums response are carefully considered and that financial investment in Swansea schools does not portray a 'graveyard of ambition' but a forward thinking council that gives Swansea schools first priority, not relative priority.

Yours Faithfully,

Philip Williams

(Head teacher and Chair of the School Budget Forum)

Revenue Budget 2018/2019

Resources Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Resources Directorate		
Resources Directorate	166,200	215,300
Central Training	284,200	230,700
Corporate Customer Services	982,500	1,031,200
Corporate Training	273,800	246,700
Welsh Translation Unit	256,200	107,200
	1,962,900	1,831,100
Head of Commercial Services		
Commercial Team & Procurement	638,700	670,200
	638,700	670,200
Head of Comms & Customer Engagement		
Access to Services	265,000	239,300
Communications	183,700	211,900
Corporate Marketing	297,500	330,600
Corporate Mgt Team Support	358,800	366,900
Design and Print	222,200	240,200
Commissioning Review	-28,000	-28,000
Senior Staff Reductions	-84,000	-84,000
	1,215,200	1,276,900
Head of Financial Services & Service Centre		
Audit	666,100	620,500
Benefits	23,425,900	23,915,700
Finance DMT	344,500	373,900
Financial Services	1,408,800	1,396,500
Pensions	-41,000	-23,000
Performance and Delivery	260,600	281,700
Revenues	274,200	471,100
Service Centre	1,979,300	2,044,000
Treasury and Technical	518,100	531,300
Commissioning Review	15,000	15,000
Senior Staff Reductions	-147,000	0
	28,704,500	29,626,700

Revenue Budget 2018/2019

Resources Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Human Resources & OD		
Health and Safety	938,100	1,017,600
Human Resources	638,100	622,700
Commissioning Review	-56,000	-56,000
Senior Staff Reductions	-175,000	-93,000
	1,345,200	1,491,300
Head of Digital Services & Transformation		
Departmental Management Team	356,600	308,300
Digital Services & Business Improvement	3,413,000	3,088,300
Digital Solutions & Infrastructure	3,401,000	3,901,500
Commissioning Review	-9,000	0
Senior Staff Reductions	-152,000	0
	7,009,600	7,298,100
Head of Legal & Democratic Services		
Complaints	224,100	231,300
Coroners	482,500	624,800
Democratic Services	2,700,100	2,501,000
Information Governance Unit	0	40,000
Legal Services	1,818,000	1,884,100
Overview and Scrutiny Unit	217,600	224,800
Commissioning Review	-19,000	-19,000
	5,423,300	5,487,000
Sustainable Swansea-Corporate Directorate		
Workstreams	-2,873,900	-5,597,900
Senior Staff Reductions	-177,000	-177,000
	-3,050,900	-5,774,900
Total Resources Directorate	43,248,500	41,906,400
Rebasing : Inter Service transfers/virements	484,700	
Rebasing : 2018/19 funding/responsibilities	0	
Total Resources Directorate	43,733,200	

Revenue Budget 2018/2019

People Directorate - Poverty & Prevention

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Poverty & Prevention		
Adult Prosperity & Wellbeing Service	1,086,500	960,400
Early Intervention Services	788,300	1,035,900
Partnership Performance & Commissioning	1,889,500	2,164,800
Poverty and Prevention	422,300	237,000
Young Peoples Services	2,091,700	2,034,900
Senior Staff Reductions 17/18	-146,000	0
Poverty & Prevention Staffing Savings	0	-55,000
	6,132,300	6,378,000
Total People Directorate - Poverty & Prevention	6,132,300	6,378,000
Rebasing : Inter Service transfers/virements	149,700	
Rebasing : 2018/19 funding/responsibilities	0	
Total People Directorate - Poverty & Prevention	6,282,000	

Revenue Budget 2018/2019

People Directorate - Social Services

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Adult Services		
Central Services	436,000	530,400
Service Strategy and Regulation	660,100	716,050
Disability Residential & Day Care	6,994,000	7,036,250
Learning Disabilities & Mental Health Support	11,945,400	17,849,150
Integrated Services - Domiciliary Care & Hubs	18,604,900	19,626,250
Integrated Services - External Residential	13,307,100	14,494,100
Integrated Services - Other	2,473,900	2,979,000
Older Persons Residential and Day Care	6,711,700	6,981,150
Safeguarding/Wellbeing Support	3,525,200	2,225,050
Commissioning Review	2,738,000	3,665,400
Senior Staff Reductions	-139,000	-669,000
	-362,000	-457,400
	66,895,300	74,976,400
Head of Child & Family Services		
Accommodation Services	17,289,000	16,411,550
Aftercare	894,900	849,000
Assessment and Care Management	11,546,200	12,888,750
Family Support Services	3,397,400	3,475,800
Regional Services	2,141,900	2,177,150
Residential Care-Internal Provision	519,700	525,000
Commissioning Review	-11,500	0
Senior Staff Reductions	-402,000	-228,650
	35,375,600	36,098,600
Total People Directorate - Social Services	102,270,900	111,075,000
Rebasing : Inter Service transfers/virements	-951,500	
Rebasing : 2018/19 funding/responsibilities	7,057,000	
Total People Directorate - Social Services	108,376,400	

Revenue Budget 2018/2019

People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Delegated Schools		
School Cost Centres	143,607,660	147,013,217
	143,607,660	147,013,217
Chief Education Officer		
Mgt & Admin Effectiveness	101,300	129,900
Schools At Risk	240,056	109,056
SIPD	17,000	0
WJEC Subscriptions	36,000	36,000
	394,356	274,956
Head of Strategic Planning Improvement Group		
Management Systems Unit	176,200	184,400
Improvement and Monitoring Unit	133,000	95,200
Broadband & Cloud Technology	410,000	400,000
Learning Portal Team	80,500	48,500
Stakeholder Engagement Unit	215,300	196,800
	1,015,000	924,900
Head of Achievement & Partnership Service		
Education Improvement Service	1,331,300	1,178,100
Welsh Service	45,000	39,600
	1,376,300	1,217,700

Revenue Budget 2018/2019

People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Vulnerable Learner Service		
Head of Learner Support Service	115,200	103,300
Behaviour & Learning Support	1,113,800	1,117,000
Home Tuition Service	489,000	341,500
One To One Support	796,300	735,573
One To One Support Secondary	395,800	0
Psychology Service	726,400	702,600
Recoupment/Out of County	1,780,000	1,750,000
SEN Statementing & Support	3,165,800	3,156,600
EOTAS	2,927,400	3,240,200
Pupil Referral Units	1,687,300	1,807,800
School Transport - Special	806,900	1,094,200
Catering Staff Canteen	0	0
Cleaning Services	120,300	119,760
Free Breakfast	588,700	519,700
School Meals Service	-92,700	-41,900
Contr. To Swansea Safeguarding Children Board	14,000	14,000
Miscellaneous Grants	0	67,400
School And Governor Unit	384,500	394,000
School Transport	5,557,700	5,682,700
School Transport Continuing Education	561,200	561,200
Welfare Service	536,100	621,200
Youth Offending Team	55,300	0
Ethnic Minority Achievement Unit	98,300	949,000
West Glamorgan Music Service	129,200	142,600
Senior Staff Reductions 17/18	-98,000	0
	21,858,500	23,078,433

Revenue Budget 2018/2019

People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Education Planning Resource Service		
Additional School Support	78,100	78,200
Capital Planning & Delivery Unit	352,085	377,725
Continuing Education & Pensions	500,900	501,000
DfES Post 16	-5,748,745	-5,207,945
Education Improvement Grant for Schools	719,744	703,418
Empty Properties	15,600	16,800
Funding And Information Unit	82,700	91,400
Health & Safety	100,000	84,500
Management & Admin-Planning & Resources	100,000	101,700
Non Delegated Primary - Pensions, Insurance & Public Duties	2,755,300	2,295,426
Non Delegated Secondary - Pensions, Insurance & Public Duties	3,259,600	3,155,900
Non Delegated Special - Pensions, Insurance & Public Duties	40,500	41,600
Pupil Deprivation Grant	-6,646,700	-7,011,930
Retained DfES Post 16 Funding	115,000	75,000
	-4,275,916	-4,697,206
Total People Directorate - Education	163,975,900	167,812,000
Rebasing : Inter Service transfers/virements	139,900	
Rebasing : 2018/19 funding/responsibilities	0	
Total People Directorate - Education	164,115,800	

Revenue Budget 2018/2019

Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Corporate Building & Property Services		
Facilities Management	3,462,200	2,597,200
Strategic Estates Properties	-2,179,400	-1,751,000
Property Preventative Maintenance	3,540,000	3,464,300
Corporate Building Services Trading	1,496,800	1,727,900
Community Budgets	676,400	720,400
Senior Staff Reductions 17/18	-90,000	0
	6,906,000	6,758,800
Head of Highways & Transportation		
Car Parking and Enforcement	-2,266,800	-2,937,300
Transportation	4,403,000	4,730,600
Traffic Management	991,100	1,079,600
Central Transport	-617,900	-657,300
Engineering	605,600	477,600
Highways	6,743,400	7,067,500
Swansea Marina	-75,300	-81,400
Directorate and Other Costs	471,200	175,500
Senior Staff Reductions 17/18	-207,000	0
	10,047,300	9,854,800
Head of Waste Management & Parks		
Household Waste Recycling Centres	723,900	748,800
Parks	4,594,100	5,101,000
Recycling	1,947,300	4,230,400
Residual Disposal/Tir John	3,682,800	3,688,600
Residual Waste Collection	2,832,900	2,948,200
Trade Refuse	-193,000	-192,700
Neighbourhood Working	3,978,300	4,463,500
Directorate and Other Costs	922,000	856,400
Senior Staff Reductions 17/18	-70,000	0
	18,418,300	21,844,200
Place Directorate		
Place Directorate	360,150	591,800
Workstreams	-627,700	-1,365,000
	-267,550	-773,200

Revenue Budget 2018/2019

Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Head of Cultural Services		
Archives	257,700	266,500
Arts	2,962,750	2,489,100
Community Buildings	218,900	205,800
Development and Outreach	218,800	233,900
Libraries	2,970,400	3,067,700
Sport and Recreation	1,811,900	2,596,400
Tourism, Marketing and Events	1,571,500	1,572,400
Directorate and Other Costs	382,700	428,200
Senior Staff Reductions 17/18	-174,000	0
	10,220,650	10,860,000
Head of Planning & City Regeneration		
Business Support	385,419	393,519
Property Development	636,298	581,998
City Centre Management and Indoor Market	-256,900	-295,500
European Team	0	0
Major Projects, Design and Conservation	123,500	105,100
Planning Control	675,700	614,900
Planning Policy and Environment	1,069,000	1,057,400
Directorate and Other Costs	41,583	290,683
Senior Staff Reductions 17/18	-94,000	0
	2,580,600	2,748,100
Head of Housing and Public Protection		
Building Regulations	99,700	120,100
Burials and Cremations	-560,200	-653,200
Food Safety	580,600	614,900
Licensing	-96,300	-31,400
Pollution	719,300	750,800
Public Health	786,700	827,600
Registrars	17,900	21,100
Trading Standards	586,200	613,300
Housing Grants to the Independent Sector	40,500	40,500
Housing Renewals and Adaptations	144,800	216,500
Housing Strategy, Advice and Support	1,343,100	2,055,500
Other Housing Services	690,700	472,800
Directorate and Other Costs	269,500	263,800
Senior Staff Reductions 17/18	-87,000	0
	4,535,500	5,312,300

Revenue Budget 2018/2019

Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
Total Place Directorate	52,440,800	56,605,000
Rebasing : Inter Service transfers/virements	177,200	
Rebasing : 2018/19 funding/responsibilities	2,516,000	
Total Place Directorate	55,134,000	

Agenda Item 10.



Report of the Section 151 Officer

Cabinet – 15 February 2018

Capital Budget & Programme 2017/18- 2023/24

Purpose:	This report proposes a revised capital budget for 2017/18 and a capital budget for 2018/19 - 2021/22 (2023/24 for Band B schools).
Policy framework:	None.
Consultation:	Cabinet Members, Corporate Management Team (CMT), Legal, Finance and Access to Services.
Recommendation:	It is recommended that the revised capital budget for 2017/18 and a capital budget for 2018/19 – 2023/24 as detailed in appendices A, B C, D, E and F is approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1 Introduction

1.1 This report details:

- Revised capital expenditure and financing proposals for 2017/18
- Capital expenditure and financing proposals for 2018/19 – 2021/22
- Extended to 2023/24 in relation to Band B schools (to fit Welsh Government timeframes)

1.2 Capital spending and funding proposals in relation to the Housing Revenue Account (HRA) are detailed in a separate report to be considered.

1.3 The budget proposals are detailed in appendices to this report as follows:

Appendix A Summary of General Fund Capital Expenditure and Financing 2017/18 – 2023/24

Appendix B C21st Schools Programme Band A Capital Expenditure and Financing 2017/18 – 2018/19

Appendix C C21st Schools Programme Band B Capital Expenditure and Financing 2017/18 – 2023/24

Appendix D Material changes to the original 2017/18 budget

Appendix E General Fund Capital Budget 2017/18 – 2021/22

Appendix F Total General Fund Capital Budget (including C21st Schools)

- 1.4 The pre-existing capital programme requires significant supported borrowing of £43.713m over its lifetime to enable completion.
- 1.5 The schedule outlined in Appendix D outlines the material changes to the 2017/18 approved capital programme.
- 1.6 Appendices B, C and E outline an ambitious programme of capital investment including:
 - a significant continuing programme of IT investment across CCS
 - the continued investment in Swansea Schools, including the completion of Band A Schools and implementing over several further years the Band B phase of the 21st Century Schools Programme
- 1.7 The additional capital investment identified above will attract significant grant funding (21st Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 1.8 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability which is considered over the medium to long term to be up to £200m.
- 1.9 Furthermore it has to be recognised that the scale of funding proposed to be injected by this Council, leverages in significant additional sums:
 - over £90m of Welsh Government funding for Band B schools
 - a City Deal, worth, across the region, around £1.3 billion.
- 1.10 The Swansea City & Waterfront Digital District project is one of eleven projects comprising the wider City Deal. It has been developed by the Council, in partnership with University of Wales Trinity Saint David (UWTSD). The core aim of the project is to create a strong and vibrant digital city that will be the economic engine of the wider city region. There are 3 main components: a Box Village and Innovation Precinct project (led by UWTSD); a Digital Village, which includes 100,000 sq. ft. of flexible and affordable office accommodation for tech businesses (led by the Council); and a Digital Square and Arena which will deliver a 3,500 seat Digital Arena and associated developments (also led by the Council). A 5 case business model has been prepared which describes the project in great detail,

including the benefits, costs, and income derived. This information has been submitted to UK and Welsh Governments for their consideration. The Digital Square forms part of the Swansea Central redevelopment with Outline Planning Consent granted last year. An Arena operator has been procured with legal documentation to be signed on 2nd February 2018. A two stage contractor procurement exercise has also commenced with selection of a successful contractor for stage 1 programmed for May 2018. Following approval this will allow the Council to work with them then to firm up the final cost of the scheme, and subject to final authorisation and contracts, to start on site before the end of this year. With regard to Digital Village, Council officers are currently analysing bids for appointing a consultant team to review the outline design of the Tech Industries Employment Hub building, progress to RIBA Stage 4 and deliver the project to practical completion.

2 Capital Budget 2017/18-2023/24

- 2.1 Spending in the current year is forecast to be £61.284 m (GF £52.046m plus Schools programme £9.238m) – an increase of £11.012 m (see Appendix D) compared with the original estimate of £50.272 m.

This increase is due to the following:

- the addition of grant funded and non-grant funded schemes after Council approved the capital budget in February 2017, together with increases in the cost of schemes following detailed design and planning.
- the net balance of schemes carried over from 2016/17 into 2017/18 and schemes carried over from 2017/18 into 2018/19.

- 2.2 The proposed capital programme 2017/18 – 2023/24 and associated financing is set out below in 2.3 for The General Fund Programme and 2.4 for The 21st Century Schools Programme :

2.3 The General Fund Programme and Financing 2017/18 -2021/22

2.3.1 The General Fund programme is summarised in Appendix A and detailed in Appendix E. The attached proposals exclude the Housing Revenue Account capital budget which is detailed in a separate report.

2.3.2 The Capital Budget report considered by Council on 23rd February 2017 outlined an unsupported borrowing requirement in the four year forward programme of £37.899 m made up of £12.98 m for the 21st Century Schools programme and £24.919 m for the rest of the General Fund capital programme.

2.3.3 The updated General Fund programme is summarised in Appendix A, B and C, in addition, Appendix F summarises the total General Fund programme including C21st Schools. This highlights a 4 year forward programme expenditure of £318.283m (Appendix F), including Band B Schools to 2023/24; identifying an unsupported borrowing requirement of potentially £98.252m (Appendix A). This reflects a significant increase in the unsupported borrowing requirement of the capital programme. The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.

2.3.4 Phased, considered affordable borrowing, within the overall planning envelope will develop over the next 5-7 years and, in the case of the

funding, from the City Deal, the next 15 years. The major schemes added to the General Fund Capital Programme are as follows:

- 2.3.5
- Agile and Mobile IT equipment £10.4m
 - City Centre schemes (Hafod HLF, indoor market & castle Sq) £2.5m
 - Highways £1.4m additional funding per annum

2.3.6 As outlined above, the material additions in this year's GF capital programme do not include the proposed Swansea Central City Centre Development – Swansea Central and the projects associated with the Swansea City Region Deal. As the schemes develop and budgets are firmed up, the required corporate governance requirements shall be observed with the submission of individual FPR7 reports.

2.3.7 Although there is significant accompanying grant funding and City Region Deal funding for these schemes, there is still a substantial unsupported borrowing requirement to underwrite these schemes.

2.4 Schools Programme and Financing 2017/18 -2023/24

2.4.1 The Welsh Government announced its support for an agreed programme of school building improvements in early 2012. This programme – termed the 21st Century Schools Programme – is funded by a 50% contribution from the Welsh Government and a 50% contribution from the Council towards a programme Band A total of £51.46m (£51.31m C21st programme plus £150k Challenge Cymru funding). The initial 2 phases, phase 1 and phase 2 of Band A projects are in progress or complete.

C21st School Schemes (Band A)		
Phase 1 Schemes	£'000	
Burlais Primary new school build	8,035	Completed
Gowerton Primary new school build	6,706	Completed
YGG Lon Las rebuild and remodel	9,844	Completed
Glyncollen Primary improvements	750	Completed
Newton Primary improvements	650	Completed
	<u>25,985</u>	
Phase 2 Schemes		
Pentrehafod remodelling	15,076	Progressing to plan Full business case approved by WG
Gorseinon Primary new school build	6,450	Completed
Pentre Graig Primary improvements	2,724	Completed
YGG Gywr improvements	1,205	Completed
Special Schools review	20	Uncommitted
	<u>25,475</u>	
Total Phase 1 and 2 (includes £150k Challenge Cymru)	51,460	

2.4.2 The total estimated cost of the Band B programme envelope is £141.7m (excluding the potential aided sector project which is assumed to require no Council contribution). Of this total, £91m is from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £38m. The remaining £50m is proposed to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £12.6m although the 25% local contribution would apply to the annual revenue charge

2.5 Financing the Capital Programme

2.5.1 The financing for the General Fund capital programme identified in 2.3 and 2.4 is detailed in Appendix A and requires unsupported borrowing of £98.252m towards forecast expenditure of £318.283m (Appendix F).

2.5.2 It should be noted that efforts to increase and maximize grants, contributions and capital receipts in order to minimize borrowing requirements are pursued throughout the year. Included within the programme are a number of schemes which are self-financing. Indeed there should be a clear strategy for the Council to maximize external investment in any proposals and to seek to target its own investment into areas which offer a return commensurate with or greater than financing costs in order to minimise the Revenue impact of any additional borrowing requirements. In the absence of such a strategy then it has to be realised that any capital expenditure that leads to an overall net increase in borrowing costs brings with it the potential to impact on an already challenging revenue budget scenario going forward.

2.5.3 It is recognized that a forecast capital financing requirement of £98.252m is significant. The revenue implications of this are identified in the revenue budget and medium term financial plan on this agenda. The above programme is affordable and sustainable throughout the lifetime of the medium term financial plan subject to the risks highlighted below.

2.5.4 It should be noted that the Council makes an average annual budget provision to repay debt of approximately £14.1m (2016/17) in line with its existing Minimum Revenue Provision (MRP) Policy. The MRP policy shall be reviewed in 2018/19. The Council has taken advantage of the low interest rate and volatility in the market to externalise some of its borrowing requirement in year, though the overall strategy is to mitigate the impact of interest charges by utilising internal resources. However, noting the significant capital financing required, it is forecast that in line with good Treasury Management practice and being mindful of interest rate movements and Cashflow requirements, it is certain that actual external borrowing shall increase in the short/medium term with the associated increase in interest payments.

3 **Future Schemes**

3.1 The Capital programme as outlined in this report reflects known planned expenditure and financing as at the date of the report.

3.2 Future discretionary projects and schemes shall only be incorporated if they are self-financing or the associated financing costs can be supported from the revenue budget affordably and sustainably.

4 Risks

4.1 There are significant risks which may require a future revision of the attached six year capital budget. In particular:

- urgent capital maintenance requirements
- unforeseen costs e.g. failure of retaining walls
- failing to achieve the General Fund capital receipts target
- capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets.
- additional costs arising from any other additions to the Capital programme
- increased borrowing costs

Mitigation in respect of the latter four risks will be achieved by continual review and consideration of individual business cases for the larger schemes.

5 Legal Implications

5.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

6 Prudential Code

6.1 Under the Local Government Act 2003 and subsequent regulations, a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget and must determine and keep under review how much it can afford to borrow.

6.2 A further report on the agenda will detail what is required under the requirement of the Code and set out in detail Prudential Borrowing Indicators for 2018/19 and subsequent years.

7 Equalities Implications

7.1 There are no equalities implications contained within this report but individual projects will be subject to the EIA process where required.

Background Papers: None.

Appendices:

Appendix A	Summary of General Fund Capital Expenditure and Financing 2017/18 – 2023/24
Appendix B	C21st Schools Programme Band A Capital Expenditure and Financing 2017/18 – 2018/19
Appendix C	C21st Schools Programme Band B Capital Expenditure and Financing 2017/18 – 2023/24
Appendix D	Material changes to the original 2017/18 budget
Appendix E	General Fund Capital Budget 2017/18 – 2021/22
Appendix F	Total General Fund Capital Budget (including C21st Schools)

SUMMARY OF GENERAL FUND CAPITAL BUDGET AND FINANCING 2017/18 - 2021/22 (plus C21st Schools Band B to 2023/24)

	2017/18	2018/19	2019/20	2020/21	2021/22	2 years 2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DIRECTORATE							
Resources	2,785	4,845	2,100	1,575	2,130		13,435
People	3,001		1,000	1,000	1,309		6,310
Place	46,260	33,424	21,377	14,530	13,975		129,566
TOTAL EXPENDITURE	52,046	38,269	24,477	17,105	17,414		149,311
FINANCED BY:							
Borrowing:							
Welsh Government Supported Borrowing	6,365	6,398	6,398	6,398	6,398		31,957
Grants and Contributions:							
Welsh Government General Capital Grant	3,873	3,894	3,894	3,894	3,894		19,449
Welsh Government specific grants	8,625						8,625
European grants	512	1,631	1,880	179			4,202
Other Grants	667						667
Contributions	1,876	62					1,938
Capital Receipts:							
Earmarked Capital receipts	1,974	679					2,653
General Capital receipts	3,242	9,786	8,718				21,746
Revenue and Reserve Contributions (including provision for waste schemes)	5,418	4,868	1,000				11,286
TOTAL FINANCING	32,552	27,318	21,890	10,471	10,292		102,523
GENERAL FUND BORROWING REQUIREMENT	19,494	10,951	2,587	6,634	7,122		46,788
C21st School borrowing requirement Band A (App B)	6,525	6,593					13,118
C21st School borrowing requirement Band B (App C)	184	3,979	8,542	8,581	3,683	13,377	38,346
Total GF borrowing requirement including C21st Schools	26,203	21,523	11,129	15,215	10,805	13,377	98,252

SCHOOLS PROGRAMME CAPITAL EXPENDITURE & FINANCING 2012/13 - 2018/19

	to 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Band A	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Forecast spend	Forecast spend	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE								
Morrison Comprehensive Refurbishment	5,445	11,916	4,271	128	2	195		21,957
21st Century Schools Programme (Band A)								
Phase 1								
Burlais Primary new school build	17	453	5,941	1,266	94	264		8,035
Gowerton Primary new school build	16	446	2,193	3,833	136	81		6,705
YGG Lon Las rebuild and remodel		66	108	2,672	6,202	796		9,844
Glyncollen and Newton Primary improvements		393	1,007					1,400
Phase 2								
Pentrehafod remodelling				52	3,704	7,012	4,308	15,076
Gorseinon Primary new school build			51	332	11	10	2,821	3,225
Pentre'r Graig Primary improvements			97	1,117	1,429	81		2,724
YG Gwyr improvements			50	109	766	280		1,205
Secondary Review							20	20
Education other than at school new premises (brought forward from Band B)						335	2,890	3,225
TOTAL EXPENDITURE	5,478	13,274	13,718	9,509	12,344	9,054	10,039	73,416
FINANCED BY:								
Welsh Government Grant								
Morrison Comprehensive Refurbishment	5,198	10,192						15,390
21st Century Programme Schemes - grant		782	6,231	5,702	4,621	229	1,632	19,197
21st Century Programme Schemes - PB					2,343	2,300	1,814	6,457
Pentrehafod Challenge Cymru funding					150			150
Capital Receipts			104					104
Contributions	33	592	742					1,367
TOTAL FINANCING	5,231	11,566	7,077	5,702	7,114	2,529	3,446	42,665
CCS Borrowing requirement	247	1,708	6,641	3,807	5,230	6,525	6,593	30,751
CURRENT BORROWING REQUIREMENT (2017/18 TO 2018/19)								13,118

SCHOOLS PROGRAMME CAPITAL EXPENDITURE & FINANCING
2017/18 - 2023/24

	to 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Actual spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	£'000
Band B									
EXPENDITURE									
Band A : Gorseinon Primary school new build (from Band A)				3,725					3,725
21st Century Schools Programme (Band B)									
Education other than at School new premises			3,979	4,466	161				8,606
Band B Schools				13,032	19,368	18,852	46,983	39,129	137,364
Site feasibility	66	184							250
TOTAL EXPENDITURE	66	184	3,979	21,223	19,529	18,852	46,983	39,129	149,945
FINANCED BY:									
Welsh Government funding									
Traditional capital grant funding				12,681	8,419	3,684	13,033	7,704	45,521
Mutual Investment Model financing					1,281	5,841	12,915	17,791	37,828
Voluntary Aided Schools					698	3,142	3,142		6,982
CCS Capital Receipts estimate								7,360	7,360
CCS Mutual Investment Model financing					427	1,947	4,305	5,930	12,609
Contributions (voluntary aided)					123	555	555		1,233
TOTAL FINANCING	0	0	0	12,681	10,948	15,169	33,950	38,785	111,533
CCS Borrowing requirement	66	184	3,979	8,542	8,581	3,683	13,033	344	38,412
CURRENT BORROWING REQUIREMENT (2017/18 TO 2023/24)									38,346

MATERIAL CHANGES TO THE 2017/18 CAPITAL BUDGET

Scheme	Source Of Funding	2017/18 Change £'000
<u>Director of Resources</u>		
Delivery & Information		
Agile Working Laptops	Revenue	477
<u>Director of People</u>		
Education Planning & Resources		
YGG Y Cwm Additional Work to Infant Block	Contribution	77
YGG Pontybrennin Additional Double Class Demountable	Contribution	29
Flying Start Capital Grant 17/18	Grant	125
Social Services		
Ty Nant Relocation	Revenue	90
ENABLE Independent Living Grant	Grant	280
Poverty		
Relocate Early Intervention Team to Alexandra House	Revenue	70
Enabling Work to House Play Bus	Revenue	40
Refurbishment Works at Ty Borfa	Revenue	145
<u>Director of Place</u>		
Highways & Transportation		
Local Transport Fund 17/18	Grant	1,110
Local Transport Network Fund 17/18	Grant	1,000
Road Safety 17/18	Grant	607
Safer Routes In Communities 17/18	Grant	219
Small Scale Flood Risk Management Schemes	Grant	68
Purchase of 6 Van Mounted Access Platforms	Revenue	370
Wheels to Work Community Transport	Revenue	47
Housing General Fund		
Sandfields Renewal Area	Contribution/Revenue/ Grant	854
Culture, Sport, Leisure & Tourism		
Grand Theatre Purchase of Furniture	Revenue	61
Townhill Library within Pheonix Centre	Grant	126
Upgrade Gower View Play Area, Brynafon Road	Contribution	74
3G Pitch Morryston Comp/LC	Revenue	18
3G Pitch Penyrheol Comp/LC	Revenue	31
Economic Regeneration & Planning		
Swansea Central	Borrowing	1,375
Llys Dewi Sant Site	Contribution	220
Investment Property Portfolio	Borrowing	1,122
Corporate Building		
Ysgol Pen y Bryn Modular Extension	Revenue	351
Delayed & Reprofiled Spending From 2016/17 - All Services	Various	16,644
Delayed & Reprofiled Spending Into 2018/19 - All Services	Various	-14,925
Other Minor Changes	Various	307
TOTAL MATERIAL CHANGES		11,012

GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
DIRECTOR OF RESOURCES						
Delivery & Information						
Telephony system replacement	451					451
Civic Centre LAN upgrade and WIFI provision	54					54
Upgrade Server Hardware	120					120
Improvements to school networks and associated equipment	378					378
Conference Equipment	40					40
Digital Business Strategy	760					760
Laptops for agile working	477	240				717
Agile IT		2,505			425	2,930
Mobile IT		2,100	2,100	1,575	1,705	7,480
Financial Services						
Corporate Contingency	405					405
Swansea Community Energy scheme (equity investment)	100					100
TOTAL FOR DIRECTOR OF RESOURCES	2,785	4,845	2,100	1,575	2,130	13,435
DIRECTOR OF PEOPLE						
Education (excluding 21st Century schools programme)						
Primary and secondary school schemes (not within C21st)	486					486
STF schemes	370					370
Poverty & Prevention						
Social Services						

GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Mayhill Family / Medical Centre	193					193
Residential home for young people	400					400
Enable scheme (support for independent living)	280					280
Alexandra House improvements	70					70
Ty Borfa refurbishments	145					145
Poverty schemes	116					116
Care home backlog maintenance			1,000	1,000	1,309	3,309
Capital creditors for 2016-17 paid in 2017-18	941					941
TOTAL FOR DIRECTOR OF PEOPLE	3,001		1,000	1,000	1,309	6,310
DIRECTOR OF PLACE						
Highways & Transportation						
Morfa Distributor Road	114					114
SRIC - St Thomas	219					219
Road Safety/Traffic grant Schemes	607					607
LTF Kingsbridge cycle link	73					73
LTF -Links to NCN Orchard St	363					363
LTF Baldwins Bridge business case	541					541
LTF strategic bus corridors	124					124
LTNF grant schemes	1000					1,000
Structural maintenance roads, including carriageway resurfacing, footways and lighting	2594					2,594
Highways annual allocation		3375	3375	3375	3375	13,500
Highways/Infrastructure additional Capital Maintenance (funded by reserves)	1000	1000	1000			3,000
Highways/Infrastructure additional Capital for commissioning review		1400	1400	1400	1400	5,600

GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Seawall repairs		2000				2,000
Highways & Transportation Vehicle replacement programme	226					226
Van Mounted Access Platforms	370					370
Slip Bridge Refurbishment	139					139
Pont-y-Lon Bridge	100	700				800
Bascule Bridge		850				850
Other Bridges & retaining Walls	659					659
Drainage and flood alleviation works	754					754
Coast protection	313					313
Marina barrage schemes	398					398
Other highways schemes	518					518
Waste Management						
Tir John works	1,179	3,478				4,657
Purchase existing generating station	1,135					1,135
Route Optimisation Equipment	32					32
Provision of Food Waste Hall	114	43				157
Other waste schemes		40				40
Culture, Sport, Leisure & Tourism						
Art Gallery - Refurbishment	204					204
Art Gallery - Refurbishment (HLF element)	111					111
Library Service	66					66
Refurbish Townhill library within Phoenix Centre	126					126
3G Pitch Morriston Comprehensive School	256					256
3G Pitch Penyrheol Comprehensive School	636					636
3G Pitch Cefn Hengoed Comprehensive School	86	450				536
3G Pitch expansion (match funding for 2 x 3G pitches)		500				500
Upgrade Play Area Brynafon Rd	74					74
Other Culture, Sport, Leisure & Tourism schemes	267	169				436

GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Economic Regeneration & Planning						
Kingsway Urban Parkway	351	5,683	5,902	305		12,241
City Centre Regeneration Match Funding	1,396					1,396
City Centre regeneration - Swansea Central planning and design (Funding to be confirmed)	4,667					4,667
Kingsway offices design and planning	850					850
Civic Centre Relocation		200				200
City Centre Contingency		250				250
City Centre Deal (Quadrant)		350				350
City centre schemes (to include Castle Square and Market)		250	500	250		1,000
Hafod/Morfa Copper Works match funding		1,500				1,500
Hafod/Morfa Copper Works Regeneration	136					136
Musgrave Engine House repairs	72					72
Swansea Vale infrastructure/studies	239	500				739
Vibrant & Viable Places: Oceana demolition	501					501
Vibrant & Viable Places: Llys Dewi Sant site	401					401
Other regeneration schemes	64					64
Housing & Public Protection						
Housing						
DFG's -1996 Act (figure for 2017/18 inc. £1.4m slippage)	5,972	5,200	5,200	5,200	5,200	26,772
Sandfields Renewal Area	1,325					1,325
Property Appreciation Loans	940					940
Grant For Nominations	156					156
Comfort Safety & Security Grants (CSS)	7					7
Mini Adaptation Grants (MAG)	403					403
Houses into Homes Loans	154					154
Houses into Homes Loans (WG new regulations)	885					885

GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
National Home Improvement Loans	885					885
Home loans default provision	38					38
Corporate Building						
Capital Maintenance allocated	5,874					5,874
Schools - additional capital maintenance	1,000	1,000				2,000
Capital Maintenance unallocated		4,000	4,000	4,000	4,000	16,000
Lighting at Guildhall and other buildings	100					100
Conversion of Mansion House into public access civic building	200					200
Capital creditors for 2016-17 paid in 2017-18	1,801					1,801
Corporate Property						
Accommodation Strategy (agile working)	260	307				567
Pipehouse Wharf Replacement	2,063	179				2,242
Property Investment Portfolio (the funding for this will be repaid by future rental income)	1,122					1,122
TOTAL FOR DIRECTOR OF PLACE	46,260	33,424	21,377	14,530	13,975	129,566
Totals	52,046	38,269	24,477	17,105	17,414	149,311

Total General Fund Capital Budget

Appendix F

		2017/18	2018/19	2019/20	2020/21	2021/22	2023/24	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund (Excluding Schools)	App A	52,046	38,269	24,477	17,105	17,414	0	149,311
C21st Schools Band A	App B	9,054	10,039					19,093
C21st Schools Band B	App C	184	3,979	21,223	19,529	18,852	86,112	149,879
Total General Fund (including Schools)		61,284	52,287	45,700	36,634	36,266	86,112	318,283

Agenda Item 11.



Report of the Section 151 Officer and the Corporate Director Place

Cabinet – 15 February 2018

Housing Revenue Account (HRA) Revenue Budget 2018/19

Purpose:	This report proposes a Revenue Budget for 2018/19 and a rent increase for properties within the HRA.
Policy Framework:	None.
Consultation:	Cabinet Members, Finance, & Legal
Recommendations:	<p>The following budget proposals be recommended to Council for approval:</p> <ul style="list-style-type: none">a) Rents to be increased in line with the Welsh Government rent setting policy as detailed in section 3.b) Fees, charges and allowances are approved as outlined in section 3.c) The revenue budget proposals as detailed in section 3.
Report Authors:	Mark Wade / Ben Smith
Finance Officer:	Aimee Dyer
Legal Officer:	Tracey Meredith
Access to Services Officers:	Sherill Hopkins / Catherine Window

1. Introduction

1.1 The setting of the revenue budget has to take account of the following issues and factors:-

- the requirement to achieve the Welsh Housing Quality Standard (WHQS);
- future income and expenditure trends;
- increases in rent in line with the rent policy;
- the effect on tenants of rent increases;

1.2 The proposals in this report are based on the objective of maximising the resources available for investment in the housing stock to make progress in achieving the WHQS.

2. Projected Revenue Outturn 2017/18

- 2.1 There is a forecast underspend on HRA Revenue management and maintenance budgets of £0.35m which is comprised of a reduction in borrowing costs (£0.25m) due to slippage on the Capital Programme. There is also an underspend on employee costs (£0.075) and supplies and services (£0.16). There are also minor underspends on transport costs (£0.015m) and premises costs (£0.05m) as a result of utilities. These underspends are offset by an overspend on revenue repair costs (£0.10m) along with a reduction in fee income (£0.10m).
- 2.2 The forecast revenue contribution to the 2017/18 Capital Programme has increased by £1.9m as a result of higher than anticipated balances carried forward and a reduction in the borrowing requirement. This has been partially offset by lower borrowing costs of £0.26m. As a result the forecast for the balances carried forward has reduced to £5.8m.

3. Revenue Budget Proposals 2018/19

3.1 Overview

- 3.1.1 There is a projected surplus on the HRA next year of £24.3m. This surplus together with the planned use of reserves will contribute towards the capital programme of £57.9M in 2018/19. This is for further investment in WHQS and for the More Homes Programme.
- 3.1.2 The main changes from 2017/18 are an increase in management and maintenance costs of £0.9m. This is mainly as a result of the 2% pay rise, increments and an increase in employer's pension contributions of £0.5m and an increase in the revenue repairs budget of £0.4m due to inflationary pressures on materials costs. Capital charges increased by £0.9m as a result of the additional cost of borrowing to support achievement of the WHQS.
- 3.1.3 The main changes to funding/income are an increase in rent and other income of £4.2m arising from the proposed rent increases.
- 3.1.4 The main changes from the 2017/18 budget are shown in the following table:-

Item	£000
Reduction in the use of reserves	2,298
Increased financing charges	989
Effect of 2% pay rise and increase in pension contributions	494
Increase in Revenue Repairs Budget	380
Increase in Revenue Contribution to Capital	12
Other minor revenue changes	33
Additional income including 6.88% rent increase	-4206

3.2 Rent Income

- 3.2.1 The target average rent per week for Swansea provided by the Welsh Government under the rent setting policy which was introduced in April 2015 is set out in the following table. The WG figures are based on a 52 week period. However, the Council has traditionally charged rents over 50 weeks allowing two weeks during the year when rent is not collected. The equivalent 50 week average is also provided.

	Lower Band (i.e. Mid-Point - 5%)	Mid-Point	Higher Band (i.e. Mid-Point + 5%)
WG weekly figures (based on 52 weeks)	£85.03	£89.50	£93.98
50 week equivalent	£91.25	£96.05	£100.85

3.2.2 In February 2015, Council agreed to maximise the available rent income by using the full transitional increase allowable under the WG policy until such time that the upper band limit is reached. This policy on rent income directly helps fundamentally underpin our additional investment in the HRA capital programme.

3.2.3 After applying the national increase of 4.5% plus the full transitional increase, the average rent for 2018/19 will be £93.35 (based on 50 weeks). This is an average increase of £6.01 (6.88%) per week.

3.3 *Inflation*

Provision has been included in the budget for a 2% annual pay increase from April 2018. In addition, budgets have been amended to reflect changes in employer's contributions for pensions. Other budgets, in particular repairs and maintenance and utility costs have been based on the latest prices.

3.4 *Capital Financing Charges*

Additional Capital financing charges will arise in 2018/19 as a result of additional borrowing to finance WHQS improvements.

3.5 *Fees, Charges and Allowances*

General fees, charges and allowances are normally increased either in line with the agreed rent increase or in line with the inflation provision set out in 4.3 above. If the recommendations relating to the rent increase are approved then these rent related items will increase by 6.88% and other charges by 3%.

3.6 *Contributions to the Capital Programme*

The additional income enables a contribution of £24.5m to the capital programme. A further £97k from reserves will also be utilised in supporting the capital programme.

4. **Risks and Uncertainties**

4.1 The main risk and uncertainty for next year is the ongoing impact of welfare reform measures, such as the potential increase in number of tenants in receipt of universal credit on the level of income.

5. **Reserves**

5.1 The HRA balance at the start of this year was £9.8m and at the end of the current year it is estimated to be £5.8m. It is proposed that £97k is used next year to finance capital expenditure. The reserves position is detailed in Table B.

6. **Equality Impact Assessments**

6.1 Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups.

7 Legal Implications

7.1 Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985. Section 102 b) states that variation of the Rent shall be carried out in accordance with the provisions of the Tenancy Agreement. Section 2.6 of the Council's Tenancy Agreement states that Tenants must be given 4 weeks notice before any Rent change.

Background Papers: None

Appendices:

Table A: Summarised HRA 2017/18 to 2018/19

Table B: Movement in Balances 2017/18 to 2018/19

Classification	Budget 2017/18	Budget 2018/19
	£'000	£'000
<u>Expenditure</u>		
Management and Maintenance	28,750	29,657
Capital Charges	10,096	11,085
Revenue Funding for capital schemes	24,459	24,471
Total Expenditure	63,305	65,213
<u>Income</u>		
Rents and other income	60,910	65,116
Use of balances	2,395	97
Total Income	63,305	65,213

Table B: Movement in Balances 2017/18 to 2018/19

Description	£000's
--------------------	---------------

Actual balance at 1 st April 2017	9,821
Budgeted use 2017/18	-2,395
Budgeted balance 31st March 2018	7,426
Forecast use 2017/18	-4018
Forecast balance 31st March 2018	5,803
Budgeted use 2018/19	-97
Forecast balance 31st March 2019	5,706

Agenda Item 12.



Report of the Section 151 Officer & the Director of Place

Cabinet – 15 February 2018

Housing Revenue Account – Capital Budget & Programme 2017/18- 2020/21

Purpose	This report proposes a revised capital budget for 2017/18 and a capital budget for 2018/19 – 2020/21
Policy Framework:	None
Consultation:	Legal, Finance & Access to Services
Recommendation(s):	It is recommended that: <ol style="list-style-type: none">1) The transfers between schemes and the revised budgets for schemes in 2017/18 are approved;2) The budget proposals for 2018/19 – 2020/21 are approved;3) That, where individual schemes in Appendix B are programmed over the 3 year period described in this report, then these are committed and approved and that their financial implications for funding over subsequent years are approved.
Report Authors:	Ben Smith / Mark Wade
Finance Officers:	Jeff Dong / Jayne James
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1.0 Introduction

1.1 This report details:

- Revised Housing Revenue Account (HRA) capital expenditure and financing proposals in 2017/18
- HRA Capital expenditure and financing proposals in 2018/19 – 2020/21

1.2 The budget proposals are further detailed in appendices to this report as follows:

- Appendix A: Summary of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21
- Appendix B: Detailed breakdown of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21
- Appendix C: Scheme descriptions

2.0 Capital Budget 2017/18

- 2.1 The revised programme for the current year is £51.89m i.e. an original budget of £59.26m plus carry-forward from 2016/17 of £2.42m less slippage into 2018/19 of £9.79m. Slippage from this current year into 2018/19 is to mainly fund the external facilities scheme, More Homes pilot at Parc Y Helig and the wind and weatherproofing works in West Cross.
- 2.2 The majority of all other projects for 2017/18 are complete although a small element of under spend may exist due to a range of reasons including retentions for the defects liability period and some under spends on completed projects. Any projects not currently complete will be completed within the early part of the 2018/19 financial year and where underspend has occurred, officers have mitigated these by bringing other priority work forward to compensate. Transfers and changes to the 2017/18 budget are reflected and detailed in appendix B.

3.0 2018/19 – 2020/21

- 3.1 The proposed three year capital programme and the priorities of the various schemes have been developed in line with the HRA Business Plan and reflect the results of a stock condition survey. In addition, the programme contributes towards the Council's strategic aim of improving homes up to the Welsh Housing Quality Standard (WHQS) and provision has also been made for the continuing supply of new council housing.
- 3.2 Schemes detailed in Appendix C contribute towards the key components of the Welsh Housing Quality Standard as follows:

In a Good State of Repair

Dwellings must be structurally stable; free from damp and disrepair with key building components being in good condition – roofs, walls, windows, doors and chimneys.

Safe and Secure

Dwellings should be free from risks that could cause serious harm and should be secure in key areas of the home. Heating and electrical systems to be up to date and safe; doors and windows to provide good levels of security; risk of falls from height to be prevented; fire safety measures to be in good condition and well designed.

Adequately Heated, Fuel Efficient and Well Insulated

Dwellings must be capable of being heated adequately by ensuring heating systems are fuel efficient and properties well insulated.

Contain Up to Date Kitchens and Bathrooms

Kitchen and bathroom facilities are to be relatively modern and in good condition; sufficient to meet the needs of the household and well laid out to prevent accidents.

Located in Attractive and Safe Environments

Homes should be located in environments that residents can relate to and in which they are proud to live. Improvements will be required to ensure areas within the curtilage of properties are safe and communal areas and the wider shared environment is safe and attractive.

Suit the Specific Requirements of the Household

The requirement is that homes meet the necessary requirements for their occupants in terms of room sizes, ensuring necessary facilities such as kitchens and bathrooms are sufficient and where required, adaptations are undertaken for persons with disabilities.

- 3.3 The More Homes Strategy for providing new Council housing has been endorsed by Council. Indicative expenditure of £3.281m over 3 years up to 2020/21 for taking forward the strategy and delivering the pilot schemes has been included in the programme.

4.0 Financing of HRA Capital Budget 2017/18 -2020/21

- 4.1 The attached capital budget proposals will be funded through a combination of Welsh Government (WG's) contribution via its Major Repair Allowance (MRA) grant, revenue contributions from the HRA, and borrowing. Details are set out in Appendix A.

5.0 Risks

- 5.1 The risks to the 3 year programme are similar to those set out in the HRA Revenue report. In particular, the level of MRA grant, future rent increases (which are determined by WG) and the potential effect of Welfare Reform on levels of income.

6.0 Equality and Engagement Implications

- 6.1 Tenants and leaseholders have been engaged as part of the Council's Tenant Participation Strategy.

An EIA screening has been undertaken and there is no equality implications associated with the recommendations of this report, since this deals with the financial aspects of agreeing a budget for the scheme. Individual projects will take account of specific equality issues.

7.0 Legal Implications

- 7.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

8.0 Financial Implications

- 8.1 Expenditure is ring fenced to the HRA and will be fully funded by MRA grant from WG, revenue contributions from the Housing Revenue Account and HRA borrowing. There are no financial implications for the Council General Fund.
- 8.2 Borrowing of £88.96 million will be required to fund the WHQS and new build programmes up to 2020/21.

Background Papers

None.

Appendices

Appendix A: Summary of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21

Appendix B: A detailed breakdown of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21

Appendix C: Scheme descriptions

Summary of HRA Capital Budget and Programme 2017/18 to 2020/21					
	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000
HRA Subsidy Reform					
Good State of Repair					
Wind and weatherproofing	4,482	4,793	2,685	4,100	16,060
System built houses and highrise Blocks	7,399	6,754	8,730	12,200	35,083
Roofing	2,201	1,211	1,200	1,425	6,037
Windows, doors and general repairs	650	1,175	215	215	2,255
Safe and Secure					
Fire Safety	1,131	1,839	450	250	3,670
Electrical Rewiring	539	595	540	320	1,994
Passenger Lifts	318	436	300	230	1,284
Adequately Heated, Fuel Efficient & Well Insulated					
Heating Systems	1,221	630	430	400	2,681
Energy Efficiency and Grant Support	£534	275	150	150	1,109
Contain Up to Date Kitchens and Bathrooms					
Kitchens and Bathrooms	25,251	22,803	26,052	17,434	91,540
Located in Attractive and Safe Environments					
Environment - Within the Curtilage	2,038	9,351	12,135	10,015	33,539
Estate Based Environment	1,302	2,000	2,100	2,000	7,402
Meeting Requirements of the Household					
Adaptations	2,750	2,750	2,750	2,750	11,000
More Homes					
	2,070	3,281			5,351
Total	51,886	57,893	57,737	51,489	219,005

Financed By:	2017/18 Revised	2018/19 Original	2019/20 Original	2020/21 Original	Total
	£'000	£'000	£'000	£'000	£'000
MRA	9,158	9,100	9,100	9,100	36,458
RCCO	26,351	24,471	22,097	20,486	93,405
Borrowing WHQS	16,200	24,322	26,540	21,903	88,965
Innovative Housing Grant	177				177
Total	51,886	57,893	57,737	51,489	219,005

HRA CAPITAL PROGRAMME	2017/18 to 2020/21					
	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair						
Wind & Weatherproofing, Mayhill and Townhill Scheme 1	19	19				19
Wind & Weatherproofing, Mayhill and Townhill Scheme 2	6	2				2
Wind & Weatherproofing, Mayhill and Townhill Scheme 3	28	9				9
Wind & Weatherproofing, Penlan Scheme 1	461	651	326			977
Wind & Weatherproofing, Llanllienwen	979	843	120			963
Wind & Weatherproofing, Clydach					200	200
Wind & Weatherproofing, McRitchie Place	289	280	40			320
Wind & Weatherproofing, West Cross	1,611	629	1,655	1,150	1,150	4,584
Wind & Weatherproofing, West Cross Warwick Place	2		1,162			1,162
Wind & Weatherproofing, Loughor	468	495				495
Wind & Weatherproofing, Penllergaer			800			800
Wind & Weatherproofing, Cwmbwrla	650	708				708
Wind & Weatherproofing, Blaenymaes (Woodford Road)					960	960
Wind & Weatherproofing, Tirdeunaw Sheltered Complex				300		300
Wind & Weatherproofing, Pontardulais	755	846	690	825		2,361
Wind & Weatherproofing, Fforesthall					750	750
Wind & Weatherproofing, Talcoppa					280	280
Wind & Weatherproofing, Tower Gardens				210		210
Wind & Weatherproofing, Llwynceithin Sheltered & Maes Glas Flats					560	560
Wind & Weatherproofing, Various				200	200	400
Airey and Traditional Built Properties, Felindre				420		420
Resiform and Traditional Built Properties, Craig Cefn Parc	400	292	1,298			1,590
British Iron & Steel Federation (BISFs) Houses West Cross	1,100	1,060	1,054			2,114

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair cont'd						
British Iron & Steel Federation (BISFs) Houses Gendros	23	24				24
Wimpey No Fines (WNFs) Properties, Waunarlwydd				700	700	1,400
Wimpey No Fines (WNFs) Properties, Caemawr	580	600	29			629
Trusteel Houses, Penllergaer	20	21				21
Easiform Properties, Winch Wen	680	775	1,400	1,400		3,575
Easiform & Traditional Properties, Sketty	730	824	440	890		2,154
Easiform & Wimpey No Fines Properties, Clase			990	820	800	2,610
Easiform Properties, Birchgrove			820	1,000		1,820
Highrise Flats, Dyfatty	200		200	3,500	10,700	14,400
Highrise Flats, Matthew Street	263	259	70			329
Highrise Flats, Clyne & Jeffreys Court	3,647	3,544	453			3,997
Chimney Repairs	410	360	552	400	200	1,512
Pitched Roof Renewal, Blaenymaes	602	583	29			612
Pitched Roof Renewal, Talfan Rd Carew PI Bungalows Bonymaen	246	286	6			292
Pitched Roof Renewal, Clase	18	18				18
Pitched Roof Renewal, Sketty (3 Storey Flats)	6	6				6
Pitched Roof Renewal, Clay Roofs Townhill and Port Tennant	399	451	21			472
Pitched Roof Renewal, Penlan Flats			16			16
Pitched Roof Renewal, Gower (Penclawdd, 3Xs & Llangennith)	500	371	129			500
Pitched Roof Renewal, Gorseinon & Penyrheol				500		500
Pitched Roof Renewal, Gendros	4	4				4
Pitched Roof, Various	200	122	308	200	325	955
Flat Roof Renewal, Various			150	100	100	350
Flat Roof Renewal Rheidol Court					800	800
Balcony Repairs	6	6	250			256

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair cont'd						
Window and Door Renewal Programme Incl. Fire Escape Windows	408	212	400			612
Structural Repairs	618	343	475	200	200	1,218
Drainage Repairs and Improvements	45	45	15	10	10	80
Repairs to HRA Offices and Operational Assets – Various	44	44	30			74
Design and Scheme preparation			5	5	5	15
Safe and Secure						
Fire Safety General and Risk Reduction	282	265	155	100		520
Fire Safety Highrise	4,518					
Smoke and Carbon Monoxide Detectors	141	141	230	150	250	771
Fire Safety Sprinkler System - Highrise and Sheltered Complexes	356	329	1,316	200		1,845
Sprinkler System - Jeffreys Court	80	80				80
Sprinkler System - Clyne Court	388		138			138
Sprinkler System - Matthew Street		250				250
Fire Separation Between Kitchens & Stairs	20	10				10
Fire Safety Separation Between Flats	50	56				56
Electrical Rewiring	259	133	320	300	300	1,053
Electrical Rewiring Contingency			20	20	20	60
Electrical Rewiring & Emergency Lighting Communal Blocks	507	406	215	200		821
Communal Aerials			40	20		60
Passenger Lift Repair, Improvement and Provision, Various	405	318	436	300	230	1,284
Adequately Heated						
Boiler Replacement	1,500	1,165	600	400	400	2,565
Loft Insulation	149	160	60	50	50	320
Heating Upgrades	50	56	30	30	0	116
Energy Efficiency & Energy Grant Support	439	374	215	100	100	789

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
Kitchens and Bathrooms						
Kitchen & Bathroom Renewal	230	230	21,619	25,652	17,064	64,565
Kitchen & Bathroom Renewal Asbestos Management			250	250	250	750
Kitchen & Bathroom Renew 16/7 Contractor 1	626	545				545
Kitchen & Bathroom Renew 16/7 Contractor 2	546	552				552
Kitchen & Bathroom Renew 16/7 Contractor 3	71	13				13
Kitchen & Bathroom Renew 17/8 Contractor 1	10,185	12,141	494			12,635
Kitchen & Bathroom Renew 17/8 Contractor 2	6,111	5,090	111			5,201
Kitchen & Bathroom Renew 17/8 Contractor 3	4,074	5,480	129			5,609
Kitchen & Bathroom Renew 17/8 CBS	1,500	1,200				1,200
Kitchen & Bathroom Renewal Contingency			200	150	120	470
Located in Safe Attractive Environment						
Environment - Within the Curtilage						
External Facilities Scheme	1,443		8,950	12,000	10,000	30,950
External Facilities Contingency	62	62				62
External Facilities Scheme Gorseinon Contract 1	317	316	30			346
External Facilities Scheme Gorseinon Contract 2	367	340	26			366
External Facilities Scheme Penlan 17/18	1,030	1,030				1,030
Meter Boxes, Various			15	15	15	45
Voice Entry Systems, Various	505	290	330	120		740
Environment - Estate Based						
General Environmental Improvement Schemes	1,302	1,302	2,000	2,100	2,000	7,402
			0			
Meeting the Needs of the Household			0			
Adaptations Internal	2,000	2,000	2,000	2,000	2,000	8,000
Adaptations External	750	750	750	750	750	3,000

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
More Homes						
More Homes Pilot - Parc Y Helig	2,693	393	2,757			3,150
More Homes Pilot – Milford Way	1,682	1,572	100			1,672
Conversion and Acquisition	624	105	424			529
Total	£61,679	£51,886	£57,893	£57,737	£51,489	£219,005

HRA 3 Year Capital Programme

Scheme Description

Good State of Repair

Wind and Weatherproofing

Wind and Weatherproofing - will repair and upgrade the external fabric to maintain structural integrity, improve weather protection and thermal efficiency. Work typically includes renewing roofs and rainwater goods, wall tie renewal, application of external wall insulation and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken also. These contracts will operate over the period of this three year programme. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Airey Properties

Airey properties are of a concrete panel type construction and were built in the early 1950s. Externally, work will include renewing roofs and rainwater goods, repairs to the structure, wall cladding may be removed and renewed depending on the most effective solution and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. Internally, work will include kitchens and bathrooms as part of the refurbishment and in some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection, provide new kitchens and bathrooms and increase the thermal efficiency of the dwellings. Due to location, these properties are not connected to the mains gas grid and subject to costs, the scheme may include renewable energy systems as part for the project and investment may support energy grants. This scheme may operate beyond a single financial period. This contract may be subject to planning permission requirements and officers will submit planning applications as necessary.

Resiform Properties

Resiform properties are of a timber frame and fiberglass panel type construction and were built in the 1970s. Work will include renewing roofs and rainwater goods, repairs to the structure, application of external wall insulation and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection and increase the thermal efficiency of the dwellings. Subject to costs and the availability of energy saving grants and City Deal funding, the scheme may include renewable technology systems, battery storage and new heating systems for the purpose of testing technology and providing energy efficient homes. This scheme may be subject to planning permission requirements and officers will submit planning applications as necessary.

British Iron & Steel Federation (BISFs) Houses

BISF houses are of a steel frame construction built in the 1950s. The scheme is designed to repair and maintain the structural integrity, improve thermal efficiency, weather protection and improve the main facilities within the home and, where necessary in the garden. The specification of work includes roof renewal, insulated render system and

door renewal, boiler replacement, electrical rewiring, kitchens and bathrooms and where required repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Wimpey No Fines Houses

Wimpey No Fines are properties built with solid concrete walls and the repair scheme will address structural cracking where present and will include application of insulated render to improve thermal efficiency and weather protection, roof covering and door renewal. Where required, repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home may be undertaken. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Easiform Properties

Easiform properties are typically a poured concrete construction built in the 1950s and 1960s. The scheme will secure the long term structural integrity of the properties, improve the weather protection and particularly improve the thermal efficiency of the properties. The scope of work will include roof repairs, wall repairs and insulation, improvement to balconies where present and minor upgrades to fire safety where required. Where necessary, the scheme will include repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Refurbishment of Highrise Flats

The Council's high rise blocks were all built in the early 1960s and now require repairs to ensure their continued use over the long term. The schemes will protect the structures of the blocks; improve their weather resistance, thermal efficiency and their fire safety. The flats will also receive improvements to internal facilities for individual homes as well as communal areas.

For individual flats, the schemes will provide new kitchens and bathrooms including associated work and improved kitchen layout. Electrical rewiring will be renewed where required, improvements to heating systems and new boilers, integrated television reception systems, new door entry systems and upgrades to fire safety will also be included such the installation of sprinklers, fire stopping and improved fire separation. Where feasible, redundant storage areas will be converted to provide new additional units of accommodation.

Externally, the work will include a new roof, balcony rails, repairs to balcony slabs, insulated cladding across the walls, new double glazed windows, upgrades to fire protection, revised CCTV systems where required, improved entrances, renewal of the communal electrical wiring and lighting, and improvements to the decoration.

The local environment may receive upgrades to paths and areas of hard and soft landscaping, possible removal of garages and improvements to the immediate HRA owned environment. Additional resident parking may be provided where required and achievable.

The project is expected to take over three years to complete and will run across the full time scale of this reporting period. Schemes will be subject to planning permission requirements and officers will submit planning applications as necessary.

Chimney Repairs

Where chimneys are in poor condition, work will involve repairing, rebuilding or taking away the chimney if it is no longer required. The work will prevent damp and minimise

repairs for the response repair service and will be an ongoing scheme over the three year reporting period.

Pitched Roof and Flat Roof Renewal

Pitched and flat roof renewal includes repairing the roof structure and chimneys, providing insulation where required and replacing the roof covering to ensure long term weather protection. Contracts are expected to run over the period of this three year programme.

Balcony Repairs

Balconies will be repaired and improved to ensure they remain in good condition and safe to use. Repairs will include new balcony rails, repairs to the balcony slabs and floor surface.

Window and Door Renewal

Replacement of windows and doors which are at the end of their useful life or require upgrading, the new units will improve thermal efficiency and security. A small number of windows will be replaced to provide a means of escape in selected areas as required. Where necessary, fire doors will be renewed in flats to ensure they achieve suitable fire safety.

Structural Repairs

Structural Repairs will treat free standing or retaining structures where there is failure or disrepair, subsidence, heave or movement cases, and other structural elements that are considered to be in need . Where required, the budget will meet the cost for demolition of properties including any buy back of properties within blocks of flats as required.

Drainage and drainage protection

Where existing drainage is in disrepair or in need of upgrading or there is a need to address changes in demand, the scheme will look to improve selected sites and may include amongst other items: new systems, alternative or new layouts and/or expansion of current systems.

Repairs to HRA Offices and Operational Assets – Various

The scheme is to carry out repairs and renewal to HRA offices and assets where required. The work will include various items relating to the structure, fabric, electrical, mechanical and elements within the curtilage.

Design and Scheme preparation

Investment will meet the cost of early design and preparation of schemes contained within this report.

Safe and Secure

General Fire Safety and Risk Reduction – Various Locations

A range of fire safety and risk reduction measures will be undertaken to homes and HRA buildings across the Council. Work will be varied but may include the provision of up-to-date fire safety signage and other fire safety communication, upgrading fire stopping materials, minor changes to layout and access routes, specialist intrusive investigations in relation to improvement work, safety improvements to communal stairs, fire barriers, upgrades to fire firefighting equipment and material and improvements to fire warning systems.

Fire Safety Highrise

Budget set up as a contingency to meet possible fire safety issues in high rise flats following Grenfell Tower fire in 2017.

Smoke Alarms and Carbon Monoxide Detectors

Hard wired smoke alarms, heat detectors and carbon monoxide detectors in homes are renewed to ensure uninterrupted service. The project will be ongoing and will run over the period of this three year programme.

Fire Safety Sprinkler Systems – Highrise and Sheltered Complexes

The scheme will install a sprinkler system to individual flats and communal areas of highrise blocks and older person sheltered complexes. The aim is to improve the fire safety for the residents.

Electrical Rewiring – Various Locations

Homes with electrical installations that are approximately 30 years will be rewired as part of a planned scheme. The project will be a long term contract and will run over the period of this three year programme.

Electrical Rewiring Contingency – Various Locations

Properties will be rewired where an electrical inspection has identified that this is necessary.

Electrical Rewiring Communal Blocks and Emergency Lighting

The electrical wiring in communal areas will be rewired where the existing installations are approximately 30 years old or where an electrical inspection has identified that this is required. The scope of the work will include the provision of new electrical wiring, emergency lighting, new communal aerial facilities, fire alarms, IT systems, warning or helpline systems and communal fire alarm system as required. This contract will operate over the period of this report.

Communal Aerials

The scheme is to repair or renew and upgrade existing communal aerial systems in housing accommodation. The majority of work will take place in older person sheltered accommodation and blocks of flats. The work will include upgrading and renewing aerial and satellite systems.

Passenger Lift Repair, Improvement and Provision – Various Locations

The Housing Service has responsibility for passenger lifts within its block of flats and sheltered accommodation. The investment is to meet the cost of assessment, design and repair, improvement, alteration or renewal to passenger lifts and associated work where there are defects (or at the end of their useful life) to ensure continued safe and long term provision. Where there is sufficient requirement, new provision may be included at selected sites. Various Locations will be affected.

Adequately Heated

Boiler Replacement – Various Locations

Heating systems will be renewed as part of a long term programme aimed at improving efficiency and reliability. This contract is ongoing and will run over the period of this three year programme.

Heating Upgrades – Various Locations

The scheme is designed to provide fuel switching to council homes e.g. coal to gas, storage heaters to gas etc. as well as provide minor improvements to heating systems including time clocks and room thermostats.

Loft Insulation

The scheme will improve loft insulation levels in council homes with the aim of improving thermal efficiency of homes across Swansea. This contract will operate over the period of this three year programme.

Energy Efficiency Measures and Energy Grant Support – Various

This investment is to meet the costs directly and/or support grants for measures that contribute towards improving thermal efficiency in council homes. Work may include Solar Photovoltaics, Solar Hot water, battery storage, air source or ground source heat pump, insulation measures including wall insulation or other emerging energy saving technology / applications to homes and which can provide a benefit to council tenants. The work will be ongoing and is expected to run over the period of this three year programme.

Kitchen and Bathroom Renewal

Kitchen and Bathroom Renewal

The investment will be to improve the internal living facilities, making these more safe and useable. Work may include, depending on requirements, alterations or replacement to electrical wiring, replacement central heating systems, renewing food preparation surfaces, storage and cooking areas, minor kitchen layout alterations, flooring, decorative finishes including tiling and where required the renewal of sanitary facilities. Where required, the scheme will include general improvements to the home to enable kitchens and bathrooms to be improved, for example damp treatment, floor slab repairs/renewal or structural alteration to improve space and circulation within the home. The scheme will also include alterations and adaptations to kitchen and bathrooms where the occupants are identified as requiring these due to illness or disability. Contracts will operate over the period of this three year programme.

Kitchen and Bathroom Asbestos Management

Investment is to meet costs of managing asbestos in relation to works to kitchen and bathroom renewal. The purpose is to ensure tenants remain safe in their homes and the Council meets its statutory obligations.

Kitchen and Bathroom Renewal Contingency

The investment will be to renew kitchens and bathrooms where additional investment is required to empty homes in order to make ready for letting.

Located in Safe/Attractive Environments

Environment - Within the Curtilage

External and Communal Facilities (Including Fencing/Walls/Hardstanding & Paths)

The scheme will undertake repairs to the external facilities within the curtilage of homes and communal areas of blocks of flats to ensure they are reasonably safe and practicable areas. Garden areas can vary considerably from property to property and therefore the work will be tailored to the needs of individual homes, but will broadly include minor repairs or partial replacement of fencing and boundary walls, walls within the curtilage, paths, steps, handrails, drying facilities, clearance and or planting where necessary or lighting to communal areas. Where some facilities are no longer viable, these may be removed.

Environment – Estate Based

General Environmental Improvement Schemes

The scheme is to improve areas belonging to the Housing Revenue Account element of the Housing Service which are outside the curtilage of individuals' homes. The schemes will be based on consultation exercises with stakeholders as well as repairs necessary for the Housing Service to discharge its duties as the asset holder.

Meeting Requirements of the Household

Adaptations

This funding is for alterations and improvements to council homes for tenants with medical conditions or disabilities. This contract is ongoing and will operate over the period of this three year programme.

More Homes

More Homes

The investment will be to support provision of new council housing, the conversion of existing buildings to new accommodation and all other actions set out in the agreed 'More Council Homes Strategy'.

Conversion and Acquisition

The budget is for the purposes of converting and / or acquiring property into HRA accommodation.

Agenda Item 14.



Report of the Cabinet Member for Future Generations

Cabinet – 15 February 2018

Transfer of Management of Allotments from City & County of Swansea to Management Associations

Purpose:	The purpose of the report is to approve the transfer of Management and Operational responsibilities for Allotments from the City & County of Swansea to Allotment Member Associations.
Policy Framework:	Asset Management Plan 2017/2021 Community Asset transfer Policy
Consultation:	Finance, Legal, Access to Services, Poverty & Prevention Service.
Recommendation:	It is recommended that Cabinet accepts option 2 and: <ol style="list-style-type: none">1) Authorise the transfer of existing Allotment sites to Member Associations with total Management responsibility.2) Where there is no interest from current Allotment Holders to form an Association, the Council should actively pursue an arrangement with other bodies to take on total management responsibility.
Report Author:	Adrian Skyrme
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 The Small Holdings and Allotment Act 1908 placed a statutory duty on Local Authorities to provide adequate allotments but placed no obligation on the Authorities to either subsidise, or to manage them on a day-to-day basis.

- 1.2 In May 2014, under the Income and Charging strand of Sustainable Swansea, the Commercial Pricing Team instructed that an Operational Review of the provision of the Council's Allotment Service be undertaken, on the basis that the allotments were being run at a loss.

2. Current Position

- 2.1 Currently the City & County of Swansea have 16 allotment sites providing 307 plots, located as follows:

Site	Location	Plots	Current Management Arrangements
Acre Field	Mumbles	22	Council
Castle Acre Field	Mumbles	14	Council
Grange	West Cross	13	Council
Lower Norton Field	Off Mumbles Road	9	Council
Seaview	Mount Pleasant	5	Council
Castle Road	Mumbles	19	Self-Managed (partial)
Gelli Aur	Treboeth	13	Self-Managed (partial)
Heol y Gors	Cockett	24	Self-Managed (partial)
Singleton	Ashleigh Road	35	Self-Managed (partial)
Upper Norton Field	Mumbles	21	Self-Managed (partial)
Eynon Street	Gorseinon	17.5	Interim Arrangement
Fairfield	Townhill	10	Interim Arrangement
Frederick Place	Llansamlet	31	Interim Arrangement
Grenfell Park Road	St Thomas	18.5	Interim Arrangement
Lon Mafon	Ty Coch	18	Interim Arrangement
Plunch Lane	Limeslade	37	Interim Arrangement

The Council is responsible for the payment of maintenance and water rates for all of these sites including those identified as Self- Managed.

N.B. The Vetch is not classified as an Allotment Site and was part of a Community Growing Scheme leased to an Association for 7 years in March 2013 for a Peppercorn Rent.

- 2.2 Sites are currently managed in a variety of ways - Council managed; Self-managed or by way of Interim arrangement.
- 2.2.1 Five sites are currently managed by the Council. On the Council managed sites the **Council** is responsible for:
- Issuing individual tenancy agreements and bills
 - Collection of rent
 - Management of waiting list
 - Insurance
 - Bi-annual site inspection

- Arranging and paying for maintenance work

2.2.2 Five sites took the option to continue to be self-managing. On these sites the **Allotment Associations** are responsible for:

- Plot letting
- Managing the waiting list
- Notifying the Council of the number of plots eligible for concession
- Annual collection and payment of rent
- Notifying the Council of any required maintenance work
- Organisation and payment of site insurance
- Holding an annual AGM

On Self-managed sites there is one Lease to the Association.

2.2.3 Six sites are currently managed by Allotment Associations that have interim arrangement. These sites were working towards self-management by the completion of a Lease but this was placed on hold pending a review of the service. On these sites the **Council** is responsible for:

- Insurance
- Annual billing of rent (exceptions being Frederick Place & Fairfield)
- Carrying out any agreed maintenance work
- Payment of any agreed maintenance

Currently, all Leases state that the City & County of Swansea retains the responsibility for the maintenance of trees, boundaries fixtures & fittings (and the payment of Water Rates on all sites.

3. Proposals

An option needs to be considered that removes any subsidy of the service and also, in line with Sustainable Swansea Fit for the future- ensures greater ownership and control of the allotment sites for the plot holders via associations. Therefore, in order to protect the provision of the Allotments within the County, the following options must be considered:

3.1 Option 1

The council continues to be responsible for all aspects of administering those sites where it is currently has a management role along with continued maintenance liability and payment of water rates and any other relevant charges. **Any element of subsidy is removed and full cost recovery is undertaken by way of increased charges to users.**

In addition to the maintenance costs there will be a need to charge for the administration of the service. This will lead to significant increases in the fees payable by allotment members.

3.2 Option 2

Community Asset Transfer of sites to Membership (Allotment) Associations with total management responsibility.

This would be the most favourable option for the Council as there would be no ongoing costs to the Council. Management of all allotments would be consistent across the Authority.

The benefit for the members would be that the individual Associations would be able to apply for various grants that are not available to the Local Authority. The Allotment Association would be granted a long lease (of up to 25 Years) of a site at a nominal peppercorn rent and would become responsible for all aspects of the day to day running of the site. Each Association would then be able to collect their own annual rent and spend that income in a manner that addresses their individual site priorities. They would also be able to develop their own site rules addressing any particular concerns they have on their site. This could allow for rental periods to be brought in to line with the growing season.

Where there is no interest in establishing an Association on an existing site other Associations would be offered the opportunity to merge or take on additional sites.

Many Local Authorities have adopted this approach including Newport and Bridgend. Newport have individual allotment associations whilst Bridgend County Council have one Allotment Association that manages ten allotment sites. In Neath & Port Talbot responsibility of the management of allotments is the responsibility of the Community Councils.

Officers have met with representatives from all the Allotment Sites and generally there is a broad acceptance and enthusiasm in respect of this proposal, accepting that the service can be managed better by the people with the knowledge, the members themselves.

Presently there are meetings being held by the members on their individual sites with a view to considering whether to form individual Associations or whether to combine sites and create an over-arching Association covering a few sites. It is likely that we will have a combination of both. Council Officers will be in attendance at these meetings and have applied for membership of the National Allotment Association behalf of the Council, to continue to support the Allotment Members.

Site Surveys of all sites has been requested to highlight areas of concern on each site i.e. Tree maintenance, boundary issues etc. so that these can be considered / addressed prior to the transfer of total management responsibility to the Allotment Associations.

4. Recommendations

Option 2 is recommended that the total management responsibility of the Allotments be transferred to Member Associations so that the sites can be managed and maintained more economically and efficiently by the tenants themselves, in line with the Sustainable Swansea Fit for the Future policy.

5. Equality and Engagement Implications

- 5.1 An EIA screening form (**Appendix A**) has been completed and reviewed. The agreed outcome was that a full EIA report was not required as it is the management of the service and not the service itself that the proposed change relates to. New lease agreements would be compliant with the Equality Act 2010 and the Welsh Language (Wales) Measure 2011 where applicable.

6. Financial Implications

- 6.1 This recommendation would ensure that all financial costs for the maintenance and water rates of all the allotment sites will be passed on to the individual Allotment Associations in future. Also it will allow the freeing of resources in the form of two posts within Poverty & Prevention that were responsible for the monitoring and management of this Service.

7. Legal Implications

- 7.1 New lease agreements would have to be issued. We are recommending a 25 year lease at a peppercorn rent (£1.00 if demanded by the Council) and that each Association is affiliated to a recognised National Body eg: National Allotments Association.
- 7.2 Plot holders require a six month period of notice of any termination of tenure before the 6th day of April or after 29th September. (Allotment Act 1950)
- 7.3 **Small Holdings and Allotments Act 1908, Section 23** provides that if allotment authorities 'are of the opinion that there is a demand for allotments in the borough, district or parish the council shall provide a sufficient number of allotments to persons...resident in the borough district or parish and desiring the same'. In determining demand an authority must take into consideration 'a representation in writing by any six registered parliamentary electors or rate payers'.
- 7.4 **Allotments Act 1925, Section 8** specifies that land purchased or appropriated by local authorities for use as allotments must not be disposed of without Ministerial consent. The Secretary of State must be satisfied that 'adequate provision will be made for allotment holders displaced by the action of the local authority, or that such provision is unnecessary or not reasonably practicable'.

Background Papers: None

Appendices:

Appendix A - EIA Screening Form

Equality Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact your directorate support officer or the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Strategic Estates

Directorate: Place

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe below

Restructure of the way in which Allotments are Managed in future.
Moving away from Council Management to Member Associations.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line
service delivery

(H)

Indirect front line
service delivery

(M)

Indirect back room
service delivery

(L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they
need to

(H)

Because they
want to

(M)

Because it is
automatically provided to
everyone in Swansea

(M)

On an internal
basis
i.e. Staff

(L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group (18+) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Equality Impact Assessment Screening Form

Q4 HAVE YOU / WILL YOU UNDERTAKE ANY PUBLIC CONSULTATION AND ENGAGEMENT RELATING TO THE INITIATIVE?

- YES NO (If NO, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)

If yes, please provide details below

Series of meetings held in December. Committee members of association sites and all members of council managed sites were invited to attend.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input type="checkbox"/> (H)	Medium visibility <input checked="" type="checkbox"/> (M)	Low visibility <input type="checkbox"/> (L)
---	--	--

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/> (H)	Medium risk <input type="checkbox"/> (M)	Low risk <input checked="" type="checkbox"/> (L)
---	---	---

Q6 Will this initiative have an impact (however minor) on any other Council service?

- Yes No If yes, please provide details below

Q7 HOW DID YOU SCORE?
Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
 Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
 Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for a full EIA report, you must provide adequate explanation below. In relation to the Council's commitment to the UNCRC, your explanation must demonstrate that the initiative is designed / planned in the best interests of children (0-18 years). For Welsh language, we must maximise positive and minimise adverse effects on the language and its use. Your explanation must also show this where appropriate.

The proposal is a change in the way the Allotments are managed with the move away managed with the move away from Council Management to Management by the members themselves in the form of Allotment Associations. There is no change to the service only the way in which it is managed. New lease agreements would be compliant with the Equality Act 2010 and the Welsh Language (Wales) Measure 2011 where applicable.

Equality Impact Assessment Screening Form

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Adrian Skyrme
Job title: Strategic Estates
Date: 09/01/2018

Approval by Head of Service:
Name: Geoff Bacon
Position: Interim Head of Services for Strategic Estates and Facilities
Date: 09/01/2018

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 15.



Report of the Cabinet Member for Children, Education & Lifelong Learning

Cabinet – 15 February 2018

Local Authority Governor Appointment

Purpose:	To approve the nominations submitted to fill Local Authority Governor vacancies in School Governing Bodies
Policy Framework:	Local Authority (LA) Governor Appointments Procedure (Adopted by Council on 26 October 2017)
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	It is recommended that: 1) The nomination recommended by the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning be approved.
Report Author:	Gemma Chapman
Finance Officer:	Chris Davies
Legal Officer:	Stephanie Williams
Access to Services Officer:	Sherill Hopkins

1.0 The nominations referred for approval

1.1 The nominations are recommended for approval as follows:

1. Pontarddulais Primary School	Cllr Kevin Griffiths
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2.0 Financial Implications

2.1 There are no financial implications for the appointments; all costs will be met from existing budgets.

3.0 Legal Implications

3.1 There are no legal implications associated with this report.

4.0 Equality and Engagement implications

4.1 There are no equality and engagement implications associated with this report.

Background papers: None

Appendices: None

Agenda Item 16.



Report of the Cabinet Member for Environment Services

Cabinet – 15 February 2018

Financial Procedure Rule 7 Local Transport Fund Grant 2017/18

Purpose:	To confirm the bid for Local Transport Fund (LTF) Grant and seek approval for expenditure on the proposed schemes and projects in 2017/18. To comply with Financial Procedure Rule No. 7 (Capital Programming and Appraisals): to commit and authorise schemes in the Capital Programme.
Policy Framework:	Local Transport Plan 2015 – 2020
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: - 1) The LTF schemes, together with their financial implications, are approved.
Report Author:	Ben George
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1. Introduction

- 1.1 A funding bid for the Local Transport Fund (LTF) was submitted to the Welsh Government on 17th February 2017 in accordance with guidance from the Welsh Government. The guidance stated that there was a total funding pot of £19.8m and this would be allocated to schemes across Wales.
- 1.2 The City & County of Swansea submitted bids totalling £4.4million and the Welsh Government ultimately awarded funding amounting to £1.2million. This allocation was committed to the capital programme following approval by Cabinet on 20th July 2017.
- 1.3 The Welsh Government subsequently made a mid-year allocation to the City & County of Swansea's Local Transport Fund 2017/18.
- 1.4 This report seeks approval to commit these additional funds to the capital programme in accordance with the Financial Procedure Rules.

2. Submitted Bids

- 2.1. A total of £4,313,000 was bid for by the City & County of Swansea and the Welsh Government has subsequently allocated £1,110,440 spread across four schemes for 2017/18. The bid schemes and the successful funding allocations are shown in the tables below:

Table One – Summary of LTF Bids 2017/18

Scheme	Total LTF (£k)	Match funding (£k)	Total project cost (£k)
Baldwins Bridge Interchange	1541	0	1541
Links to NCN	1267	0	1267
Strategic Bus Corridors	1432	110	1542
Kingsbridge Cycle Link	73	0	73
Active Travel Mapping (see 3.3)	18	0	18
Total	4331	110	4441

Table Two – Summary of Allocations for Successful LTF Bids 2017/18

Scheme	Total LTF (£k)	Match funding (£k)	Total project cost (£k)
Baldwins Bridge Interchange	541	0	541
Links to NCN	364	0	364
Strategic Bus Corridors	115	110	225
Kingsbridge Cycle Link	73	0	73
Active Travel Mapping (see 3.3)	18	0	18
Total	1111	110	1221

2.2. The match funding requirement shown above is from a contribution from Revenue in 2016/17. This funding is revenue underspend from 2016/17 which has been capitalised to support the delivery of these capital assets in 2017/18. (See also the attached appendices).

2.3. Following these initial bids and allocations, which were made in February and March 2017 respectively, a further mid-year allocation was received from the Welsh Government in service of Swansea Urban Connections. This project will deliver improvements to the walking and cycling infrastructure. This additional allocation amounted to £200,000. The table below therefore summarises the final Welsh Government allocation for the Local Transport Fund 2017/18.

Table Three – Summary of Allocations for LTF 2017/18

Scheme	Total LTF (£k)	Match funding (£k)	Total project cost (£k)
Baldwins Bridge Interchange	541	0	541
Links to NCN	364	0	364
Strategic Bus Corridors	115	110	225
Kingsbridge Cycle Link	73	0	73
Active Travel Mapping	18	0	18
Swansea Urban Connections	200	0	200
Total	1311	110	1421

3. Details of Approved Schemes

3.1. The projects approved for funding are summarised below.

3.2. Baldwins Bridge Interchange – A £541,000 allocation was made to facilitate the ongoing delivery of this project. The Fabian Way Corridor has been the focus of a number of strategies and infrastructure investments in recent years in recognition of the high levels of development and growth

that are being realised and forecast over the coming years. The planned works for 2017/18 will build upon the business case delivered in 2016/17 to develop the much needed improvements planned for Baldwins Bridge. The project will follow two distinct strands:

- 3.3. *Baldwins Bridge Detailed Business Case: A Strategic Outline Business Case (SOBC)* was prepared in 2016/17 to determine the strategic infrastructure demands for the Fabian Way Corridor over the coming years, to cater for both increase traffic flow and anticipated development traffic. The SOBC made a number of recommendations for the Corridor, and Baldwins Bridge was considered to be one of the most prominent requirements to support the development of this important arterial route and site for development.
- 3.4. The detailed business case will work to establish the necessary cost benefits metrics to support the significant capital investment which will be required to support the delivery of this very important item of infrastructure.
- 3.5. *Baldwins Bridge Detailed Design:* This work will build upon the options appraisal undertaken in 2016/17 to determine how a rearranged junction might be delivered in the coming years. The detailed design will bring this improvement to a position where the infrastructure could be delivered once a funding package is secured. The project will be developed in partnership with the Welsh Government, South Wales Trunk Road Agency and Neath Port Talbot County Borough Council.
- 3.6. Links to NCN – This project is a continuation of iterations which have preceded it in previous years. The Links to NCN is a project which seeks to build on the established walking and cycling network within the City & County of Swansea, by delivering new infrastructure to link this network with residential areas.
- 3.7. Whilst the original bid sought funding for six schemes, ultimately only one of these was allocated funding for 2017/18. The Orchard Street Shared Use Path will provide a 0.5km route to link Kingsway Circle with Swansea Railway Station. This route will also provide a missing link in provision for cycling, with existing infrastructure to the north and south, and ultimately facilitate onward links to the strategic cycle network.
- 3.8. The Orchard Street Shared Use Path will be delivered as an early phase of the Kingsway improvement works which will also commence in 2017/18.
- 3.9. Strategic Bus Corridors – Whilst the bid sought funding for a wide range of improvements to bus corridors in Swansea, an allocation was made only for one element of the scheme, which will seek to develop a concept for a South West Wales Metro. The Metro will seek to accommodate the transport needs of the Swansea Bay City Region over the coming years.

- 3.10. It is expected that this £115,000 will be used to employ external consultancy resource to support a collaboration project with the other Councils in South West Wales.
- 3.11. Kingsbridge Link: The delivery of the Kingsbridge Cycle Link will provide an off-road connection for the communities of Kingsbridge, Gorseinon and Grovesend to the National Cycle Network Route 4. This link is considered to be the most evident missing link in the strategic walking & cycling network within the City & County of Swansea, and would connect a substantial population to the benefits of the existing National Cycle Network Route 4. The proposed 1.4km route would link with an existing 4.9km section in the north, which links Kingsbridge, Gorseinon and Grovesend. At its southern point it would connect with National Cycle Network Route 4, which runs for a great distance to many onward destinations such as Swansea, Llanelli and Port Talbot.
- 3.12. This funding will be used to fund the delivery of the first phase of scheme, linking NCN4 and Gowerton Station to Fairwood Terrace. Whilst these capital works are delivered, a separate workstream will secure the land required to deliver the project, such that it will be in a state of readiness for construction in the following financial year.
- 3.13. Swansea Urban Connections: The additional funding given for this project will be used to service two principal improvements before the end of the financial year (2017/18). These are:
- 3.14. *Cwm Road Shared Use Path*: This project will provide a 1.2km shared use path for pedestrians and cyclists travelling between Llangyfelach Road and Morfa Road via Cwm Road and New Cut Road. This will connect existing provisions at either end of the route, and allow pedestrians and cyclists to bypass the busy Dyfatty junction.
- 3.15. *Mill Street Junction*: Improvements will be made at this junction to benefit pedestrian and cycle crossing and local traffic management. National Cycle Network Route 4 crosses this junction, providing an important point of connectivity for those travelling from or via Gowerton to Swansea City Centre and many other destinations on the National Cycle Network.
- 3.16. These improvements will include upgrades to the telematics equipment as well as the addition of an extra lane for southbound traffic from Victoria Road to encourage better traffic distribution and capacity at this junction.

4. Equality and Engagement Implications

- 4.1. Equality Impact Assessments will be undertaken in line with the Council's Legislative duties.
- 4.2. All schemes will be designed in accordance with the national design guidance and will be compliant with the Equality Act 2010.

5. Financial Implications

5.1 Baldwins Bridge Interchange (see Appendix A):

The scheme is comprised of two distinct bodies of work.

- Detailed Business Case: This is estimated to cost £70,000, which is wholly funded by LTF.
- Baldwins Bridge Detailed Design: This is estimated to cost £471,000 and will be wholly funded by LTF.

5.2 Links to NCN – Orchard Street SUP (see Appendix B):

The scheme will deliver shared use path enhancements between Kingsway Circle and High Street Station; with some improvements to walking and cycling infrastructure also being targeted to the area between High Street Station and Dyfatty Junction. The estimated cost of these works is: £364,000.

5.3 Strategic Bus Corridors (see Appendix C):

The scheme will deliver two principle elements.

- High Street Station Interchange improvements: This scheme will seek to improve interchange between bus and rail at High Street Station. This will involve the relocation of one of the bus stops to create a simplified arrangement for bus stops, enhanced electronic and intelligent information provision for bus and rail and improved routes through this area for those travelling by bicycle. Estimated cost: £110,000.
- South West Wales Metro Concept: This scheme will provide a means to enable consultancy resource to be employed to develop an outline concept for 'Metro for South West Wales'. This report will be prepared in partnership with the other Local Authorities in South West Wales, Carmarthenshire County Council, Neath Port Talbot County Borough Council and Pembrokeshire County Council. The four Councils will develop this concept under the banner of the Swansea Bay City Region. Estimated Cost: £115,000.

5.4 The allocation has been made to meet 93% of the total scheme cost. The City & County of Swansea will therefore contribute £9,000 as a match fund contribution. This will therefore be registered against the £110,000 expenditure at High Street Station as per the proposal contained in the original funding bid.

5.5 Kingsbridge Link (see Appendix C):

The scheme will deliver two elements.

- Phase 1 of the scheme, linking Gowerton Railway Station to Fairwood Terrace by means of a shared use path: £73k
- Purchase of land for future phases of the scheme: £10k*

*Please note these funds are accrued from 2016/17.

5.6 Active Travel Mapping (see Appendix D)

£18k has been allocated to meeting the requirements of the Active Travel Act. This scheme is wholly funded by LTF.

- 5.7 Swansea Urban Connections (see Appendix E)
£200k is allocated for two bodies of work.
- Cwm Road Shared Use Path – £120k
 - Mill Street Junction Improvements - £70k
- 5.8 Claims are to be made to the Welsh Government on a quarterly basis. The grant must be claimed in full by 31 March 2018 otherwise it will be lost.
- 5.9 Any revenue costs arising from capital schemes will be met by existing revenue budgets.
- 6. Legal Implications**
- 6.1. The grant funding will contain terms and conditions which are legally binding. The Council will need to ensure that it is able to comply with the same.
- 6.2. All works and services required to deliver the schemes must be procured in accordance with the Council's Contract Procedure Rules and European procurement legislation as appropriate.

Background Papers: Local Transport Fund Bid Documents

Appendices:

- Appendix A – Baldwins Bridge Interchange Financial Summary
- Appendix B – Links to NCN Financial Summary
- Appendix C – Strategic Bus Corridors Financial Summary
- Appendix D – Kingsbridge Link
- Appendix E – Active Travel Mapping Financial Summary
- Appendix F – Swansea Urban Connections Financial Summary

APPENDIX A – BALDWINS BRIDGE INTERCHANGE FINANCIAL SUMMARY

Portfolio: PLACE
Service : HIGHWAYS
Scheme : LTF - BALDWINS BRIDGE INTERCHANGE

<u>1. CAPITAL COSTS</u>	2017/18 £'000				TOTAL £'000
<u>Expenditure</u>					
Baldwins Bridge Business Case	187				187
Baldwins Bridge Design Development Fee	284 70				284 70
EXPENDITURE	541				541
<u>Financing</u>					
LTF grant	541				541
FINANCING	541				541

<u>2. REVENUE COSTS</u>	2017/18 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
Maintenance	) To be met from existing budgets				0
Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

APPENDIX B – LINKS TO NCN FINANCIAL SUMMARY

Portfolio: PLACE
Service : HIGHWAYS
Scheme : LTF – LINKS TO NCN

<u>1. CAPITAL COSTS</u>	2017/18 £'000				TOTAL £'000
<u>Expenditure</u>					
Works	326				326
Fees	37				37
EXPENDITURE	364				364
<u>Financing</u>					
LTF grant	364				364
FINANCING	364				364

<u>2. REVENUE COSTS</u>	2017/18 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
	) To be met from existing budgets				0
Maintenance	)				0
Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

APPENDIX C – STRATEGIC BUS CORRIDORS FINANCIAL SUMMARY

Portfolio: PLACE

Service : HIGHWAYS

Scheme : LTF – STRATEGIC BUS CORRIDORS

<u>1. CAPITAL COSTS</u>	2017/18 £'000				TOTAL £'000
<u>Expenditure</u>					
High Street Station Interchange Improvements	110				110
South West Wales Metro Concept	115				115
EXPENDITURE	225				225
<u>Financing</u>					
LTF grant	115				115
CCS Match Funding	110				110
FINANCING	115				115

<u>2. REVENUE COSTS</u>	2017/18 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
	) To be met from existing budgets				0
Maintenance Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

**APPENDIX D – KINGSBRIDGE LINK
FINANCIAL SUMMARY**

Portfolio: PLACE
Service : HIGHWAYS
Scheme : LTF – KINGSBRIDGE LINK

<u>1. CAPITAL COSTS</u>	2016/17 £'000	2017/18 £'000	2018/19 £'000s		TOTAL £'000
<u>Expenditure</u>					
Works	65				65
Fees	18				18
EXPENDITURE	83				83
<u>Financing</u>					
LTF grant	83				83
FINANCING	83	0	0		83

<u>2. REVENUE COSTS</u>	2016/17 £'000	2017/18 £'000			FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
Maintenance	) To be met from existing budgets				0
Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

APPENDIX E – ACTIVE TRAVEL MAPPING FINANCIAL SUMMARY

Portfolio: PLACE

Service : HIGHWAYS

Scheme : LTF – ACTIVE TRAVEL MAPPING

<u>1. CAPITAL COSTS</u>	2017/18 £'000				TOTAL £'000
<u>Expenditure</u>					
Active Travel Mapping	18				18
EXPENDITURE	18	0	0	0	18
<u>Financing</u>					
LTF grant	18				18
FINANCING	18	0	0	0	18

<u>2. REVENUE COSTS</u>	2017/18 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
	) To be met from existing budgets				0
Maintenance	)				0
Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

APPENDIX F – SWANSEA URBAN CONNECITONS FINANCIAL SUMMARY

Portfolio: PLACE

Service : HIGHWAYS

Scheme : LTF – SWANSEA URBAN CONNECTIONS

<u>1. CAPITAL COSTS</u>	2017/18 £'000				TOTAL £'000
<u>Expenditure</u>					
Cwm Road Shared Use Path	120				120
Mill Street Junction Improvements	70				70
Fees	10				10
EXPENDITURE	200	0	0	0	200
<u>Financing</u>					
LTF grant	200				200
FINANCING	200	0	0	0	200

<u>2. REVENUE COSTS</u>	2017/18 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
	) To be met from existing budgets				0
Maintenance Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

Agenda Item 18.



Report of the Cabinet Member for Environment Services

Cabinet - 15 February 2018

Highways and Transportation Commissioning Review

Purpose:	To report the findings of the H&T Commissioning Review and update members on progress
Policy Framework:	Sustainable Swansea – Fit For The Future
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: 1) The recommended operating model be approved; 2) Progress on developing the strategic approach to transport is endorsed; 3) Progress on achieving financial savings is noted.
Report Author:	Stuart Davies
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1. Background

- 1.1 The Highways and Transportation Commissioning Review was undertaken between June 2016 and January 2017. Further work was then requested on the strategic models and the need to consider the cross cutting review of transport which has impacts beyond the Highways and Transportation Service.
- 1.2 Considerable progress has been achieved since June 2016 with significant budget savings identified in the commissioning review having been accepted in the 2017/18 and currently being considered in the 2018/19 budget process.

1.3 The commissioning report has remained largely unchanged since January 2017 and this note provides a summary of progress relating to the commissioning report outcomes and cross cutting review.

2. Progress And Further Works

2.1 Since January 2017, the following matters have progressed:

- A Transport Steering Group has been established to ensure a robust corporate approach to all transportation matters for the Council;
- The Integrated Transport Unit has been created, with a manager having been appointed and staff transferred into the structure;
- Transport policy and strategy has been added to the Policy Development and Delivery Committee (PDDC) programme with an initial presentation given to the committee to provide an insight into the policy approaches and tensions;
- The budget process has agreed savings targets and budgetary proposals identified in this commissioning report for 2017-18 and 18-19 (subject to consultation). Members also considered the adverse measures within the report and opted not to implement these.
- A review of transport policy and delivery has been agreed and this is currently being scoped (see below) This also includes a cross cutting savings target of £2m linked to the wider discretionary transport costs incurred by the authority.
- An approach to electric vehicles (EV) for the Council and a strategy for the City and wider region is being developed. This will link strongly with the development of an energy strategy for the Council.
- Funding has been secured through the Local Transport Fund in 2017/18 to develop the concept of a Metro system to serve the City and the wider region. This work is being carried out in partnership with the three other authorities in the region.
- The Welsh Government has expressed a clear desire to see transport policy being developed on a regional footprint. This will be considered by the Regional Transport Directors Group and Regional Transport Forum and may lead to the need to formally constitute a regional transport structure.

2.2 It is proposed that the Transportation Cross Cutting Review will be delivered via the Transport Steering Group as many of these policies (and responsibility for associated finances) will sit within distinct directorates. This review will include all policies which impact upon transportation and will consider how we deliver both discretionary and statutory transport services in the future.

2.3 Whilst the programme scope and resource requirements are yet to be determined, it is anticipated that the programme will require some resources (e.g. specialist external consultancy) for specific work streams.

Consideration is currently being given corporately as to how these cross cutting reviews build in member engagement as part of the member led approach so all policies are “co-produced”.

- 2.4 The need for an additional policy support officer has also been identified in the commissioning review and this has been considered and agreed as part of the service improvement options in the budget process. This is critical to ensure there is adequate capacity to be able to respond to the increasing demands at a local and regional level.

3. Findings Of The Commissioning Review

- 3.1 Highways and Transportation already deliver services under a ‘hybrid’ operating model. That is, some services are delivered by our own staff, some are outsourced to ensure best value and some of our own services are sold to the private sector.
- 3.2 The Transformed Hybrid model clearly came out on top for all services in this review and is recommended as the adopted model.
- 3.3 A savings target of £1.1m was agreed for the 2017/18 budget year via the Budget Challenge process. The proposals underpinning that target were all established as part of this review.
- 3.4 Further savings proposals of £790k for the 2018/19 budget have been proposed as part of the current budget process (subject to consultation).
- 3.5 Further opportunities for savings do exist but some will only be deliverable if;
a) they align to the desired strategic direction; and
b) they are addressed as part of a wider ‘cross cutting review’.

As previously stated, to address this, the strategic work has been submitted to the PDDC programme and a Transportation Cross Cutting Review is being scoped.

- 3.5 The need to increase capital investment in the Highways infrastructure to prevent asset deterioration has been identified in the commissioning report and this has been highlighted in the proposals for the capital expenditure.

4. Equality And Engagement Implications

Any proposals developed and delivered as part of future works (via budget challenge, PDDC or cross cutting reviews) will be appropriately screened and/or consulted upon.

5. HR Implications

There are no specific additional legal implications as a result of this report. Any changes to workforce levels or terms and conditions will be dealt with in accordance with normal Council policies and procedures.

6. Financial Implications

All financial decisions have, or are now being pursued via alternative channels. This report does not therefore ask members to commit to any further financial commitments.

7. Legal Implications

There are no specific additional legal implications as a result of this report. Any changes to service delivery will be carried out in compliance with current legal requirements.

Background Papers:

Commissioning report for H&T

Appendices 1 -13

Table of Savings agreed from Commissioning report which have been taken from 2017/18 budgets

Appendices:

None



Commissioning Review Option Appraisal Report Highways and Transportation

Cabinet - 15 February 2018



Commissioning Review Option Appraisal Report Highways and Transportation

Business Performance Review Group 31st January 2017

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9. Legal Implications
10. Equality Impact Assessment
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1.0 PURPOSE OF REPORT

1.1 This report is presented as a summary of the works done to assess the delivery of services within Highways and Transportation, the consideration of the best paths forward and an associated set of recommendations.

Its purpose is to inform Business Performance Review Group (BPRG) of progress and to seek support on the approach and recommendations to deliver the most viable future service option.

1.2 If support is provided, the proposals will be taken to Scrutiny (13th Feb 2017) and Cabinet (16th Feb 2017).

2.0 THE REVIEW SO FAR

2.1 Scope

Almost all services within Highways and Transportation were deemed to be in scope. These are:

- Highways Maintenance
- Construction and Engineering
- Traffic and Network Management
- Transportation
- Central Transport Unit
- Marina and Maritime Quarter
- Finance, Purchasing and Stores*
- Support Services
- Emerging Integrated Transport Unit (ITU)

Not in scope are:

All Wales Road Casualty Reduction Partnership

* NB: Whilst the Finance, Purchasing and Stores unit is considered to be 'in scope' it is largely a support service for the Highways Maintenance and Construction elements of the service and is already being reviewed as part of the Business Support review. For these reasons, any recommendations relating to this Unit will be drawn out and presented via other clusters.

2.2 Outcomes

The future outcomes identified and approved at Project Gateway one are as follows:

Outcome 1: Well-managed and maintained Authority Assets including a Highway Network that supports the local economy and regional links.

Outcome 2: A safe network where all road users are protected and options are available for all transport modes, including sustainable travel.

Outcome 3: Creating a positive, sustainable and safe place in which people travel, work and live.

Outcome 4: To minimise the cost of service provision

2.3 Emerging Key Issues From Stage 2

The emerging key issues identified at Stage 2 of the review were:

- i) Timing and the difficulty in freeing operational staff for the review during the busy summer period has been overcome by an extension to the delivery date.
- ii) Member and Public expectations of the service are difficult to manage. It is not possible to provide the same level of service across many functions against a background of austerity, ageing assets and decreasing budgets. There are already elements of our services which have very little funding e.g. maintenance and cleaning of bus shelters which the public expect the Council to deliver.
- iii) For the Highways element of the service, the budgetary pressures are exacerbated by the increase in heavier traffic on local roads and the increase in extreme weather events.
- iv) The maintenance backlog is estimated at £131m in the 2010/15 asset management plan.
- v) Many of the fee earning services, which help support the delivery of statutory duties, are indirectly dependent upon European, National or Welsh Government funding which underpins local regeneration programmes.
- vi) The impact of recommendations emerging from this review will need to be considered in line with our duties under the Equality Act and the Future Generations and Well Being Act. This has not yet been done.
- vii) Any proposed reduction or cessation of services resulting from this review should also be considered in line with corporate priorities and the Council's Prevention Strategy and other cross cutting initiatives (e.g. Accessibility For All; Active Travel Act, Destination Management etc.). There is significant risk that service reduction serves to pass-on cost to other areas of the authority.

3.0 STAGE 3 -SERVICE REVIEWS

Whilst all services were reviewed individually, to enable more efficient consideration and play back of the findings some services have been 'clustered'.

This does not impact upon the outcome.

Services are reviewed as:

3.1 Cluster 1: Marina and Maritime Services (Service);

3.2 Cluster 2: Central Transport Unit (Service);

3.3 Cluster 3: Traffic & Network Management and Transportation (Cluster);

3.4 Cluster 4: Highways Maintenance and Construction Services (Cluster);

In addition it is appropriate to reference the creation of the Integrated Transport Unit (ITU) which is shown at;

3.5 Integrated Transport Unit

For the Stage 3 Service Review regardless of any grouping (or otherwise) each service is presented in terms of:-

- A broad service overview;
- Good practice identified;
- How the service is currently delivered;
- How the service compares and benchmarks with others;
- (Improvement) Options available to the service

3.1 CLUSTER 1: MARINA AND MARITIME SERVICES

3.1.1 Overview

The service is currently a hybrid set up. Day to day running of the facility is carried out in house. Around 80% of major proactive & reactive maintenance works are carried out by specialist external contractors. Works contracted out are managed by in house technical and / or operational services.

The business operates 7 days a week, 15 hours per day.
The 3 main departments are:

- Marina
- Boat Yard
- River Tawe Barrage

3.1.2 Good Practice Identified:

Lean business structure, with staff numbers reduced from 18 to 14 over the last 5 years. Within the 14 staff, there is 1 Marina Manager and 1 Assistant Marina Manager who jointly provide 7 day managerial and also operational cover. Staff are multi skilled and can be moved between departments to meet customer demand as necessary.

Other examples of good practice include:

- High customer service satisfaction levels noted during latest customer survey.
- Profitable areas of the business fund unavoidable statutory obligations.
- Accredited with Blue Flag 2016.
- Accredited with Trip Advisor Certificate of Excellence 2016.

3.1.3 Service Comparison

The characteristics of installations such as Swansea Marina and the River Tawe Barrage are tailored to the nature of their local environment, making direct comparison challenging.

The nearest analogous facility is Cardiff Bay, which has a local authority owned and operated Barrage, and a private sector owned and operated Marina. The Cardiff Bay Barrage is now an unavoidable cost to Cardiff Council, with little opportunity to mitigate these costs as Penarth Marina is private sector.

In Swansea, all operational and maintenance costs for the Tawe Barrage are funded by profits from the Marina and Boat Yard operations.

Location	Facilities	Private / Local Authority	Locked or Tidal	Access	No of Staff
Swansea Marina & Tawe Barrage	550 Moorings Boatyard 75 Spaces 1 Barrage Lock & Sluices 1 Marina Lock 2 Swing Bridges	Local Authority	Locked	15 hrs per day	14
Cardiff Barrage	20 Visitor Moorings Boatyard 15 Spaces 3 Barrage Locks & sluices 1 Swing Bridge	Local Authority	Locked	24hrs	23
Penarth Marina	340 Moorings Boatyard 30 Spaces 1 Marina Lock 1 Swingbridge	Privately Owned	Locked	24hrs	10

3.1.4 Business Models (Comparisons and alternative Delivery)

A review of 5 local marina operations was carried out. This revealed a mixture of privately owned and operated and local authority owned and operated.

Profitable Marinas with no statutory obligations tend to be privately owned.

Cardiff is split between the local authority owning and operating the statutory Cardiff Bay Barrage (which is an unavoidable cost to Cardiff Council), whilst two profitable marinas based in Cardiff Bay are privately owned.

Burry Port Marina is owned and operated by the local authority however it requires financial support to remain a viable operation due to various environmental factors.

3.1.5 Benchmarking Comparisons (the Statistics)

Marina Fees & Charges

Swansea Marina charges are annually benchmarked against all local Marina operators. In addition the following are also considered:

- Current mooring occupancy levels
- Advantages & disadvantages with competitors

Marina and Type of facility	Owner-ship	Access	Hours	No of staff	Annual Rate per metre	Night rate per metre	Barrage Fee
Swansea Marina & Barrage 550 moorings 75 boatyard spaces 1 Barrage Lock & Sluices, 1 Marina lock, 2 swingbridges	Local Auth.	Lock	15 hrs per day	14	£ 234	£ 2.41	£ 200
Cardiff Barrage 20 visitor moorings 15 Boatyard spaces 3 Barrage locks & sluices 1 Swingbridge	Local Auth,	Lock	24hr	23	No annual moors	£26 p/boat p/day	£0.00
Penarth Marina 340 Moorings 30 Boatyard spaces 1 Marina Lock 1 Swingbridge	Private	Lock	24hr	10	£ 301	£ 2.70	£0.00
Cardiff Marina 350 Moorings 150 Boatyard spaces No Managed Lock No Swingbridge Marine Engineering Service	Private	Lock at barrage	24hr	22	£ 250	£ 2.50	£0.00
Burry Port Harbour 300 Moorings only No Boatyard, No swingbridge	Local Auth.	Tidal Gate	2hrs around HW	2	£ 146	£ 1.80	N/A
Neyland Marina 210 Moorings Upper basin	Private	Tidal	3 - 4hrs around HW		£ 235	£ 2.30	N/A
Neyland Marina 210 Moorings Lower basin (Head Officee staff excl.) No Boatyard, No Swingbridge	Local Auth.	Tidal	24hr	8	£ 330	£ 2.95	N/A

3.1.6 Financial Comparisons (Budgets)

The Operational Units manage and control budgets as shown below:

Marina Outturn			
2010/11 to 2015/16			
	Adj1		
	Income	Expenditure	(Surplus)/Deficit
	£	£	£
2010/11	-1,108,423.63	1,126,334.43	17,910.80
2011/12	-1,010,018.61	1,021,715.04	11,696.43
2012/13	-1,045,662.19	1,046,858.53	1,196.34
2013/14	-1,116,909.51	1,098,005.31	-18,904.20
2014/15	-1,048,482.83	974,551.97	-73,930.86
2015/16	-1,100,601.23	1,023,129.90	-77,471.33
	-6,430,098.00	6,290,595.18	-139,502.82

Marina expenditure figures include significant non Marina operation costs. They relate to the River Tawe Barrage and its associated infrastructure. These costs include the staffing, maintenance, running costs and capital projects associated with the Sea Lock, the Barrage structure, the Trafalgar Bridge moving spans, the River Tawe Aeration System, and the Port Tawe Storm Water Pumping Station.

3.1.7 Customer Satisfaction and Stakeholder Engagement

Customers are regularly surveyed on a wide range of topics relating to the Marina operation. Below are the key results from the most recent customer survey:

- Value for Money – Results from our most recent customer questionnaire indicate that 93% of customers rate this as being good or acceptable.
- Overall Service - Results from our most recent customer questionnaire indicate that 83% of customers rate this as being good.

3.1.8 Conclusion on Current Service Provision

Customer feedback has shown that Swansea Marina is currently providing a value for money facility with good customer service. Fees and charges are comparable to other local Marina's. Swansea Marina and its Boat Yard are profitable, and surpluses are used to finance the statutory Tawe Barrage which would otherwise be an unavoidable cost to the Authority.

3.1.9 Options Evaluated

Option 1 - Rent Out Office Space – There is currently a generator room on the ground floor of the Marina Office. The generator was used to power the Marina Lock gates in the event of mains failure. Since the construction of the Tawe Barrage, the Marina is no longer tidal

so the generator is not required. The generator could be removed and sold, and the space rented out after minor building works to make the room useable as an office.

Option 2 - Install Petrol Pump – Between 15% - 20% of moorings at Swansea Marina are unoccupied, with the majority being small day boat moorings. On site boat brokers claim boat sales into Swansea are lost as there is no provision to supply petrol. They state that as it is illegal to fill more than 10 litres in cans at a service station, many customers buying small petrol boats at Swansea are referred to Penarth or Neyland Marinas.

Option 3 - Increase Large Boat Mooring Fees – Moorings for vessels 12.8m or over are currently in high demand. Boat yard storage space is limited and our lifting equipment is not capable of lifting some of the larger craft due to their weight. Larger craft tend to congest the locks during busy periods and produce more waste that is disposed of through our facilities. It may be possible to introduce a large boat premium in order to recover some of the additional costs associated with craft of this size.

Option 4 - Electronic Contracts – Swansea Marina currently posts out customer contracts. If contracts were to be sent to customers electronically, there would be a saving on postage and stationary costs.

Option 5 - Utilise Boat Yard for Caravan / Motorhome Parking – During the summer months, the boat yard tends to empty of boats as customers wish to use them during the good weather. The boat yard is equipped with fresh water supplies and electricity hook-ups. If an area of the boat yard was to be segregated and a new access gate fitted, it would be possible to offer pitches for motorhomes and caravans during the summer months in order to maximise boat yard income.

Option 6 - Chargeable Wifi – Swansea Marina currently offers wifi to its customers free of charge. If the wifi coverage and connection speed were to be improved, it may be possible to consider charging for this service.

3.1.10 Key Findings Of Options Evaluated

During the commissioning workshop, options 1 – 4 were considered and the group agreed that these options should be pursued so additional income and savings can be realised at little or no cost to the Authority.

Option 5 should be investigated further to ensure that compliance with any relevant legislation and industry guidelines can be achieved with little or no cost to the Authority. If investigations return a positive result, alterations to the boat yard layout should be made to allow storage of caravans and motorhomes in order to maximise off peak boat yard income.

With the advent of high speed 4G mobile broadband, wifi access is becoming less of a necessity. Even if the coverage and speed were to be improved, charging for wifi as per option 6 is not likely to be well received, particularly when other businesses ranging from hotels to fast food restaurants offer free wifi, as do other local Marina's.

3.1.11 Service Changes Proposed

Options 1 – 5 above should be considered for immediate investigation or implementation as appropriate. Option 6 is likely to be a cost to the authority with little or no benefit, so it is recommended that the cost free arrangements (to the authority and customer) with the current provider remain in place for the time being.

3.1.12 Estimated Benefits

Ref.	Proposal	Value	Year	Explanation
MAR1	Rent out office space. Convert old generator room into office space and let to small business in the Marina	5,000	18/19	Potential for an additional on-site marine related business, more contractor choice for Marina Customers. Requires £10k Capital investment to return £5k p/a
MAR2	Install Petrol Pump in the Marina	15,000	18/19	Return on fuel is minimal but selling Petrol on-site (often the fuel for smaller craft) should increase occupancy rates. Requires £15k Capital investment which should repay in 2 years. Year 3 difference potentially £15k additional income
MAR3	Increase large boat mooring fees in the Marina	5,000	17/18	A small increase may be absorbed by the market, generating an addition £5k p/a
MAR4	Investigate potential use of Boatyard for Caravan / Motorhome Parking (Urban Camping)	5,000	18/19	Would require circa £10k Capital investment to return £5k p/a. Increased tourism in Marina and Swansea City Centre.
MAR5	Increased Income Marina	£25,000	17/18	
MAR6	Move to electronic management and issue of contracts	£1,000	17/18	Could save circa £1k p/a and also improve the service to the customer

3.1.13 Key Risks

- The spend to save initiatives (Options 1, 2 and 5) may not realise their predicted income levels.
- Careful consideration should be given to the level of increase in mooring fees for large boats (option 3). If the large boat premium is set at too high a level, it is possible that we may experience a loss of large boat custom.
- Mixed use of the boat yard (option 4) may be viewed negatively by some Marina customers, leading to a possible loss of custom.

3.2 CLUSTER 2: CENTRAL TRANSPORT UNIT

3.2.1 Overview

The Central Transport Unit (CTU) acts as the principal 'one stop shop' for corporate users of the Authority's vehicles. It procures, supports and maintains a fleet of over 700 vehicles, and provides the necessary ancillary services to over 100 different user sections.

The service currently adopts a 'Hybrid' service delivery model, with approximately 75% of its 'discretionary' spend delivered by in-house teams, and the remaining 25% provided by sub-contractors, directly commissioned by CTU.

Services are provided by 33 staff in total with additional support from the Council's corporate services (hr, procurement etc). The unit has three distinct service delivery areas, (outlined below) but operates holistically, as each area is reliant on the other, to ensure vehicle availability for the end user.

Fleet Management consists of 9 staff and provides

- technical, legal and operational fleet expertise,
- specifying and acquiring all of the Authority's vehicles.
- fleet administration support services including short term vehicle hire desk, telematics, accident repair management and finance
- driver training services
- Operator's Licence management and governance
- fleet 'Road Risk' advice and support
- asset disposal

Fleet Maintenance consists of 24 staff and provides

- maintenance, safety inspections, tyres and servicing for over 550 vehicles across 75 different manufacturer/model combinations
- approximately 1500 roadworthiness tests for hackney and private hire vehicles, in conjunction with the Authority's Licensing section
- light plant repairs
- assisted car purchase 'condition' inspections for staff

Fuel Services provide

- the issue of approx. 1.9 million litres of vehicles fuels across 5 'bunkered fuel' sites
- fuel stock management and recharge administration

3.2.2 Good Practice Identified:

- currently rated "*Green 00*" by the Driver and Vehicles Standards Agency under its Operator Licence Compliance Rating Score (OCRS) mechanism, the highest possible score
- ISO9001 accredited
- has "good" customer satisfaction (APSE Review 2015)
- has exceeded budgeted over-recovery requirements for last 5 years
- has favourable benchmark results with competitors and other local authorities
- the APSE Review 2015 concluded "*the fleet is generally well run ... the service provided to users is good and in recent years has been continually improving*"

3.2.3 Performance Comparison

CTU was recently reviewed by APSE, prior to the commissioning reviews, as a pre-cursor to the recommendations for the Depot Review project. This review focussed on the unit's overall efficiency, and on the viability of investing in the relocation of the unit from its current Pipehouse Wharf Depot facility.

The consultants' key findings included

- *“the existing methodology of running the fleet as effectively an internal leasing company is the correct model to adopt”*
- *“CTU administration and workshop personnel are performing well”*
- *“users are pleased with the service that they receive ... and in the main, they are also happy with pricing and quality of workmanship”*
- *“we were unable to find the level of management information that we would expect”*
- *“the current standard retention period of 7 years is not appropriate for all vehicles”*
- *“the council should move forward with its plan to relocate to new premises and allow the internal workshop the opportunity to continue maintaining its entire fleet, but on a commercial basis”*

The consultants identified potential savings of £400,000 as a result of this review and a subsequent 14 point action plan has been established in response. This is attached as Appendix 2.

3.2.4 Business Models Comparison

The majority of Welsh local authorities operate in-house fleet teams, predominantly as variations of the 'Hybrid' operational model, for example

- Anglesey fleet vehicles are provided with the supplier undertaking all maintenance as part of the contract.
- Caerphilly have recently engaged a private sector provider for a 'managed service', where the local authority seeks to act as the maintenance provider to the vehicle supplier
- Flintshire have entered into a contract with a third party 'master vendor' to take over responsibility for the local authority vehicle workshops

Certain smaller local authorities have 'outsourced' all fleet requirements, including Harrow BC engaged in a partnership arrangement with Fraikin at their fleet site and Taunton BC using BT Fleet for all their vehicle requirements

Arms-length or TECKAL companies are rare in local authority fleet operations, however Cornwall and Nottingham have recently established (July 2016) a joint company to deliver both fleet and highways services over a 10 year contract.

Bridgend CBC are currently working in partnership with the South Wales Police at a shared workshop facility in Bridgend.

It should be recognised that the provision of fleet services however, is delivered by grouping the constituent supply elements to meet the end user's requirement and that many of these elements can be provided by the private sector. Whereas elements such as road fund licence, vehicle insurance and the initial provision of the vehicles themselves have supply channels that cannot be provided in-house, there are elements of fleet services that have these options. These 'discretionary' spends accounted for approximately £2.56m in 2015/16 and include

- vehicle service, repair and maintenance
- tyres
- stores
- taxi testing
- fleet and workshop administrative support
- MOTs
- accident damage repair and management
- driver training
- driver hours compliance analysis

The market for these goods and services is relatively mature, both locally and nationally, although they can become constricted, the more specialist the vehicle requirements become. As noted earlier, CTU already commissions 25% of this discretionary spend through private sector providers.

It is vital to recognise that the comparison of business models for fleet services must take into account implications for the Authority's Operator's Licence. This 'O' Licence governs the legal entitlement to operate vehicles over 3500kg, with CTU acting as the 'custodian' of the licence. It is a highly regulated and conditional licence that covers our obligations to

- ensure high standards of vehicle maintenance
- fully comply with drivers' hours regulations
- ensure safe vehicle operational activities (loading, speeding etc.)
- ensure drivers are appropriately qualified

These 'O' licence obligations can never be delegated outside of the Authority, whilst we operate vehicles over 3.5 tonnes (currently 160 on fleet). The regulator, The Traffic Commissioner for Wales, can revoke, suspend or curtail this licence if we contravene any of our undertakings, which would result in the suspension or loss of our corporate capability to directly deliver services requiring vehicles over 3500kg (such as Waste, Highways, Parks and Corporate Building). This statutory obligation invariably requires a resilient, coordinated and robust model to ensure compliance.

3.2.5 Benchmarking Comparisons

CTU managed expenditure of approximately £6.03m on goods and services on behalf of user sections through national frameworks and tenders during 2015/16. This included the supply of vehicles (outright purchase or on contract hire), short term vehicle rental, vehicle fuels and tyres, with vehicle spares supply currently being tendered by the National Procurement Service. This cyclical exposure to competitive tendering is a key driver in establishing value for money for these supply elements.

It is recognised that the in-house service provision elements also require benchmarking/market testing and CTU undertake an annual fleet benchmarking exercise across 10 other Welsh local authorities. Where valid and available, national and private sector comparisons are also regularly made, and the table below outlines the most recent benchmark results.

Benchmark Description	CCoS	Comparator	
HGV MOT Initial Pass Rate	90.84 %	DVSA National Average	80.01%
Fleet Management Costs as % of Overall Fleet service provision *	6.37%	Welsh LA Fleet Average	10.23%
Fleet Maintenance Costs as % of Overall Fleet service provision *	44.54%	Welsh LA Fleet Average	38.82%
Vehicle fitter hourly labour rate *	£47.78	Welsh LA Fleet Average	£38.26
Vehicle fitter hourly labour rate *	£47.78	Private sector suppliers	£40.00 to £62.00
Cost per fitter 2015/16 *	£41891	Welsh LA Fleet Average	£33743
Total 'weighted' fleet size **	2115pts	Welsh LA Fleet Average	1360pts
'Weighted' fleet factor allocation per vehicle fitter	96pts	Welsh LA Fleet Average	113pts
Cost of overall Fleet service provision per 'weighted' point	£2591.21	Welsh LA Fleet Average	£2408.50
Daily workshop opening hours (Mon – Fri)	13 hours	Welsh LA Fleet Average	13 hours

* Figures reflect the recent impact of the CTU fitter Pay and Grading appeal.

** This 'weighting' measure allows the comparison of size and complexity of fleets by assigning weighted factors to vehicle classes, for example a small van = 1 point, a 26 tonne refuse collection vehicle = 12 points

Generally, CTU is exceeding or matching the benchmark averages, although fleet maintenance costs are recognised as high, as identified by the APSE Review. The majority of the scheduled fleet renewal programme has been suspended for over 2 years due to uncertainty with regard to budget reductions and the impact on the services who ultimately require vehicles. This postponement has resulted in an ageing fleet profile, with the attendant increased maintenance costs that this attracts.

The recent CTU fitter Pay and Grading appeal has increased labour costs since the APSE review, resulting in an increase of approximately 8.5% over the 2017/18 original labour budget, and a 12% increase on the 2018/19 anticipated costs. The resultant adjustment to

the hourly labour rate therefore does not compare favourably with other local authorities or service providers.

The current condition and utility of the maintenance workshops at Pipehouse Wharf depot are also impinging on the unit's productivity and effectiveness.

3.2.6 Financial Comparisons

The budget provision for CTU in 2016/17 is

Cost Centre	Service Description	Expenditure	Income
26001	Fleet Management	£4,946,600	(£5,259,400)
26002	Fuel	£2,370,200	(£2,433,900)
26003	Fleet Maintenance	£2,456,300	(£2,676,600)
Total		£9,773,100	(£10,369,900)

All three service delivery areas operate as trading accounts, with a full cost recovery approach. Income streams are predominantly derived from internal service users for the hire of vehicles, sale of fuel, elements of recharged maintenance and taxi tests.

Each trading area over-recovered its costs, with the unit over-recovering by 6.39% in 2015/16

3.2.7 Customer Satisfaction and Stakeholder Engagement

Consultants undertook key service user/stakeholder interviews as part of the APSE Review in 2015.

The majority of the comments received were favourable, with a clear inclination to rate the services provided as "good". This included the quality of workmanship, flexibility and prioritisation, compliance management, communication and trust, technical support, vehicle specification and legislation. Improved vehicle repair times were also noted.

Certain aspects of service delivery received less favourable comments including the high amount of recharge work, tenuous reasoning and resultant internal disputes. Vans were considered as being cheaper in the 'commercial' market and service frequencies would be preferred as being more mileage based (as opposed to current time based), for example.

A survey of the 330 drivers, who undertook 35 hours training each as part of the vocational Driver CPC programme designed, commissioned and managed by CTU in 2015, indicated that 96.6% of attendees rated the overall training as 'Excellent to Good'.

Forums have taken place in 2015 with Education establishments to address fleet risk issues, minibuses and maintenance. User groups are held when specifying new vehicles and senior management within the unit actively engage with stakeholders on a daily basis.

No formal complaints have been received with regard to the service in the last 5 years.

Feedback from the commissioning workshop included a request to review the operating hours of the service to consider whether it was possible to undertake more maintenance and repair works outside service operating hours.

3.2.8 Conclusion on Current Service Provision

The Central Transport Unit provides an effective and continually improving support service to users of the Authority's vehicles. Its holistic approach has been endorsed by the APSE Review consultants, and its current hybrid model of service delivery balances options for alternative service provision. The high DVSA/OCRS rating evidences robust compliance, whereas the derived nature of its service provision (aligned with issues relating to its workshop facilities and the ageing fleet profile) is impacting on overall service costs.

3.2.9 Options Evaluated and Key Findings

Many of the options evaluated were included in the APSE Review action plan, but have now been brought into the commissioning review process and were presented as opportunities in the Stage 4 Workshops.

- Maintenance facilities – opportunity to rationalise existing workshops but dependent on Depot Review and other commissioning review outcomes (Parks and Waste)
- 'Spot hired' vehicles – opportunity to reduce costs by replacing expensive 'spot hire' with cheaper fleet vehicles, particularly on light commercial. Also generates income for fleet maintenance. Replacement dependant on user "known" commitment.
- Vehicle fuel usage – opportunity to reduce costs by reducing engine idling, improving driving behaviours, improved vehicle utilisation, adopting supporting technologies and improved monitoring
- Income generation – opportunity to establish own MOT test station for in-house and commercial provision, actively marketing services to schools, consider other public sector fleet opportunities and reducing third party spends
- Vehicle telematics – opportunity to expand 'tracker' technology to whole fleet to drive efficiencies, utilisation, improved risk management and reputation, reducing costs.
- Fleet management information – requirement to review and enhance existing ICT and support systems to improve fleet management capability to identify and address cost/trend issues.
- CTU staff skill set, processes and structure – requirement to review staff and structure to improve skill sets, systems thinking adoption for support processes for leaner support service provision. Transition to paperless where applicable (link to increased use of ICT as above)
- CTU/Highways stores service provision – requirement to review existing arrangements including staffing structure, hours of operation, flexible staffing approach in conjunction with Highways Clydach, improved inventory management including greater use of third party 'managed service' provision, use of technology for issuing and controlling stock (bar code scanners, CCTV for example), refined purchasing approaches and subsequent reduced overheads.

- Fleet acquisition approaches – requirement to refine procurement approaches for more flexible fleet provision options, appraise financing options, whole life costing where relevant
- Vehicle maintenance provision options – requirement to benchmark/market test current in-house provision, consider alternative provider options particularly in light commercial sector. This is currently being considered as part of a 300 vehicle supply tender, where private sector maintenance costs are provided as part of the supply options.
- ‘Avoidable’ vehicle repair costs (damage) – requirement to implement education and governance regimes to reduce vehicle damage costs, and attendant insurance risks.
- Fleet utilisation and demand – requirement to manage demand, ‘audit and challenge’ the use of, and requirement for, vehicles based on mileage and utilisation (link to telematics). “Grey fleet” and pool car mileage issues need consideration.
- Vehicle maintenance regimes and workshop opening hours – The optimum times to carry out vehicle maintenance is when the vehicles are not required by the users and hence there is an opportunity to revise vehicle servicing frequencies for light commercials, introduce standard repair times for basic components, consider extending existing workshop opening hours to undertake more “out of hours” servicing etc., review weekend working arrangements and consider the possibility of introducing a 5 over 7 working week in CTU workshops and extending opening hours to further undertake routine vehicle servicing etc out of hours. This has become a more significant issue since the CTU fitter Pay and Grading appeal and the subsequent cost base increases. The workshop resources will now be required to generate greater productivity and service efficiency to offset unfavourable comparison with benchmarked and alternative providers.

3.2.10 Service Changes Proposed

All options presented at the Stage 4 Workshops were considered as viable and were duly recommended as follows,

- Investigate options to rationalise maintenance facilities
- Implement replacement of ‘spot hired’ with fleet vehicles where user commitment can be identified.
- Implement vehicle fuel usage reduction regimes and supporting systems
- Investigate and realise income generation opportunities
- Investigate increased vehicle telematics opportunities and benefits. Possible invest to save.
- Review and recommend fleet management information systems improvements.
- Review CTU staff skill set and structure. Implement systems thinking for support service processes
- Review CTU/Highways stores service provision.
- Review and refine fleet acquisition approaches

- Implement management regimes to address 'avoidable' vehicle repair costs (damage).
- Undertake cyclical fleet utilisation and demand 'audit and challenge' reviews.
- Revise vehicle servicing frequencies for light commercials and introduce standard repair times for basic components
- Investigate extending existing workshop opening hours to undertake more "out of hours" servicing etc. , review weekend working arrangements/overtime and investigate 5 over 7 working opportunities.
- Review alternative delivery options which have been implemented in other authorities in the UK to consider their potential applicability to Swansea.

3.2.11 Proposed Opportunities and Estimated Benefits

Ref.	Proposal	Value	Year	Explanation
CTU1	Review working arrangements to undertake servicing out of hours and over weekend.	L	17/18	Would be at greater labour cost. Would need consultation. Confidence in delivery Low.
CTU2	Rationalise maintenance facilities	£10,000	18/19	Review and reduce existing maintenance facilities to single location
CTU3	Replace 'spot hired' vehicles with fleet vehicle provision	£50,000	17/18	Replace spot hired vehicles that have a long term requirement with fleet vehicles
CTU4	Reduce vehicle fuel usage	£17,000	17/18	Improve fuel efficiency through monitoring, governance and introduction of supportive technologies. Subject to rollout of 'trackers'. 1% reduction = £17,000
CTU5	Increased income generation	£30,000	18/19	Reduce third party spend on MOTs and 'sale to public' through establishing test station (existing non-achieved saving),
CTU6	Increased income generation	£20,000	17/18	Reduce third party spend on non-specialised sub-contractors and replacing spot hired vehicles
CTU7	Increased income generation	£10,000	17/18	Schools' minibus maintenance currently provided by third parties.
CTU8	Increased income generation	L	18/19	Expand service delivery options to include other public and private sector customers
CTU10	Vehicle maintenance regime review	£20,000	17/18	Revise servicing frequencies for light commercials and introduce standardised repair times for basic components
CTU11	Enhance fleet MI and review staff/process/structure	L	18/19	Improve available fleet management information, staff skill set, section structure and attendant processes to deliver leaner support services
CTU12	Reduce 'avoidable' vehicle repair costs (Damage)	L	17/18	Implement education and governance regimes to reduce vehicle damage costs and attendant insurance costs
CTU13	Undertake cyclical fleet utilisation and demand reviews	L	17/18	Audit and challenge use of, and requirement for, vehicle provision to manage demand (link to telematics)
CTU14	Review CTU/Highways stores provision	£30,000	17/18	Reduce overhead and costs of CTU/Highways stores

CTU16	Revise fleet vehicle acquisition approach	M	17/18	Revise procurement approach to include financing option appraisals and graduated supply contract lengths to provide flexibility for acquisition
CTU17	Review vehicle maintenance provision	L	17/18	Investigate alternative service provision options for light commercial vehicles to secure best value
CTU18	Parts Saving in Fleet Maintenance	£50,000	17/18	Reduced costs due to parts tender. Actual saving unknown until tender has been let.

The above table includes only indicative assessments of financial savings, as specific values cannot be determined until the reviews, or implementation, of the recommendations are undertaken and fully understood.

3.2.12 Key Risks

As a derived support service provider there are a number of key risks for CTU, these include

- Outcome of the Depot Review in terms of Pipehouse Wharf Depot, CTU relocation, Waste team relocation, Social Services Transport section relocation and Home Farm (workshops). All will affect the service delivery design in terms of physical location and timing of any moves.
- Outcomes from other commissioning reviews that result in changes to user sections' operational demands and requirements. Risk of double accounting savings attributable to fleet
- Sufficient existing CTU resource to implement and establish proposals.
- Resistance to change within unit in terms of revised working practices and hours.
- User sections (including schools) expectations, lack of "buy-in" to corporate governance and silo working
- Ongoing ageing fleet profile and lead times for re-implementing postponed fleet renewals programme (link to user section dependencies)

3.3 CLUSTER 3: TRAFFIC & HIGHWAY NETWORK MANAGEMENT AND TRANSPORTATION

3.3.1 Cluster / Service Overview

Two services are reviewed in this cluster: Transportation; and Traffic and Highway Network Management.

Transportation

The Transportation group employs 28 staff and provides services under three primary headings:

Transport Strategy, Transport Operations, Bus Station Management.

As a group, Transportation is responsible for:

- Transport Policy & Planning
- Administration of Concessionary Travel Bus Passes & associated grants
- Administration of Contracted Local Bus and park and ride bus Services
- Administration of home to school transport services
- Funding and support for four Community Transport Schemes and the Wheels 2 Work scheme
- Administration of the Welsh Government's Bus Services Support Grant on behalf of the four South West Wales Local Authorities
- Operational management of Swansea City Bus Station
- Undertaking and analysing traffic surveys
- Monitoring School Transport Contract Compliance
- Compliance with the Active Travel (Wales) Act (2014) and the Wellbeing of Future Generations (Wales) Act (2015)

The group controls a budget spend of £10.8m which is offset by income (including grants) of £7.8m. In addition the group manages the school transport budget of £7.6m which is held by the Education Department

Traffic & Highway Network Management

The 'Network Management' group employs 148 members of staff and provides services via nine operational teams. These are:

Traffic Management, Road Safety, Telematics, Parking Services, Highway Network Management, Development Control, Highway Improvements, Bridges & Structures and Site Supervision

As a group, Traffic and Highway Network Management are responsible for:

- Securing and managing grant funding of capital infrastructure projects
- Discharging the Traffic Manager's role in accordance with the Traffic Management Act
- Highway Authority technical support of the Local Development Plan and Planning applications,

- Transport Assessments and Traffic Modelling
- Urban Traffic Control
- Highway Network Management
- Highway Infrastructure design and managing delivery of capital infrastructure projects
- Procurement and management of Building demolition
- Site Supervision and Project / Contract Management
- Bridge & Highway Structures design and maintenance
- Civil Parking Enforcement, including enforcement of bus lanes
- Management of on and off street car parking
- Management of Park & Ride operations
- Leading on collaborative working with Regeneration projects such as City Centre Regeneration.
- Road Safety Engineering, including Road Accident Investigation and Road Safety Audits.
- Road Safety Education, Training & Publicity, including the delivery of Kerbcraft to school children
- School Crossing Patrol Service.

The group has an operating cost of circa £6.4 million and this is almost entirely off-set by income generated. In 2015/16 the net operating cost was £196,000

3.3.2 Good Practice Identified across the cluster

- Lean Management Structure Three groups merged into one to form Traffic & Highway Network Management Group (saving of two Group Leader posts with greater flexibility to address work pressures across the group).
- Multi skilling of staff to ensure functions are retained despite loss of key personnel.
- High customer satisfaction levels
- Benchmarking comparable if not better than competitors
- Modernisation of equipment to increase productivity and reduce man-hours
- Innovative techniques employed to reduce operating costs and improve transport modelling capability, which has enabled Highways & Transportation to support the LDP process and achieve the necessary s106 contributions from Developers.
- Responsible for maintaining Traffic signal installations and management systems on behalf of Neath Port Talbot County Borough Council (NPTCBC)
- Undertake design and supervision of all refurbishment schemes and all new Traffic signal junctions within NPTCBC
- Undertake Road Safety Audits for other organisations
- Online system recently implemented for selling spare seats on school transport services and replacing lost/ stolen bus passes.
- Camera system introduced for monitoring traffic at road junctions in lieu of reducing staff numbers on the Survey Team.

- Swansea City Bus Station was chosen to pilot the criteria for the proposed Safer Bus Station accreditation being developed by British Parking and the Police and met the required standard in all areas.
- Use of a drone to identify new dedicated cycling and walking routes.

3.3.3 Current Business Model

The vast majority of Welsh Local Authorities operate their Transportation and Traffic & Highway Network Management functions similarly with a predominant proportion of the service being delivered by in-house Officers. This reflects the statutory nature of the work involved and the need for continual interface with the democratic processes.

Transportation

The Transportation group operates under a hybrid operating model. The primary areas covered by the group are strategic transport policy development, and to the planning, procurement, provision and monitoring of public transport services and statutory home to school transport.

In future the Transportation function will be delivered by the Integrated Transport Unit (see section 3.5) which will bring together a number of corporate transportation functions.

Many of the functions of the Transportation Group are statutory and whilst some elements of these services may be contracted out, the duty remains with the local authority.

The service participates in the ATCO national benchmarking survey and the Local Government Data Unit Benchmarking Hub. to ensure that efficiencies are realised through the implementation of better work practices and reduction of staffing levels as appropriate.

Traffic and Highway Network Management Group

The Traffic & Highway Network Management Group operates on a Hybrid model basis, delivering a significant amount of statutory services with the majority of those services being delivered in-house, in keeping with other similar authorities. Specific elements of service have been procured through private contractors or neighbouring authorities.

Areas of work where external providers assist in the delivery of the service are:

- Provision of second line maintenance of traffic signal equipment
- Provision of second line maintenance of car park equipment
- Principal bridge inspections undertaken by NPTCBC
- Specialist urban design expertise brought in to assist with delivery of the city's urban regeneration programme.
- Additional design resources are procured under a regional framework to address peaks in workload.

The group also derives income by undertaking design and other technical services for a number of clients, including internal sections such as:

- Structural designs on behalf of Housing
- Site and highway design for 'More Homes' projects, in collaboration with CBS on behalf of Housing.
- Highway infrastructure design for City Centre Regeneration projects
- Transport Assessments and Traffic Modelling to support Planning colleagues critically evaluate the potential impacts of planning applications.
- Responsible for maintaining Traffic signal installations and management systems on behalf of Neath Port Talbot County Borough Council (NPTCBC)
- Undertake design and supervision of all refurbishment schemes and all new Traffic signal junctions within NPTCBC
- Undertake Road Safety Audits on behalf of NPTCBC including the recent Port Talbot PDR (scheme value £69million).

The effect of earning design fees and other forms of income means that the Traffic & Highway Network Group operates at or close to zero cost to the authority.

3.3.4 Service Overview And Performance Comparisons

Transportation

i) Transport Strategy

The primary function of policy and planning is undertaken by one member of staff (in conjunction with the Transportation Group Leader) however, the operation is supported by a small 'survey team' (seven staff but five full time equivalents).

The Transportation Strategy/ Policy Officer is responsible for developing our strategic approach to transport and securing and managing funding for initiatives to deliver improved transport facilities and services.

Headline work delivered by the Transportation Group include:

- A Transport Policy has been developed for the Council in accordance with the legislative requirements set out in the Transport (Wales) Act (2006);
- Lead role in regional policy work and collaboration with other local authorities;
- Transport planning to ensure the region is sufficiently resourced and connected to meet the emerging demands of the Swansea Bay City Region
- Securing Welsh Government grants for transport infrastructure, Safe Routes in Communities and Road Safety via the Local Transport Fund (see below)..
- Ensuring local implementation of, and statutory compliance with, the Active Travel (Wales) Act (2014)

The Local Transport Fund (LTF) is the main funding mechanism attached to the Local Transport Plans and has an annual budget of £12m, available nationally. Funding is secured via the involvement of the Strategy officer, with schemes being designed and delivered internally (across the wider service).

In the previous four years, the group has secured almost £8million for capital infrastructure schemes via the LTF; and secured and delivered an additional £1.6million of Road Safety Grant funding and £1.63million of Safe Routes in Communities projects.

Attached as Appendix 3 is a Transport Policy briefing note which provides more detail on the legislative, strategic and funding frameworks.

Operational management of the survey team also sits with the policy officer. The survey team (5 fte) was originally established to collect traffic data to inform highway and road safety improvements and to monitor the operation of home to school transport services but the role has diversified and the team now undertake several additional support functions and add resilience across the service.

Over one hundred traffic surveys are undertaken each year (usually requested by residents and/or Councillors) and the diversity of surveys and the technical skill to deliver these is an important asset to the Council as it allows us to assess traffic movement around the City & County of Swansea. The Transportation Group is continually investing in its traffic counting technology to improve the efficiency and accuracy of these counts and has reduced from nine to six members of staff in recent years.

School Transport services are monitored throughout the academic year with each contract being looked at at least once per term. There are currently over 500 contracts carrying mainstream pupils and those with Special Educational Needs.. Checks are carried out at schools and on board vehicles to ensure contract compliance and include checks on the vehicles, passengers travelling and the staff employed. In 2015/16 to date , 14 contracts have been cancelled as a consequence of these checks resulting from issues such as unlicensed vehicles and the use of non approved drivers/ passenger assistants. In addition to supporting our primary duty of care to the client, this function reduces both financial and reputational risk to the Council.

Additional support provided by the survey team includes:

- Bus Station Ranger cover which provides a flexible resource at better value than employment agency equivalents.
- Customer satisfaction surveys at the park and ride sites and at the Bus station and on board surveys of subsidised local bus services to monitor usage.
- Posting of Traffic Regulation Orders (TRO) (as an additional resource)
- Updating passenger information at bus stops/ shelters
- Measurement and on site assessment of walking routes to schools

Due to the discreet nature of these services benchmarking of the survey team function is difficult and no standard benchmarking groups exist. However, given the small scale (and cost) of the operation in comparison to the monies realised and managed the benefits of providing this service are evident.

ii) Transport Operations

The Passenger Transport team is made up of nine employees who undertake the management, co-ordination and administration duties that sit behind the public and school transport provision for the county.

This service consists of two strands of delivery:

a) public transport operations, which deal with the procurement and provision of bus services to supplement commercial public transport; provision of bus stops and shelters; management and administration of grants; concessionary travel schemes; park and ride bus services; Electronic and printed bus services information at the Bus Station and Council owned bus shelters and financial support for community transport schemes; and

b) the management of home to school transport services for mainstream pupils and those with Special Educational Needs. The transportation group plan, procure and manage these services, however the budget is held within the Education department.

Public transport operations manage a spend in the region of £9m whilst School Transport manage a spend in the region of £7.5m (which is held by the Education department).

All procurements and contract awards are undertaken in line with Contract Procedure Rules to ensure best value.

Whilst there is no reason to believe that the current method of operation is inefficient, extensive benchmarking has not been undertaken as there is already a strategic development proposed (and agreed) in the creation of an Integrated Transport Unit for the authority.

iii) Bus Station Management

The city centre bus station underwent a high profile reconstruction (circa 2010) to ensure that it was both fit for use and befitting of its status as a regional bus station serving Swansea and South West Wales. This redevelopment included a re-modelling of the operations to provide service improvements alongside a more commercially managed facility.

The bus station is staffed by a manager, four bus station rangers and three part time ticket sales staff who are responsible for dealing with the day-to-day running of the station including customer enquiries (and emergencies), ticket sales, premises management and banksman duties to ensure safe movement of buses and passengers in, around and through the station.

Staff cover is required seven days a week on 364 days of the year. Evening security on the main concourse and throughout the night in the coaching area is provided by a security subcontractor. Operating with such a small team does

present resilience issues (e.g. around staff leave or sickness) and at such times additional cover is provided by the Transportation Survey Team within the department, or if necessary by agency staff.

The bus station is now a largely cost neutral asset, with costs being almost entirely recouped from bus departure charges (a nominal fee charged to the bus operators), advertising, toilet fees and leasing of commercial units.

Table: Swansea Bus Station Operating Costs 2015/16

Heading	Income	Expenditure
Staff		£148,184
Premises		£384,868
Goods & Services		£67,067
Third Party Payments		£303,819
Internal Debits		£59,651
Internal Credits	£32,127	
Fees & Charges	£171,319	
Private Contractors	£375,219	
Rent & Hire	£120,665	
Sales Income	£240,521	
Totals	£939,851	£963,589

Departure charges are closely managed to ensure that operators get value from the service and to encourage more operators to use the bus station as the main terminus for their services in the city centre. Journey time reliability is very important to operators and the Council works to ensure that departure bay allocation supports this goal.

The success and popularity of the service is reflected by the fact that income from departure charges has steadily increased since the new station opened in 2010.

The bus station has a footfall of approximately 500,000 people each week; this is a reflection of the service it provides and its location within the heart of the city. This presents the station as a very attractive outlet for advertising and Transportation Officers have maximised advertising opportunities within the bus station via use of both fixed display boards which line the concourse, and electronic passenger information boards located throughout the station.

Cleansing and toilet attendant functions (6 staff) were recently transferred into the management of Transportation Group, and these functions have previously been subject to competitive tender to ensure best value is obtained.

Traffic And Highway Network Management Group

The Traffic & Highway Network Management Group benchmark their services through APSE (Association for Public Service Excellence) and County Surveyors Society Wales (CSS Wales) which includes all 22 Welsh Authorities, was previously facilitated by the Wales Audit Office and now the Local Government Data Unit – Wales.

The purpose of CSS (Wales) is to benchmark Traffic and Engineering services data, discuss issues common to all authorities, share good practice and promote professional development of traffic and engineering services within local government in Wales.

i) Design, Bridges & Structures Comparisons

The following table lists the most recent data compiled during 2014/15. These percentages are actual costs for total professional services on completed schemes and include feasibility, design, tender document preparation, contract management, site supervision, financial management and final account settlement. The data is reviewed at the end of each year to ensure that the Authority is consistently comparable with the national average, as referenced above.

Table; Comparison of scheme design costs – In house v External

Scheme Band (Value)	Swansea	All Wales	External Consultancy Led Projects
£25k-£100k	12%	14%	27%
£100k-£250k	14%	13%	22%
£250k and over	10%	10%	22%

These benchmarked results indicate much higher percentage costs through using external design consultancies compared to in house services. The benefit offered by the benchmarking group is the ability to reference fee percentage against other similar groups on completed projects, rather considering pre-commencement fee submissions which are likely to fluctuate and increase as projects develop. Hourly recharge rates have however been referenced which again illustrate that both the Capital projects and Construction Team offer a best value solution.

Table 2 compares rates from the Welsh Government Technical Consultancy Framework.

Table 3 compares against the National Procurement Frameworks £25k+, with

Table 4 comparing in-house rates with the current South West Wales Regional Consultancy Framework.

Table 2: Comparison with Welsh Government Technical Consultancy Framework - 2010

Job Function	Company	Company	Company	Company	Company	Company	Company	Average	CCS In house hourly rates
	A	B	C	D	E	F	G	A-G	
Framework Director	80	73	82.5	37.08	83	70	97.64	74.75	53.25
Framework Manager	90	58	68.5	57.54	68	60	74.75	68.11	46.92
Principal Professional	65	50	55	57.54	62	50	61.75	57.33	39.63
Chartered Professional	48	46	46.5	44	47	50	51.75	47.61	34.42
Professional/ Graduate	40	38	39.5	47.10	47	45	44.84	43.06	31.85
Technician	30	38	35.5	36.10	36	40	37.50	36.16	21.72

CCS staff rates include overhead costs

Table 3: Comparison with National Procurement £25k+ Framework 2015

Job Function	Company	Company	Company	Company	Company	Company	Company	Average	CCS In house hourly rates
	A	B	C	D	E	F	G	A-G	
Principal/Partner	69.6	75	55.10	115	95	69.15	100	82.69	53.25
Framework Manager									46.92
Principal Professional	43.1	46	50.6	48	55	51.55	50	49.17	39.63
Chartered Professional									34.42
Senior Technician	34	33.5	28.5	35	45	38.16	40	36.30	31.85
Technician									21.72

CCS staff rates include overhead costs

Table 4: Comparison with Welsh Government Technical Consultancy Framework

Job Function	Company 1	Company 2	Company 3	Company 4	Average 1-4	CCS In house hourly rates
Framework Director	n/a	n/a	n/a	n/a	n/a	53.25
Framework Manager	n/a	n/a	n/a	n/a	n/a	46.92
Principal Engineer/Professional	53.96	49.70	45.08	45.45	48.55	39.63
Chartered/Senior Engineer	42.33	34.80	36.80	32.57	36.63	34.42
Graduate/Senior Technician	42.33	30.37	29.45	31.31	33.37	25.33
Technician	33.74	16.08*	21.65	16.41*	21.97	21.72

* N.B. These very low rates are achieved by using technicians located in India/Asia
CCs Staff rates include overhead costs

It should be noted that the rates identified by the Capital Projects and Construction Teams are competitive by comparison and in addition the cost of administrative support is not charged separately but is absorbed within the overall fees.

Whilst the above comparison of CCS in-house hourly rates with the Framework providers indicates that CCS rates are competitive, it does not show the added value that using the in-house team brings.

Private service providers would expect payment for any additional works they were called on to perform whereas council staff may perform some of these activities as part of their core function. For example, the majority of schemes are high profile and politically sensitive and the in house consultancy contributes to the communications process and seeks to minimise the level of disruption inevitably caused by such schemes. The “in house” team also has ready access to other core services relating to traffic management, public transport services, telematics and car parking, which an external consultant might need to procure from the Authority or another consultant at a cost.

The presence of an in-house service also provides valuable professional employment opportunities located within the City & County of Swansea.

In the case of schemes affecting the public highway, using the in-house team is particularly beneficial in financial terms. Under S278 or S38 of the Highway Act (1980) any design or construction works within an adopted highway or for highway works seeking adoption are subject to the approval of the Local Highway Authority. In respect of this, a fee of 7% of works cost is payable to the Highway Authority. As the in-house Consultancy is acting as part of the Highway Authority, this charge is not incurred when the scheme is designed and supervised by the in-house team.

In addition the use of in-house services also saves the overhead costs associated with the appointment of Consultants including obtaining bids and undertaking the necessary reporting and approvals process; and as a consequence also provides a prompt 'turnaround time'.

Quality feedback questionnaires are issued to both Clients and Contractors to review performance and enable continuous improvement. The figures below illustrate that Swansea's quality assessment compares favourably with the all Wales national average.

	Client Responses		Contractor Responses	
	Swansea	All Wales	Swansea	All Wales
Timeliness	82%	76%	83%	80%
Quality	83%	78%	80%	80%

Traffic & Highway Network Group benchmarking data is subject to the Authorities in-house Quality Assurance audits as part of the overall business improvement process. The Improvements Group will continue to collate and provide data for the CSS (Wales) Engineering Services Benchmarking Club and work closely with the Local Government data Unit (Wales) with the view of improving services for future schemes.

The above information illustrates the significant changes undertaken within the group to maintain an award winning level of performance during the delivery of technically complex specialist infrastructure projects. These changes have seen a reduction in the size of the group, whilst developing a team that is significantly more flexible in its approach to enable the delivery of a wider portfolio of projects based on the client's needs.

Through this approach and the ability to actively target additional work streams, both the Capital projects and Construction teams have ensured that the level of fee recovery has been maintained with reduced resource and overhead cost, whilst the level of project output has increased.

The additional work streams currently being developed include highway improvement projects for private developers (section 278 and section 38 works), technical advice for numerous internal departments and technical resource for adjacent local Authorities. The group's ability to manage and deliver projects has resulted in successful Welsh Government Local Transport bids as well as securing additional in-year funding to complete projects using additional Welsh Government end of year funds.

Examples of recently completed schemes and major infrastructure achievements are presented as Appendix 4

The Bridges Team has internal Performance Indicators in line with the external benchmarking data collated by APSE (Association for Public Service Excellence). APSE provided the City & County of Swansea with PI figures from selected comparator councils. The main points highlighted from this data were:

- The annual budget allocated by the City & County of Swansea for highway structure maintenance and renewal was the lowest out the comparator councils.

- We are currently failing to meet our statutory requirements in regard to Principal Inspections.

Due to limited staff resources the failure in the Principal Inspection regime is to be rectified via outsourcing this workload to Neath & Port Talbot Borough Council.

2015/16 Performance Indicators are currently being compiled by APSE. These will be included on completion.

Bridges & Structures - Operation

Statutory Duties and Legislation

There is a statutory obligation on the authority to maintain the public highway under the Highways Act 1980. Where a highway passes over a bridge, Section 328(2) vests the bridge as part of the highway and the normal duty to maintain under Section 41 of the 1980 Act applies under these circumstances.

Retaining walls which abut the highway should also be taken as part of the highway and should be dealt with similarly to bridges. Other legislative requirements to be met are contained in the West Glamorgan Act 1987.

Roles within the Bridges & Structures Team

- Management and maintenance of structural assets valued at £175million;
- General Inspection of highway structures every 2 years and a Principal Inspection every 6 years (in line with the code of practice for the management of highway structures and the Bridge Directive 63/07);
- The management of abnormal loads passing within the County to ensure that large and heavy vehicles only use those parts of the highway network that can safely accommodate them;
- Structural design and advice for other Council departments;
- A design checking service for Planning Applications involving retaining walls (as per the Highways Act 1980 and the West Glamorgan Act 1987);
- A design checking service for Section 38 and 278 Agreements that require structural input.

Current Staffing levels and investment

The Bridges & Structures Team currently consists of 5 staff members (3 Engineers, 1 Bridge Inspector and 1 Technician).

Swansea Council has one of the smaller Highway Authority structures teams. In comparison Neath & Port Talbot Borough Council has 14 staff members within their bridges team for a similar highway structure asset value.

Both NPTCBC and Bridgend CBC have similar numbers of highway structures and below is a comparison of staffing costs.

Swansea Highway Structures Team Client Costs:	£190k
Bridgend CC Highway Structures Team Client Costs:	£800k

Caerphilly CBC Highway Structures Team Client Costs: £350k

It is clear that it is difficult to make direct comparisons with staff structures in other authorities due to the significant differences between the operational staffing structures and requirements. However Swansea does appear to have a lean structure.

Benchmarking

The Bridges Team has internal Performance Indicators in line with the external benchmarking data collated by APSE (Association for Public Service Excellence). APSE provided the City & County of Swansea with PI figures from selected comparator councils. The main points highlighted from this data were:

- The annual budget allocated by the City & County of Swansea for highway structure maintenance and renewal was the lowest out the comparator councils.
- We are currently failing to meet our statutory requirements in regard to Principal Inspections.

Due to limited staff resources the failure in the Principal Inspection regime is to be rectified via outsourcing this workload to Neath & Port Talbot Borough Council.

Current Fee Income from Services

Work Undertaken	Officer Time	Income
Housing Structural Design	1 Engineer (Full-time)	£50k
Corporate Property Structural Design	1 Engineer (50%)	£25k
Highway Structures Capital Design	1 Engineer (varies)	£25k-£75k

Non Fee Generating Works	
General or Principal Inspection works	No fee income
Highway Structure Maintenance works	No fee income
Abnormal Load checking service	No fee income
structural checks for Planning or Development Control	No fee income

ii) Road Safety Comparisons

The Council, as the Highway Authority, has a duty under the Road Traffic Act 1988 Section 39 (3) to carry out studies into road traffic collisions and take steps to both reduce and prevent collisions.

The Council must carry out studies into collisions arising out of the use of vehicles on roads or parts of roads, other than trunk roads (motorway) within their area. The Council must in light of the studies take such measures as appear to the Council to be appropriate to prevent such collisions

When constructing new roads the Council must take appropriate measures to reduce the possibilities of such collisions when the roads come into use (e.g. Road Safety Audits or Safety Reviews)

The above activity aims to reduce the risk of deaths, serious injuries and slight injures on roads within the Council's control and assists the whole of Wales achieve casualty reduction targets set by Welsh Government.

The proposed targets for Wales compared to the average figures for Wales between 2004 and 2008 are:

(i). A 40% reduction in the total number of people killed and seriously injured on Welsh roads by 2020, meaning 562 fewer killed or seriously injured casualties.

(ii). A 25% reduction in the number of motorcyclists killed and seriously injured on Welsh roads by 2020, meaning 64 fewer motorcyclists killed or seriously injured.

(iii). A 40% reduction in the number of young people (aged 16-24) killed and seriously injured on Welsh roads by 2020, meaning 139 fewer young people killed or seriously injured.

Table 1 lists casualties by local authority and police force area in Wales and illustrates Swansea's current position of having reduced casualties by 45% (2014 figures) compared to the 2004 - 08 average. The reduction assists Welsh Government achieve the all Wales target listed above.

Table 1: Casualties by local authority and police force area							Percentage change
	2004-08						2004/8 avg against 2014
	<u>average</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	
Isle of Anglesey	205	158	173	148	148	158	-23
Gwynedd	544	508	410	395	385	363	-33
Conwy	486	394	398	387	332	393	-19
Denbighshire	450	406	388	341	323	311	-31
Flintshire	696	572	529	477	523	392	-44
Wrexham	530	432	399	458	359	343	-35
North Wales Police Force	2,911	2,470	2,297	2,206	2,070	1,960	-33
Powys	762	603	595	590	504	582	-24
Ceredigion	392	340	320	281	253	249	-36
Pembrokeshire	589	476	420	466	340	392	-33
Carmarthenshire	877	687	687	713	619	557	-36
Dyfed-Powys Police Force	2,619	2,106	2,022	2,050	1,716	1,780	-32
Swansea	1,116	961	899	660	646	618	-45
Neath Port Talbot	590	483	424	397	384	324	-45
Bridgend	519	368	347	348	330	358	-31
Vale of Glamorgan	418	309	369	286	303	284	-32
Cardiff	1,424	1,117	1,125	802	867	859	-40
Rhondda Cynon Taf	955	682	729	628	644	592	-38
Merthyr Tydfil	226	185	179	147	145	165	-27
South Wales Police Force	5,249	4,105	4,072	3,268	3,319	3,200	-39
Caerphilly	493	297	260	264	315	292	-41
Blaenau Gwent	242	203	120	146	165	155	-36
Torfaen	184	177	121	123	143	202	10
Monmouthshire	300	193	193	179	236	173	-42
Newport	515	404	321	329	371	446	-13
Gwent Police Force	1,734	1,274	1,015	1,041	1,230	1,268	-27
Wales	12,513	9,955	9,406	8,565	8,335	8,208	-34

The reduction has been achieved by analysing collisions data and then applying the principle of the 3E's i.e. Engineering, Education and Enforcement targeted along routes, cluster sites or within communities where particular types of casualties have occurred. In order to maintain this downward trend there will be a greater need in continuing to target and focus on interventions which are the most effective in supporting the reduction of death and serious injuries on our roads.

The cost of providing road safety in Swansea compared with other local authorities is £570 per 1,000 population. The Wales average is £1,014 per 1,000 population. The table below provides comparable costs of other authorities:

Cost of Road Safety per 1,000 population 2014-2015	
Local Authority	Cost of Road Safety (£) per 1,000 population
Swansea	570
Wrexham	609
Caerphilly	755
Cardiff	832
Rhonda Cynon Taff	929
Denbighshire	984
Wales Average	1014
Pembrokeshire	1098
Conwy	1145
Neath Port Talbot	1168
Flintshire	1175
Carmarthenshire	1276
Blaenau Gwent	1406
Merthyr Tydfil	1480
Ceredigion	1717
Torfaen	1752
Bridgend	Latest data not available
Isle of Anglesey	Latest data not available
Monmouthshire	Latest data not available
Newport	Latest data not available
Powys	Latest Data not available
Vale of Glamorgan	Latest data not available

iii) **Civil Parking Enforcement**

On the 1st September 2008 The Welsh Assembly Government designated The City and County of Swansea a Civil Enforcement Area for Parking Contraventions and also a Special Enforcement Area. This removed the responsibility for the enforcement of 'on-street' parking contraventions from South Wales Police and placed the onus of responsibility on the Council.

Working under the powers derived from Part 6 of the Traffic Management Act 2004 the following changes to parking operations in the City and County of Swansea have taken place:

The enforcement of parking regulations are carried out by Civil Enforcement Officers (CEOs) who serve the notice on either the vehicle or the person the officers believes to be the driver at the time of the contravention. However when the conduct of the driver towards the Civil Enforcement officers prevents the officer from serving it in this manner, or he/she drives off prior to the officer having an opportunity to serve the notice, the notice will be served by post.

Apart from the legislative requirements of the Traffic Management Act 2004 the Service must also ensure full compliance with the following Statutory Instruments / Regulations introduced by the Welsh Government, which are available to view at <http://www.legislation.gov.uk>

a) Off – Street Parking

The City and County of Swansea has a total of 53 car parks listed in the 'The Council of the City and County of Swansea (Off-Street, Parking Places) (Pay and Display) Consolidated Order 2008'. Although, Two car park - Clarence Terrace and the Bush have since closed and a car park known as St Mary's has been introduced.

Three City Centre multi storey car parks are pay on exit whilst all other car parks are pay and display. In addition there are three park and ride car parks located on the peripheries of the City. During the year the Park and Ride sites were updated from pay and display to pay on foot.

In addition to an enforcement role, the Parking Services Section is responsible for the supervision of car parks. Officers provide a permanent presence in the Quadrant, St. David's and High Street multi storey car parks and at the two park and ride sites

There are 86 payment stations located throughout the City and County area and these are maintained by staff who are also responsible for the collection and reconciliation of the cash from these machines. During the 2014 / 15 financial year this totalled £3,581,006, including Season Tickets and Staff Parking.

Car parks charges vary with car parks designated as 'long stay', 'short stay', 'foreshore,' and 'suburban'. In addition thirteen car parks are currently identified as free. Two car parks are designated for season ticket holders only and one solely for the use of blue badge holders.

During the reporting period a total of 9,388 penalty charge notices were issued in respect of contraventions detected in our car parks. Chart 1 shows the monthly issue statistics for tickets split between higher rate (£70) contraventions and lower rate (£50) contraventions.

Car parks charges vary with car parks designated as 'long stay', 'short stay', 'foreshore,' and 'suburban'. In addition thirteen car parks are currently identified as free. Two car parks are designated for season ticket holders only and one solely for the use of blue badge holders.

Last year, a total of 9,388 penalty charge notices were issued in respect of contraventions detected in our car parks. The greatest number of contraventions relate to not clearly displaying a parking ticket – which mostly will mean that payment was not made.

b) On-Street Parking

In addition to the topography and size of the City and County of Swansea, the variety of parking orders in place presents a real challenge to the enforcement staff when managing on-street parking.

Parking operations in the City and County included enforcement of controlled parking zones such as, City Centre, Sandfields, St. Thomas and the Enterprise Park, a large number of resident permit parking schemes, time restricted, loading and disabled bays, pay and display bays and many single and double yellow lines restrictions.

In January 2015 the Authority introduced a CCTV Camera Enforcement vehicle to help where traditional methods of on-foot enforcement has not been effective in meeting our aim of reducing parking contraventions to ensure road safety is increased and congestion levels reduced. Before introducing the vehicle a wide ranging publicity campaign was undertaken which included leaflets being given out to all school pupils.

Last year, a total of 26,923 on-street penalty charge notices were issued which included 1,336 being issued by CCTV.

This gives a combined off-street and on-street total for penalty charge notices issued last year of 36,311.

c) Staffing

The staffing establishment during 2014/15 was as follows:

- 1 Parking Service Manager
- 1 Deputy Parking Services Manager
- 1 Civil Enforcement Officer Supervisor
- 1 PCN Processing / Back Office Supervisor
- 4 Senior Civil Enforcement Officers
- 3 Cashier / Civil Enforcement Officers
- 25 Civil Enforcement Officers
- 7 PCN Processing / Back Office Staff (FTE)
- 1 Car Park Attendant
- 7 Park and Ride Attendants

The four Senior Civil Enforcement posts were created in October 2014, without increasing the overall number of CEO posts. The appointments allowed the Authority to introduce a three shift system for enforcement with shifts starting at 7am and finishing at 10pm, although when deemed appropriate, officers can work until Midnight. The change in working patterns occurred as a result of complaints being received of the need for enforcement, particularly for abuse of residents' only parking bays, outside of the traditional working hours of 8:30am to 5pm.

Three of the Civil Enforcement Officers and one Senior CEO were responsible for the day to day running of the car parks rather than carrying out enforcement duties during the year.

d) Correspondence

It is every driver's or owner's right to challenge the validity of a penalty charge notice or to present mitigating reasons as to why the penalty charge notice should not be paid. The challenge / appeals process is set out in legislation and information relating to this process is included on the Council's website. The website also contains details on the statutory grounds for cancelling a notice and sets out the mitigation and evidence required to allow the appellant every opportunity to present the necessary information.

There is clear and informative guidance to ensure that the Council's back office team, which comprises a supervisor, three full time and six part time members of staff, deals with all incoming correspondence in a consistent and transparent manner.

The Council is legally obliged to consider and respond to correspondence at any stage in the process and the legislation requires responses to be sent in a timely fashion. Whilst the legal requirement is to provide a response within a 56 day period, the Council aims to respond to all challenges within 14 days. Unfortunately, because of the number of appeals received occasionally it may take longer than 14 days to respond.

During the reporting period a total of 18,502 items of correspondence relating specifically to Civil Parking Enforcement (CPE) has been entered onto our case management system as being received, and 38,060 pieces of correspondence were sent out during that same period.

5,008 cases of the 36,311 PCNs issued were stopped either because an appeal was accepted or because the case could not be pursued. This represents 13.79% and is well within the 20% industry average. Cases may not be pursued for example because the owner of the vehicle could not be identified or because an Enforcement Agency has returned the case to the council because they could not secure payment.

e) Financial Reporting

The Parking Services budget is split in to 3 account areas and the income and expenditure for 2014/15 is as follows:-

Parking Services Budgets 2014/15				
	Car Parks (£)	Civil Parking Enforcement (£)	Park & Ride (£)	Total (£)
Employees	438,809	908,044	162,972	1,509,825
Premises	959,863	6,852	124,003	1,090,718
Transport	43,773	4,530	7,761	56,064
Supplies and Services	196,384	205,935	640,527	1,042,846
Overheads	194,520	46,853	50,043	291,416

Total Expenditure:	1,833,349	1,172,214	985,306	3,990,869
Total Income:	3,063,339	1,240,230	517,667	4,821,236
Total Surplus (Deficit):	1,229,990	68,016	(467,639)	830,367

The Civil Parking Enforcement account receives income from on-street Pay and Display charges and Penalty Charge Notices (PCNs). Table 3 below sets out the income from these sources. The income derived from on-street charges and enforcement both on and off-street is subject to the constraints imposed by Section 55 of the Road Traffic Regulation Act 1984, as amended from October 2004 by section 95 of the Traffic Management Act 2004 and Regulation 26 of the Civil Enforcement of Parking Contraventions (General Provisions)(Wales) Regulations 2013.

Sub section 2 of the 1984 Road Traffic Regulation Act states;

“(2)At the end of each financial year any deficit in the account shall be made good out of the [general fund][or, in Wales, council fund], and (subject to subsection (3) below) any surplus shall be applied for all or any of the purposes specified in subsection (4) below and, in so far as it is not so applied, shall be appropriated to the carrying out of some specific project falling within those purposes and carried forward until applied to carrying it out.”

This section of legislation ring fences any surplus for specific purposes including the provision or maintenance of off-street parking, highway improvement and environmental issues.

Source of Income	Income
Penalty charge notices: On-Street	£975,360
Penalty charge notices: Off-Street	£254,472
On-street Pay & Display Plymouth & Oxford Street	£10,398
Total	£1,240,230

The expenditure associated with these operations, which offsets income from the on-street charges and payments of penalty charges notices, amounted to £1,172,213

There was therefore a reported surplus of £68,016.

Any surplus must be used for specific purposes. During the reporting period the three Park and Ride scheme operated by the Council reported a loss of £467,639.

Sub section 4B of the 1984 Act states: *‘meeting all or any part of the cost of the provision and maintenance by the local authority of [off-street parking accommodation, whether in the open or under cover;]’*

Park and Ride car parks provide an important option to motorists visiting the City either on a regular or one-off basis. The resulting reduction in traffic flow into the City Centre not only reduces congestion but also helps reduce pollution levels, which are difficult to manage on the arterial routes into and out of the City Centre. Park and Ride services also support the business community by providing affordable

parking for city centre workers and shoppers. There is therefore a need to ensure the continued operations of these valuable services.

Therefore the surplus on the CPE budget of £68,016 is used to support the provision of the city's Park and Ride service.

iv) **Telematics Service**

The telematics team play a key role in helping the authority fulfil it's duties under the Highways Act (1980), the Traffic Management Act (2004) and the Statutory Instruments relating to traffic control and information systems and the requirements for electrical installations.

In particular the team deliver three important services to the authority:

- a) the operation and maintenance of traffic control equipment (this includes traffic signals, pedestrian crossings, variable message signs, car park guidance and cctv);
- b) Design of intelligent transport systems (a full design service ranging from single crossings through to multi junction networks, using various design and modelling tools); and
- c) Transport modelling (which covers the modelling of schemes and highway amendments to understand their impact before they are implemented; the appraisal of transport assessments and statements submitted as part of the planning process; and technical support for the authority's regeneration and planning policy work).

In addition, the section carries out signal maintenance on behalf of Neath Port Talbot CBC via a contractual arrangement. NPTCBC have renewed the contract on 3 occasions, and indicate they expect the arrangement to continue. Further to this, we offer NPTCBC design and consultancy services for a range of Telematics schemes, and over the last 3 years have been involved in a number of Design and Build schemes. Including using CCS Construction Section this year for the first time.

Staffing

The Telematics section operates with 5 members of staff (having reduced it's staff count by 2 in recent years).

Additionally taking over the Transport modelling function has resulted in a reducing head count by an additional 2 posts in the Transportation section. This work has been absorbed by existing staff.

Operating Costs

Staff Costs	£ 215,000
Utility Costs (Electricity, Communications):	£ 121,000
Maintenance Costs (Second Line maintenance contract, UTC maintenance, reactive repairs):	£ 125,000
Income	- £127,000
Net cost	£ 334,000

Note: Contract costs, and staff costs include maintenance of Neath Port Talbot traffic signals. NPTCBC are responsible for their power and communications requirements.

It can be derived from above that the difference between staff costs and staff income (£88,000) represents the cost of undertaking first line maintenance, operation and monitoring of the Urban Traffic Control Centre and Transport Modelling functions. together with other non-fee generating work for the authority

Performance

Fault response is a key performance indicator for the service.

Classification	Response Target	KPI
Urgent Faults	2 hours	100%
Non-urgent faults	8 hours	98%

From a client perspective we have regular meetings with NPTCBC and they are extremely happy with the service received.

The service is continually seeking to reduce revenue budget commitments via targeted renewals and investment in new technology. Maintenance contract costs have been reduced by 50% since 2011 and communications costs by over 80%. This represents an annual saving of £140,000 against the original 2011 costs.

Given the very public, high profile nature of the service, traffic congestion and perceived traffic congestion is a frequent cause of public complaint.

Service Provision

Demand on the service is driven by the travelling public, vehicular traffic is projected to increase by nearly 30% over the next 25 years.

Supporting the regeneration of the City Centre and Swansea Bay region as a whole is likely to increase demands on the service rather than decrease.

Reducing existing maintenance levels would be counter productive to the city centre and regional regeneration. Traffic congestion and vehicular delays would increase whilst general road safety standards would fall.

'Reduction in assets' (i.e. removal of traffic lights etc) is often suggested but the reality is that roundabouts are more appropriate for low flow conditions and would not offer a viable alternative for traffic management during peak hours.

Installations will be decommissioned (subject to consultation) if demand and the benefits for pedestrians and cyclists have decreased to a level whereby signals are no longer the most appropriate type of control.

The team have successfully driven down the cost of service provision in recent years via investment in technology and the commercial sale of services to one neighbouring authority. Further opportunities do exist under these banners.

3.3.5 Financial Breakdown Traffic & Highway Network Management Group

Budgets

Cost Centre / Section	Operating costs	Income	Net budget
26014 Bridge Maintenance	£200	Zero	£200
26016 Highway Improvements	£668	£620	£48
26019 Bridges & structures	£191	£132	£59
26020 Network and Development teams	£350	£136	£214
26081 Civil Parking Enforcement	£1,305	£1,332	-£27
26082 Car Parks	£1,400	£3,194	-£1,794
26084 School Crossing patrols	£266	Zero	£266
26085 Traffic Engineering Services	£992	£206	£786
26097 Park & Ride	£1,025	£646	£379
26100 Transport support	£9,289	£6,863	£2,426
26096 Bus shelters	£15	Zero	£15
26099 Transport Group	£594	Zero	£594
26095 Bus station	986	£955	£31
Total	£17,281	£14,084	£3,197

Most services within the group are capable of generating income.

Parking Enforcement, Car Parks and Highway Improvements already have the capability to be self-financing.

Other areas are mostly capable of generating some income via fees but still offer services to either the authority and/or the public without charge.

The Traffic & Highway Network Management Group (as a whole) is already close to becoming self-financing and there is management support for both reducing costs and generating increased income in future years.

3.3.6 Customer Satisfaction and Stakeholder Engagement

The service is customer facing and undertakes a considerable amount of stakeholder engagement.

- Officers regularly attend PACT meetings / public meetings to address community concerns and issues.
- Extensive public consultation as part of Safe Routes in Communities and Road Safety projects
- Excellent rating from schools and attendees of Road Safety Education events and courses.
- Client satisfaction rating of 82% (Timeliness), 83% (Quality)
- Contractor satisfaction rating of 83% (Timeliness) and 80% (Quality).
- Regular monitoring and Customer satisfaction surveys are carried out on school transport, local bus, park and ride services and at the Bus station.

95% of park and ride passengers are satisfied or very satisfied with the service

81% of customers think the Bus Station is good or very good

3.3.7 Conclusion on Current Service Provision

Precise comparator information is not available for all service areas due to the variance in services offered by different authorities. However from the comparator information available (public sector and private sector) there is clear evidence that the Authority provides cost effective and responsive Transportation and Traffic & Highway Network Management services.

3.3.8 Options Identified And Evaluated

- Develop Asset Management Plan for Car Parks
- Maximise use of Park and Ride sites
- Tailor Car Parking Tariffs to meet demand
- Invest to save opportunities in telematics equipment
- Charging for residents parking permits
- Charge for Sunday Parking within the city centre
- Charge in Car Parks that are currently free
- Greater collaboration and/or sale of services to neighbouring authorities
- Invest in new technology to improve safety (moving traffic offences)
- Invest in new technology to improve our service and efficiency (cashless parking)
- Review and refine operation within parking (Systems Thinking)
- Externalise on-street civil parking enforcement
- Use the All Wales Penalty Charge Notice Processing Office OR Collaborate with another authority to provide the same
- Offer City Centre Car Parks for sale or lease agreement
- Review school crossing patrols
- Generate additional s38/s278 (site adoption) income from developers via a revised fee structure to encourage take-up. A report on this is included as Appendix 7.
- Sale of Traffic Count Data
- Improvement of existing/construction of new 'Available' Walking Routes to Schools
- Investigate sale of Unmanned Aerial Vehicle (drone) services
- Invest in automated traffic count technology
- Web based platform for Traffic Survey Information
- Withdraw funding for bespoke Park and Ride service and divert local bus services
- Raise awareness and engagement with Transport Policy development

3.3.9 Key Findings Of Options Evaluated

- There are several invest to save opportunities, particularly in the parking, traffic monitoring and telematics fields, that need serious consideration. Smart investment in technology will allow us to become more efficient, improve our offering and potentially sell more services to neighbouring authorities.
- Parking is one area where we are not maximising the return on our assets. Competing and conflicting demands are an obvious hurdle we need to overcome but in the current financial climate parking proposals need to be considered.
- Some smaller authorities have contracted out the processing of Penalty Charge Notices and dealing with appeals, to the Wales Penalty Processing Partnership, operated by Denbighshire County Council. This was explored during the commissioning review, however costs of processing are much higher than using the in-house service. The City and County of Cardiff, the only other authority of comparable size, within Wales, also operates its own back office PCN processing operation. It has been established that operating in-house provides the best value for money. However, that does not preclude offering our services to other authorities, at a charge, thereby increasing income. The City & County of Swansea currently operates the 'Chipside' system for processing Penalty Charge Notices, in order for other authorities to join our operation they would need to acquire compatible software. Opportunities for further collaboration will be reviewed, as officers attend regular British Parking Association benchmarking and networking meetings.
- The potential of offering the Council car parks for lease or sale is not considered to be appropriate at this stage due to the transformational regeneration plans. There is a clear benefit to retaining control of the main parking areas whilst the City Centre is in a period of significant flux. This was assessed in 2012 and found not to be viable or beneficial to the Council's aspiration to regenerate the city centre. Please refer to Appendix 6 – Car Park Management Arrangements.
- Transportation functions could be delivered by a transport executive or Joint Transport Authority (JTA) although formation of a JTA with neighbouring authorities has previously been considered and discounted. It is clear from Welsh Government announcements that they expect more regional working between authorities and some changes may impact upon transport planning.
- In order to raise awareness and engagement with Transport Policy it is suggested that a report is taken to the Cabinet Advisory Committee on the current Local/Regional Transport Plan and its linkages with national transport policy
- Other opportunities to develop the service within Transportation are limited to low return projects which may or may not prove viable.
- As a largely discretionary service the only other opportunities for realising savings within Transportation (excluding school transport provision) are via
 - i) lobbying Welsh Government re: funding provision; and
 - ii) stopping services (and/or moving them to community based models).

3.3.10 Savings Already Identified

Savings already proposed and accepted for this cluster are tabled in Appendix 1 – Savings Agreed and total circa £1,265,000 (25% of entire Service Target).

In addition to this the following opportunities are proposed:

3.3.11 Opportunities Proposed For Progression

Ref.	Proposal	Value	Year	Explanation
TRF1	Develop Asset Management Plan for Car Parks	0	17/18	Increased Reputation and Better Quality Assets in alignment with Destination Management Planning
TRF2	Maximise use of Park & Ride sites (via private employee parking etc.)	20000	18/19	Manage to align with P&R demand
TRF4	Amendment of second line telematics maintenance contract	10,000	17/18	Capital investment required High confidence in delivery
TRF9	Increased sale of traffic telematics services to neighbouring authorities	10,000	17/18	Medium confidence in delivery. NPTCBC already engaged, ongoing discussions with Carmarthenshire. Income would be at risk if other Councils cut budgets.
TRF10	Prioritise 1/2 of one fte within telematics to work on capital projects as a fee earner.	10,000	17/18	Medium confidence in delivery.
TRF11	Deliver operational efficiencies within Parking operations	60,000	17/18	Reorganisation releases £60k of revenue funding and increased productivity. Medium confidence in delivery.
TRF15	Systems Thinking review of the 'Charging for Waivers' process.	15,000	17/18	This would involve charging firms for waivers to park in restricted areas for business purposes
TRF21	Park & Ride cost reductions	200,000	17/18	This saving can be offered up following the review and subsequent closure of Fforestfach park and ride site
TRN4	Bus Station - Departure Charges	60000	17/18	Increase in Income High confidence in delivery.
TRN5	Bus Station – IT Hardware & Software Maintenance savings via collaboration with NPT	4000	17/18	Collaboration with NPT on software licence. High Confidence.
TRN6	Budget review: Bus Station – Premises Maintenance	30000	17/18	Budget review enables a £30k per annum saving, subject to reserves being available should the budget be exceeded.
TRN7	Budget Review: Bus Operator Payments – Community Transport	40000	17/18	Derived from operating efficiencies and procurement of registered local bus services now being provided by a Community Transport operator.

				No reduction in service.
TRN8	Web-based Platform for Traffic Survey Information	0	17/18	Service improvement. Increases efficiency and assists with sharing of traffic data.
TRN10	Systems Thinking Review to rationalise workflow within the team	15,000	18/19	Service improvement. May require staff consultation. Potential risk to grant provision.
TRN16	Actively Lobby Welsh Government re: funding provision arrangements for concessionary fares	L	17/18	Potential significant saving if we can reduce our contribution
TRN17	Briefing Note on Transport Policy to be presented to Cabinet Advisory Committee to engage members in reviewing the transport policy	0	17/18	Service Improvement
TRN18	Re-tender local bus services	1600	17/18	Re-tender of services produced modest saving

3.3.12 Opportunities Proposed For Consultation

Ref.	Proposal	Value	Year	Explanation
TRF3	Review car parking tariffs to match demand patterns	60,000	17/18	Figure is based on 5% overall increase Confidence in delivery Medium Political decision required.
TRF5	Charge for residents parking permits.	140,000	17/18	Most authorities that operate schemes do charge for permits. This will enable the service to operate at zero cost. Political decision and consultation required.
TRF6	Charge for Sunday Parking within city centre	40,000	17/18	Modest charges proposed to offset operational cost. e.g. 50p for first hour and £2 all day.
TRF7	Charge in Car parks that are currently free	46,000	17/18	Political decision required. Additional income will offset existing maintenance costs
TRF8	Enforcement of moving traffic offences (via new technology)	30,000	18/19	Investment in new technology reqd. Welsh Government approval reqd. Will assist traffic flow and movement; will also generate income.
TRF12	Expand Camera Car Operation via use of other council vehicles	20,000	18/19	Capital investment £8k required Medium confidence in delivery

TRF13	Withdraw funding for bespoke Park & Ride services and divert existing commercial local bus services via the Park & ride sites	200,000	18/19	Local bus services may have insufficient capacity and may be less desirable for users. Risk in a reduction in use making the service less viable/cost effective. This would involve reaching agreement with transport operators.
TRF14	Capitalising staff within Highway improvements	60,000	17/18	Staff switch to fee earning and are only available to advise or assist internal services on a fee based arrangement.
TRF16	Review School Crossing Patrol sites	18,000	17/18	Five sites are staffed but also have pedestrian crossing facilities. Sites no longer meet GB Road Safety criteria for school crossing patrol sites. Political decision and consultation with staff (potential relocation).
TRF17	Review delivery of on-street civil parking enforcement operation	0	19/20	Engage a private contractor to undertake the issuing of penalty charge notices. Significant risk to Council reputation. NPT have recently brought the service in-house to mirror CCS model
TRF20	Remove budget for implementing residents parking schemes	80000	17/18	Residents parking schemes would have to be funded through community budgets or other funding sources

3.3.13 OPPORTUNITIES THAT REQUIRE INVESTMENT

Ref.	Proposal	Value	Year	Explanation
TRF18	New Technology Spend to save investment in cashless parking	20,000	17/18	Introduction of cashless parking technology within car parks will reduce manual reconciliation costs.

3.3.14 ADVERSE PROPOSALS

In order to ensure members have options which are capable of realising the 50% savings required a number of adverse proposals have to be presented.

These are options not recommended by Officers but they could be considered if required.

In almost all cases these options are delivered by a reduction or cessation of services.

Ref.	Proposal	Value	Year	Explanation
TRF19	Stop all school crossing patrols	250,000	18/19	Not Statutory. Consider alternative (community) funding as per the NPTCBC model. Initial adverse reaction. Political decision and consultation.
TRN9	Cease electronic provision of information at the Bus Station and revert to paper.	36,000	17/18	Inferior service which cannot react to service changes or convey variable messages to the public.
TRN11	Cease subsidised funding of remaining public transport routes (100%).	688,000	18/19	Only services funded through the Welsh Government's Bus Services Support Grant to be retained. Two other Local Authorities in Wales are known to have taken this approach. Risk that Welsh Government could withdraw its funding leaving some areas without a local bus service. Confidence in delivery: Low
TRN12	Withdraw funding for the four Community Transport schemes that provide services within the Council's area.	88,000	18/19	Service users who cannot access conventional local bus services through age or disability would not be able to make journeys. Consultation and EIA required. Issue with Prevention. Confidence in delivery: Low
TRN13	Withdraw funding for bus shelter maintenance and remove as they become life expired or damaged	10,000	17/18	Areas would be left without bus shelters unless Community Councils could be encouraged to take them on.
TRN14	Withdraw funding for survey team	M	18/19	5 part-time employees plus 2 vacant posts (inc. supervisor). Significant safeguarding issues with checks on school transport personnel and vehicle licensing not being undertaken. Other duties would need to shift (reducing true saving) or cease (duties include surveys, TRO posting, Bus Station banksman duties etc.).
TRN15	Overnight closure of Swansea City Bus Station – reduction in security costs	14,000	17/18	National Express services would use Wellington Street. Loss of departure charges £7k p/a. Safety implications to the travelling public.

3.3.15 Key Risks

- Reduction in grant funding (Welsh Government or European) could lead to reduced opportunity to earn fees, reduction in staffing levels and an inability to support members and internal clients on projects such as City Centre Redevelopment, Fabian Way Strategy and Community budget scheme feasibility / cost estimates.
- Cessation of NPTCBC telematics maintenance SLA would mean a loss of fee income that has been used to subsidise the CCS telematics maintenance contract, this would place an additional burden on CCS revenue budgets
- Reduction in telematics funding would lead to a reduced ability to maintain traffic signal junctions, reduction in ability to respond to faults, further leading to increased congestion, risk of accidents and claims / action against authority's failure to comply with statutory duties. There may also be increased maintenance contract costs which will exceed revenue budget provision.
- Reduction in bridge and structures maintenance funding may lead to closure of some sections of the highway network which will affect accessibility. Catastrophic failure may result in threat to life, permanent loss of elements of the highway network and prosecution against the authority.
- Reduction in Road Safety Engineering and Education, Training & Publicity would reduce our ability to respond to and support members, AM's and MP's. Inability to respond to community concerns regarding speeding and road safety. Increased risk of Road Casualty accidents especially amongst our most vulnerable sections of community with corresponding reputational damage to the authority and action / claims. This may also result in an inability to undertake Road Safety audits for all highway improvements which will prevent the authority defending Coroner court actions / civil claims.
- Budget projections are based on current parking incomes, however there is a risk that these incomes could decline as shopping trend and patterns (e.g. online shopping) continue to change. However it is felt that this will be mitigated by the regeneration proposals.

3.4 HIGHWAYS MAINTENANCE AND ENGINEERING SERVICES (CLUSTER)

3.4.1 The Highways Maintenance and Engineering Services are a Hybrid set up with 80% of the workload carried out by the in-house sections and 20% carried out by external contractors via external procurement frameworks. Works contracted out are still managed by the In-House Technical and Operational services.

The overarching service operates from a depot based at Clydach and is made up of three sections:

- **Engineering Services;** including Street Lighting, Construction Works and Plant Services.
Engineering Services directly employs 54 members of staff (excluding shared business, financial and administrative support staff);
- **Highways Maintenance;** including Planned Maintenance, Routine and Re-active Maintenance, Winter Maintenance, Highways Emergency Service, Street Works, Drainage and Coastal Management and Highway Licensing and Enforcement. Highways management systems.
Highways Maintenance employs 77 members of staff (excluding shared business, financial and administrative support staff);
- **Support Services** including Finance, purchasing and stores activities which are embedded in delivery;.

Together these services are responsible for:

- Asset management, highways policy and guidance. The Highways Asset Management Programme (HAMP) is very detailed and explains how the Highways service works and considers all its assets. This is available online at <http://www.swansea.gov.uk/highways> ;
- Road resurfacing, footway resurfacing, safety barriers, white-lining, PATCH;
- Potholes, drain cleaning, pavement repair, signs, weed spraying;
- Lighting design, repair and replacement, illuminated sign maintenance;
- Civil Engineering construction works, including major schemes, development works and grant funded schemes;
- Highways Emergency Response 24 hours a day all year round;
- Winter Maintenance; including planned pre-salting, salt ('grit') boxes, snow ploughing, responsive salting;
- Plant hire and maintenance;
- Co-ordination and Control of Utility Companies, events and all other highway works, interferences and road closures;
- Drainage consent, major flood relief schemes, surface water flooding and coastal defence management;

- Licensing and Enforcement for skips scaffolding, signs, works, and obstruction dangers;
- Finance, Purchasing and Stores. Highways claims management.

In order to ensure that the service can adequately respond to situations which often arise as a result of extreme weather conditions, staff resources can be called upon from across the entire service. This allows the Highways Maintenance function to operate with an overall lower staffing level.

It is critical that the Authority maintains a 24/7 highway emergency response service in order to comply with its statutory duty to maintain safe passage over the highway and to prevent and respond to flooding.

3.4.2 Good Practice Identified:

- Fully committed to Association for Public Service (APSE) Benchmarking, with a solid overall performance.
- 2012 Highways Maintenance “Best Improvement” Finalist in the APSE performance networks awards.
- Swansea pioneered the now recommended publication of a programme of planned maintenance works since 2000 for Welsh Authorities.
- The PATCH initiative (Priority Action Team for Community Highways) is acknowledged as good practice and publishes planned schedules in advance.
- Swansea is an active member of the All Wales Asset Management Project cited as good practice by the Chief Executive of the Institution of Highway Engineers. Swansea’s Highways Asset Management Programme(HAMP) and online publication of the PATCH schedule is available here <http://www.swansea.gov.uk/highways>
- The recent Pot Hole initiative (targeting repairs within 48hrs) has been delivered well and has been positively received.
- The ethos of continuous improvement and the use of Systems Thinking is already well established within the Service (e.g. Driving Forward Programme; Overgrowth Noticing).
- Cross-Service working (internal collaboration) is strongly supported and encouraged with staff being trained in more than one area of specialism.
- Openly engaged in collaborative works with other Councils and organisations (Fire and Rescue Services, Multi Agency Flood Group, Probation Service).
- Lifecycle ‘cost of ownership’ and preventative measures feature strategically in programme planning and asset management. For example, Swansea was one of the first Welsh authorities to embark upon a programme of lighting replacement (with LED lamps) in 2012, reducing maintenance costs and contributing towards carbon reduction at the same time.
- Swansea’s approach to thorough Gully Cleaning which focuses on outcomes in terms of flood reduction rather than ‘fix times’ was highlighted as Best Practice at an APSE conference.

- 2010 All Wales intervention Levels for safety defects agreed and implemented by Swansea. This is recognised as the way forward. Agreements have not yet been reached in England or Scotland;
- Robust Winter Maintenance and Safety Policies which have stood up to legal challenge.
- Open to the use of new technology to provide better services e.g. mobile technology (for works ticketing) and thermal mapping of the road network (to enable more effective targeted pre salting treatment of the highway).
- Operation and promotion of a Winter Warden scheme enabling local residents to assist in Winter maintenance duties (such as locating and using salt bins) was highlighted as Best Practice by a national review and acknowledged internally by Scrutiny as a good way to engage with communities.
- Reduced staffing structure: 13 senior staff (40%), including Head of Service, managers and supervisors have left and not been replaced over the last 5 years.
- Although perceived as an 'easy target' for criticism, there is strong evidence of high quality work in both major and minor projects, and in provision of a service which is of value to residents.

3.4.3 Current Business Model

The service is provided via a 'hybrid' operating model which allows work to be delivered by in-house services or the private sector as is appropriate. The majority of Welsh Authorities operate their 'Highways Services' similarly with a mixture of in-house and external provision.

Works carried out by the Highways Maintenance and Engineering Cluster spans four different types of service: statutory oversight (policing and ensuring compliance of others); client and design functions; commissioning work; and operational work. Almost all of the operational services cover more than one type of role e.g. Planned Maintenance provide a Client and Design function, and also commission services.

The Highways service recognises that not all specialisms can or should be delivered in house for cost, efficiency or resilience reasons and as a result some works are outsourced via one of three channels:

- a) Through a partnership framework;
- b) Via competitive procurement processes; and
- c) By a combination of in-house provision and external supply.

These arrangements are further detailed as follows:

a) Partnership Framework

The Service tendered a framework partnership in 2008 and again in 2012 with the successful tender on both occasions being a consortium of a specialist resurfacing company and an established civil engineering contractor.

Utilising an operational partnership approach adds resilience and allows progression of works where internal resources are fully committed. For example, following an award of a £300k quick spend grant from Welsh Government we were able to allocate the money directly to the partner to undertake necessary works when in-house resources were already committed to end of year schemes. The Partner

undertook work on behalf of the Authority as a priority at a time when all local Authorities in Wales were trying to spend their own additional funding.

The partnership approach allows the Council to place orders for work at a best value rate without having to undertake a new procurement process for each separate order. The partnership is now in its eighth and final year (subject to current open tender results) and is considered to have worked well. The Authorities' partner commented on this as follows:

“we are able to provide significant economic and performance benefit to the authority by providing a single point of contact to manage numerous specialist maintenance schemes throughout the authority, from footway improvements to highway drainage works. “The partnership arrangement allows us to reduce our supervision and measurement costs through joint working and by being part of a joint team.”

This Partnership and partnership approach is referred to throughout this paper.

b) Competitive Procurement

It is not always practical or cost effective for the Council (or the partner) to provide a service directly. For example, specialist resurfacing processes require significant capital investment in plant and materials, and unless such plant is heavily utilised it sits idle, depreciating.

Where neither the Council nor the partner have the required expertise or resource to deliver specialist works the Council may seek to procure that service competitively; either as a single competitive procurement or via period frameworks e.g. for road markings and safety barriers.

Using competitive procurement for services outside of the Partnership agreement ensures the Council can still obtain best value from the private market.

c) Combination

This is where the service is provided 'in-house' but parts of that service are still procured externally. This is the hybrid operating model at a functional level and can be demonstrated by the in-house Plant department which owns its own fleet, but hires in from external companies those plant items that are not cost effective to procure and hold internally.

This allows the Council to benefit both financially and logistically from operating its own Plant Service whilst still ensuring the sourcing of specialist equipment for hire is managed corporately and continues to be provided at best value.

Each of these approaches features some degree of external procurement of services.

The principle and practice of procuring specialist works (versus in house provision of everything) is well established and was recently challenged following a staff suggestion to undertake road lining in house. A feasibility study was undertaken which evidenced that such specialist work could not be delivered competitively by the authority.

This typifies the issues around specialist service provision where plant and equipment are expensive and not fully utilised. This is presented as Appendix 8 - Feasibility of Lining Works.

Financial Overview of the Cluster

The Operational Units managed and controlled budgets during 2015/16 as below:

Engineering	Turnover	Surplus
Construction Trading Account	£3.6M	£290K
Plant	£659K	£113K
Street Lighting Maintenance	Budget of £1.5m	
Highways Maintenance Budget	Budget	Income
24001 City Centre	£69,800	
26015 Coastal Protection	£34,900	
26017 Drainage	£116,000	
26028 Structural Maintenance	£1,402,900	
26029 Environmental Maintenance	£153,400	
26030 Safety Maintenance	£321,500	
26040 Winter Maintenance	£354,200	(£10,000)
26043 Routine Repairs	£1,827,400	
26044 Admin and Professional	£961,958	(£196,700)
26045 Flood Protection	£156,300	
26050 Operational Wages	£10,900	
26052 Routine Maintenance	£32,600	
26053 Recycling	£1,900	
Total Incl. Finance Purchasing & Stores	£5,443,758	(£206,700)

The following Capital Budgets are also managed by the Cluster.

C02971 Castle Sq. Refurbishment	£7,000
C02990 15/16-Footway Renewals	£718,000
C02991 15/16-Dropped Crossings	£29,000
C02992 15/16-Repl Safety Barriers	£69,000
C02994 15/16-Carriageway Resurfacing	£1,338,000
C02995 15/16 Highways Spend to Save Programme	£1,000,000
C03307 Urgent Infrastructure Works	£142,000
C03369 15/16-Street Light Refurb	£428,000
C03512 15/16-Drainage Works	£440,000
C03551 Purch Plant Vehicles & Equip	£18,000
C03570 15/16-Unadopted /Private Streets	£101,000
C06228 West Cross Coastal Defence Wall	£181,000
C06230 15/16 Coastal Defence Works	£100,000
C06231 15/16-Wind Blown Sand Mitigation Works	£10,000
C07580 Cemetery Road Resurfacing 09/10	£102,000
Total Capital Projects	£ 4,683,000

3.4.4 Performance Comparison

Each function of the service has been examined individually and is presented as a description of how the service operates followed by its benchmarking and performance statistics which are provided as evidence.

A variety of benchmarking is undertaken across the Highways service to monitor performance and efficiency, ranging from Welsh National Performance Indicators to A.P.S.E. benchmarking. Comparisons are also undertaken with private sector rates and Welsh Government Frameworks.

Swansea are Welsh representatives for both maintenance and lighting with A.P.S.E. and have been involved in development of the joint Society of Chief Officers of Transportation in Scotland (SCOTS) / County Surveyors' Society Wales (CSS Wales) Performance Report and chair the Wales Highway Maintenance Performance Group.

A.P.S.E. performance indicators for 2014/15 have been used as the indicators are issued in November and the 2015/16 results have not been published to date. Where possible the information provided for 2015/16 has been provided to show trends.

Engineering Services

Engineering (as a group) directly employs 54 members of staff (operational and manual) and receives additional back-office support from the Finance, Purchasing and Stores section.

1. Engineering Services – Construction Works

The Council's construction team numbers just 26 staff in total and operates as an internal contractor for the rest of the service, other departments across the Council and external bodies/companies.

The team has no revenue budget per se and operates via a Trading Account which allows it to recoup its costs. In 2015/16 it turned over £3.6m and generated a surplus of £290,000.

The team carry out work on a competitive price basis comparing against the competitively procured Partnership Framework.

Works undertaken by the Construction Team include:

i) Section 278 (S278) and Section 38 (S38) works for property developers.

Under the Highways Act 1980 a legal agreement (S278) is required with the Highways Authority (the Council) as part of a planning application, before any works can be carried out on the public highway. For example, alterations to the highway which would allow access to a development site (roundabouts, junction improvements etc.).

Further, where a developer proposes to construct a new estate road for residential, industrial or general purpose traffic that may be offered to the Highway Authority for adoption as a public highway then an S38 agreement prior to the works commencing is the preferred route.

Under either approach, developers are usually responsible for all aspects of work (design through to completion) and may employ a road works contractor, but if an S38 agreement is made before construction starts then the Council can ensure it is constructed to the appropriate standard with proper lighting and drainage.

By providing design and construction services to the private sector at a competitive rate, the Council benefits from the income source and also realises an additional benefit of certainty that the highway has been build correctly and to the correct specification.

In using the Council as a contractor, the developer benefits from garaunteed adoption of the works; they do not have to purchase a bond to protect against contractor insolvency; and they do not have the normal one year works maintenance period to cover.

An internal audit of the Highways Trading Account for 2015/16 acknowledged that *“Section 278 and similar income generating works procured from the private sector are a valuable source of income for the Authority.”*

Income generated from external sources during 2015/16 amounted to £541,000.

ii) Community Budgets works.

The Community Budgets programme provides Ward Members with a £9,388 per annum allowance (2016/17) which can be spent in support of local improvements and events.

Where highway improvements are requested, the Council’s Facilities Management team assist members with their client responsibilities to ensure both legal and corporate compliance.

In addition to this, discussions on design, feasibility and cost are provided by the Engineering Service, resulting in an outline design and cost estimate being provided. This is undertaken as ‘business as usual’ and is not charged back to the community budgets.

Chargeable works commence when an order is placed and either: a) the work is delivered based on the estimated price; or b) further design and planning is undertaken (for larger works) prior to commencement.

In offering this service to members the Council seeks to :

- Ensure best value is obtained (in addition to competitive construction rates the Council does not have to incur or levy additional licencing charges);
- Ensure compliance with process and protect members’ interests as they become the ‘client’ (with legal responsibilities) under the Construction (Design and Management) Regulations (CDM);
- Ensure that works undertaken are properly licensed, have due regard for Health and Safety (of both the workforce and the general public) and are not detrimental to the asset (the highway);

Whilst there is a perception that works undertaken internally are often expensive or slow to be delivered, this is genuinely quite often due to statutory procedures and costs as illustrated in the yellow lining works example below where the actual ‘work’

element is just over 6% of total cost and legislative requirements add to both cost and delivery time.

Requirement: Provision of 50 metres of double yellow lines		
Activity	Cost	Comment
Advertising	£600	Legislative requirement
Legal Fee	£300	Legislative requirement
Lining Works	50m x2 lines x £0.60 per metre = £60*	* Lining works are externally procured for efficiency reasons (see 3.4.3) and works are grouped with other lining activities to avoid standard minimum works charges.
Total	£960.00	

Further detail of the process, legal responsibilities and examples of work can be seen in Appendix 9 – Community Budgets

The works undertaken are generally priced using rates from the competitively tendered framework contract where appropriate. However there are some activities where the nature and scale of the works mean that it is not possible to use the framework rates. In these circumstances a bespoke estimate is provided.

It is acknowledged that the framework contract is not always the most appropriate mechanism for pricing small scale works as the contract was intended to be for schemes above £100k. However the framework is about to be retendered with more appropriate banding for smaller scale works.

iii) Work for internal clients.

In undertaking work for client departments the initial price estimate provided is always a competitive one as a comparison will have been made to the competitive framework (partner rates).

In addition to this there are other advantages to the client and the authority. i.e.:

- Where works are completed ‘under price’ the saving remains with the client
- Management, coordination and compliance costs are kept to a minimum
- The long term cost (and protection) of the asset is assured

Engaging with the client at design stage can often result in a change to the specification or the construction methods, particularly where budgets are limited and the work is ‘value engineered’ to deliver a similar output at less cost without compromising quality.

Where it is not possible to revise the specification to meet the budget without undue compromise then a price review may be undertaken to ascertain whether tendered rates can be reduced. Whilst this is not a sustainable practice it can be considered, particularly on larger schemes where there is a greater corporate need.

iv) Work for other clients.

In addition to the above scenarios chargeable works are also undertaken for residents of Swansea (e.g. provision of vehicular access to properties) and work to

install a new signal crossing was recently undertaken for a neighbouring authority which was completed and well received by the client.

There is potential for increased works of this nature and one scheme has already been requested for delivery during the next financial year.

Expanding the service and delivering a greater volume of works both internally and externally has been proposed as an opportunity.

Construction Work - Benchmarking

Whilst budget holding sections tend to use performance benchmarking such as the A.P.S.E. indicators, the Construction Division do not have a revenue budget but operate as a contractor within the Authority. Income generated from works undertaken covers all operating costs and any surplus monies supports budgets across the Highways functions.

In general, work undertaken internally is priced using the competitively procured Partnership Framework as a guide to charges.

However, as the tender was primarily for schemes or groups of schemes exceeding £100,000 in value, the charging structure does not lend itself to smaller works and in these instances jobs are priced on merit and an estimate submitted to the client for approval. The restructuring of the new partnership agreement will address this matter and make the pricing structure more appropriate for all works.

One major difference between internal and external provision of schemes is that external contractors will require work to either be designed and have working drawings produced, or client staff being on hand to direct the works. This results in higher overhead costs to client's who then have to plan, manage, procure and/or supervise works. This overhead can be reduced when the internal service is used as the section's experienced staff undertake these functions on the Client's behalf.

In addition to value engineering schemes, the section will endeavour to assist internal Clients where budgets are severely restricted. This can be managing entire schemes or reviewing the framework rates endeavouring to improve on them. This is possible on some schemes, particularly larger ones, but would be unsustainable on a wider scale.

Two examples of this are:

- a) works at Penyrheol Comprehensive where the section acted as the Principal Contractor for all stages of the project and in addition, designer for one stage, saving the client approximately £3,500; and
- b) a surfacing scheme at Gors School was reassessed producing a saving of £3,400 which enable the scheme to proceed.

2. Engineering Services – Street Lighting

The Street Lighting team currently consists of 25 members of staff (with 2 of these positions earmarked as savings).

The team has a revenue budget of £1.5million and also manages a capital budget of circa £250,000 for refurbishments and asset replacement.

The Authority has a large lighting stock comprising of around 28,500 street lights, 4,100 illuminated signs and bollards and approximately 900km of underground cable. The service actively participates in A.P.S.E. benchmarking relating to lighting and carbon reduction. The full A.P.S.E. lighting report is attached as Appendix 10 – APSE Street Lighting PIs

The condition of lighting assets (columns and bracket arms) is managed via an externally procured structural testing programme, with the results used to produce the capital programme for ongoing replacement.

Undertaking lighting works in-house allows the Service the flexibility to alter work plans to cater for unforeseen circumstances, whereas doing so with an external contractor is likely to attract a financial penalty (or compensation payment).

The recent Local Government Borrowing Initiative (L.G.B.I.) provided £6.7m of funding. To maximise the benefit from the initiative the funding was used to purchase modern L.E.D. lanterns and dimming gear whilst the installation was funded via the existing (revenue) maintenance budget.

This enabled two initiatives to progress :

- i) the replacement of traditional lighting with L.E.D. lanterns (70% of the authorities lanterns are now L.E.D.); and
- ii) the introduction of dimming gear on non-L.E.D. lanterns (this accounts for a further 10% of columns).

Both measures will have long term benefits in energy reduction, carbon emission reductions and lowering maintenance costs.

Approximately 20% of the authority's columns have not been addressed by this programme and a significant element of these remaining columns will be on private streets or land owned by the housing department. A capital investment of circa £1.5m would be required to procure the necessary hardware to complete the rollout of L.E.D. lanterns. Installation costs would be in addition to this.

The Authority as a whole has a target to reduce carbon emissions by 30% by 2020 and is on track to deliver this. It is estimated that this energy saving initiative will reduce carbon emissions by 40% over the lighting network making a significant contribution to the Authority's target.

The savings from energy reduction and the reduction in maintenance requirement will realise an annual budget saving of £400,000 per annum whilst continuing to provide street lighting to the communities.

Lighting Benchmarking

WALES / SCOTS 2014/15

A.P.S.E. Indicator		Highest in Wales	Avg.	Lowest in Wales	C&CS	Position in Group
PI 06a	Energy cost per street lamp	£52.03	£41.16	£32.53	£38.17	5 th of 14
PI 18b	Average annual electricity consumption per street light (measured in Kwh)	495.89	386.37	264.70	315.13	2 nd of 13
PI 37b	CO2 emissions per street light (measured in Kg)	264.36	205.98	141.11	168	2 nd of 13
PI 01a	Average cost of maintaining street lights.*	£160.81	£75.18	£19.44	£160.81	13 th of 13
PI 04	Average time (days) to restore lamps to working order. (Authorities)	9.89	4.31	1.28	19.2**	-- **
PI 05	Average time (days) to restore lamps to working order. (External Electricity Provider)	30.61	14.29	5.00	9.23	4 th of 10

*See Performance Indicator Note below

**Data was submitted to A.P.S.E. but was excluded in the indicators as it was believed that the method of measuring was inconsistent with other Authorities.

NATIONAL 2014/15

A.P.S.E. Indicator		Highest	Avg.	Lowest	C&CS	Position in Group
PI 06a	Energy cost per street lamp	£69.05	£42.44	£23.03	£38.17	20 th of 59
PI 18b	Average annual electricity consumption per street light (measured in Kwh)	597.95	387.62	200.66	315.13	10 th of 57
PI 37b	CO2 emissions per street light (measured in Kg)	447.49	208.72	88.45	168	11 th of 59
PI 01a	Average cost of maintaining street lights*	£160.84	£73.59	£19.44	£160.81	56 th of 56
PI 04	Average time (days) to restore lamps to working order. (Authorities)	12.78 days	4.41	1.28	19.2**	--
PI 05	Average time (days) to restore lamps to working order. (External Electricity Provider)	39.40 days	14.23	3.00	9.23	18 th of 44

*See Performance Indicator Note below explain performance

**Data was submitted to A.P.S.E. but was excluded in the indicators as it was believed that the method of measuring was inconsistent with other Authorities.

Benefits of the initiative started to take effect in 2015/16, the table below showing the performance improvements in 2015/16.

WALES 2015/16

A.P.S.E. Indicator		C&CS Submission	Trend Against 2014/15
PI 06a	Energy cost per street lamp	£30.28	-20.67%
PI 18b	Average annual electricity consumption per street light (measured in Kwh)	296.79Kwh	-5.82%
PI 37b	CO2 emissions per street light (measured in Kg)	158.218Kg	-5.95%
PI 01a	Average cost of maintaining street lights.	£51.60	-68%
PI 04	Average time (days) to restore lamps to working order. (Authorities)	11.54 days	-38.54%

Whilst the tables above may present some of the indicators in a questionable light, this is due in no small part to the way the indicators are compiled and a conscious decision to concentrate resources on the lamp replacement programme rather than daily maintenance. This is explained in more detail below:

Performance Indicator Note

- PI 01a** – Abnormally high due to inclusion of LGBI capital expenditure of £3.3m. (PI is calculated as total expenditure less energy charges). Post spend it is anticipated that we will compare favourably with other authorities.
- PI 04** – Resource was intentionally focussed on lantern replacement ahead of repair in order to drive benefits from the LGBI investment programme. Response times during 2015 show a 68% improvement and the current response time is circa 5 days. The LGBI investment will lead to less frequent failures and enable further improvement in this PI.
- PI 05** – Many Authorities do not own their cable network and faults are rectified by an external provider. The results locally and nationally compare poorly with those for the Local Authorities.

It is anticipated that the reliability of the L.E.D. will reduce maintenance costs and indicators will improve considerably over the coming years.

Design work is undertaken for internal departments and external companies such as housing developers. The rates charged compare favourably with the National Procurement £25k+ Framework 2015 (N.P.F.) and the Welsh Government Technical Consultancy Framework (W.G.T.C.F.) as evidenced in the table below.

Position	C&CS Equivalent	Consultant Average N.P.F	Consultant Average WGTCF	C&CS Hourly Rates*
Principal Engineer	Street Lighting Manager	£49.17	£48.55	£47.96
Chartered/ Senior Engineer	Senior Engineer	£36.30	£36.63	£37.38

Graduate/Senior Technician	Lighting Designer or Inspector	£33.00	£33.37	£29.27
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*CCS rates include the overhead costs

3. Engineering Services – Plant Services

Following reorganisation in 1996 a plant department was established to:

- Increase efficiency and ensure the availability of quality plant items at the depot at least possible cost
- Protect the welfare of the workforce by updating plant to comply with Health and Safety legislation e.g. Anti-vibration to protect against hand arm vibration (H.A.V)

Plant services is a two man operation based at the Clydach depot.

The section operates on a commercial basis, covering all costs and the trading statement for 2015/16 is detailed below.

Category	Expenditure	Income
Staff/Employees	£73,902	
Premises, stores & Finance support	£120,442	
Internal recharges	£242	
Transport	£28,111	
Procurement	£647,593	
Income from sales		£27,300
Income from hires		£956,538
Total Gross Expenditure and Income	£870,290	£983,838
Trading Surplus		£113,548

There are significant operational advantages in operating an internal plant service:

- Operational efficiency. The Highways haulage fleet is parked at the operational Clydach depot in accordance with the statutory 'O' Licence obligation. The workforce collect plant from the on-site plant shop saving time in travelling to private hirers.
- Plant usage is booked against project codes and recharged accordingly, generating income. The surplus generated in 2015/16 was £113,548.
- All income through hire is available to support budgets and purchase new plant, maintaining high standards and utilising new technology.
- Substantial savings are realised through purchase of plant consumables, e.g. Disc cutter diamond blades. External companies charge approximately £30 per millimetre of blade wear, irrespective if the items are returned with less wear. Purchase of blades for owned plant realises savings of £228 per blade. At current usage this equates to £9,500 per annum.

- Plant is maintained internally ensuring high standards.
- Owned plant has vibration recording equipment which protects the health and well-being of workforce from Hand Arm Vibration Syndrome (H.A.V's) and Carpel Tunnel. Reports are produced which show the vibration data for both the plant items and the users of that plant, ensuring that the wellbeing of operatives is managed in the most effective way possible. This data is also vital when defending claims for industrial injury/disease. Hire companies do not operate the same electronic system which was highlighted during a recent H.S.E. investigation.

Plant is continually monitored and items added to the fleet where usage justifies or existing plant replaced where it is beyond economic repair, or where changes in health and safety requirements necessitate upgrading.

Great care is taken when purchasing plant to ensure the correct purchase is made, with the following procedure being adopted.

- Use past experience of the plant item e.g. reliability, functionality, longevity etc
- Consider purchase cost, value for money and any residual value.
- Consider the compatibility of new plant with existing plant (not just operationally but also in terms of 'cannibalising' parts to save on repair costs).
- Consult with plant hirers and colleagues within the industry or field of specialism, to gather their experience with the prospective items to be purchased.
- Consult internet reviews.
- Arrange for the item to be supplied on a trial basis, where possible.
- All plant is purchased in accordance with Contract Procedure Rules (CPR)

Plant benchmarking

Smaller items of plant are generally purchased and larger items such as excavators (where the frequency and type of work undertaken would not support the purchase of such items) are hired from local companies via the Authority's Contract for Hired Plant.

Contract hire rates available to the Authority are generally significantly lower than those available to the open market due to the suppliers' preference to deal with a large organisation such as the Council.

The table below shows a comparison of rates between the Council's Plant section and the lower rates submitted on the plant tender.

Plant Item	Supplier A costs £ p/w	Supplier B costs £ p/w	Supplier C costs £ p/w *	Supplier D costs £ p/w	Highways Plant £ p/w	Saving against Cheapest £ p/w	Saving against average £ p/w
1.5t 360 machine	124.00		140.00	155.00	99.90	24.10	39.77
1.5t Hammer	80.00		98.00	125.00	74.00	6.00	27.00
Roller 80	80.00		94.00	95.00	83.99	-3.99	5.68
Single drum roller			119.00	100.00	59.94	40.06	49.56
Trailers	40.00		15.00	5.00	4.81	0.19	15.19
14" floor saw	52.00	40.00	25.00		20.00	5.00	19.00
12" petrol disk cutter	32.00	20.00	13.00		13.00	0.00	8.67
Cement mixer	17.60	14.00	10.00		9.25	0.75	4.62
Vibrating poker unit	40.00	30.00	9.00		8.51	0.49	17.82
24v Drill	32.00	24.00	17.50		11.10	6.40	13.40
9" trench foot compactor	44.80		20.00		19.98	0.02	1.62
3kva generator	28.00	22.00	16.50		13.00	3.50	9.17
Hydraulic power pack	56.00	50.00	25.00		22.20	2.80	21.47
compactor plate	40.00	25.00	17.00		17.02	-0.02	10.31
petrol Strimmer	36.00	25.00	18.00		9.99	8.01	16.34
petrol hedge trimmer	36.00	24.00	18.00		5.18	12.82	20.82

* Only supply within the industry

When plant required isn't owned it is hired in from the framework at very competitive rates. The table below shows rates available to C&CS in comparison to those offered to the open market. This shows the Authority not only provides best value in it's plant hire, but also drives to achieve best value from it's own suppliers.

Plant Item	Supplier 1		Supplier 2		Supplier 3	
	Rate to Authority	Rate to private company	Rate to Authority	Rate to private company	Rate to Authority	Rate to private company
13 Tonne excavator	£26/hr	£32.50/hr	£31/hr	£34.10/hr		
20 Tonne excavator	£35/hr	£43.75/hr	£35.50/hr	£39.05/hr		
J.C.B.	£20/hr	£25.00/hr	£23/hr	££25.30/hr		
16 Tonne Lorry					£32.41/hr	38.50/hr
Lorry with Crane					£28.05/hr	37.00/hr

Under the Contractors Plant Agreement (C.P.A.) many items hired through external suppliers do have a minimum hire period which will vary from 3 days to 2 weeks, with the corresponding associated hire charges applying.

Authority owned plant has the added advantage of having no minimum hire period.

Highways Maintenance

Highways Maintenance (as a group) directly employs 77 members of staff (operational and manual) and receives additional back-office support from the Finance, Purchasing and Stores section.

At a recent conference on Highways a comparison was given in relation to spends on the local road network. This is summarised below:

- Local Road networks have a typical lifecycle spend of £34,000 per km;
- The Welsh average for local road network spend is £8,800; and
- Swansea has an even lower spend at just £7,000 per km.

This statistic highlights the comparative lack of funding on Highways in Wales compared to the required lifecycle spend.

4. Highways Maintenance – Planned Maintenance

The service provides a core client/design function which is a fee based commissioning service using both 'the partnership' and individual tenders/frameworks. This is a small in house team of six staff (5.5 fte) and fees charged are based on actual time spent on a job. Fees are also monetarily capped by the service at 90% of the maximum fee value prescribed by the Association of Civil Engineers (ACE) consultants.

Using the Partnership provides additional and specialist resources for Capital works programmes alongside the Construction Team.

The Highways Act 1980 sets out the main statutory duties; in particular Section 41 imposes a duty to maintain highways at public expense. This duty is further developed in the code of good practice for highway maintenance.

The service delivers robust asset management approaches for the Highway Authority for all non-trunk roads maintainable at public expense. The network includes 1102 km of carriageway and 1500km of footway, this includes long term maintenance of the asset through the Highways Asset Management Plan, the 5 year Highway Works Programme and monitoring the road surface friction results.

The service is a member of the All Wales / Scots Asset Management Project where new legislation and best practice is regularly discussed, and where practicable responses can be made on an all Wales basis. Contracts can also be shared with other Authorities via this vehicle (e.g. the Carmarthenshire framework can be used by C&CS and is checked for a price comparison if works are tendered).

Swansea were heavily involved in the development of the PI Reporting toolkit (used for CIPFA returns) which was developed via the All Wales Asset Management Project and CSS.

The section oversees the PATCH programme to undertake localised repair works where local Members are actively engaged in identifying problems within their ward. This function relies on the ability to balance network need with political demands. This arrangement was studied by City of Cardiff Council's Scrutiny team in 2013/14 and recommended as good practice. The PATCH programme is carried out by the Partners on competitively tendered rates.

The team have ownership and long term responsibility for the condition of the network that extends beyond a single programme of works. This vested interest allows prioritisation of the statutory oversight role which includes monitoring the highway for signs of exceptional use and damage. This is a critical role particularly when dealing with a deteriorating asset with a £50m backlog of work (carriageways and footways). The long term nature of the responsibility can be seen in Appendix 11 Depreciation Models which shows the current model for network depreciation over 20 years, together with the effect that budget reduction would have. As condition deteriorates the requirement for reactive maintenance increases dramatically which is far less cost effective. Deterioration may also lead to an increase in indefensible claims resulting in a greater spend on compensation settlements and increased insurance premiums.

The team undertake major works on a prioritised basis for the roads in Swansea and this includes allowances for internal re-prioritisation such as rearranging works that clash with corporate events. Residents (and the wider public) are kept informed with proposed Planned Works on footways and carriageways in order to minimise disruption.

Planned Maintenance Evidence

Benchmarking is carried out in conjunction with APSE and a sample of the core indicators are provided below. The following National Indicator is reported and is measured by external contractors working for Welsh Government.

National Indicator 2014/15		Best in Group	Average of Group	Worst in Group	C&CS	Position in Group
THS12	Condition of principal roads (TRACS type surveys - England & Wales)	4.5%	11.9%	19.7%	4.8%	2/22

This indicator shows the relative condition of the road network during 2014/15 and the Authorities PI for 2015/16 remains good at 5.1% although it is understood that the Authorities position has most likely dropped to 4/22. This was expected due to LGBI expenditure in other Authorities being targeted at carriageway resurfacing.

WALES 2014/15

A.P.S.E. Indicator		Best in Group	Avg in Group	Worst in Group	C&CS 14/15	Position in Group*	C&CS 15/16
PI 02b	Condition of principal roads (TRACS type surveys - England & Wales)	1.2%	4.15%	8%	3.2%	4/13	3.3%
PI 41a	% of carriageway length receiving planned works	8.3%	4.25%	0.04%	0.04%	11/11	Not yet available
PI 02e	Condition of non principal roads (Class B - England and Wales only)	2.8%	5.58%	10.8%	4.1%	4/13	4.5%
PI 02f	Condition of non principal roads (Class C - England and Wales only)	5.9%	13.7%	21.6%	7.1%	2/13	7.3%
PI 02g	Condition of unclassified roads (England and Wales only)	2.34%	14.4%	44%	Not available	2/10	7.6%

* Position is out of 22, results shown reflect number of returns.

PI02b, e and f are from the same survey as the National indicator but to a greater degree of detail. 15/16 results for Swansea also displayed

PI02g is based on a sample survey, the 2016 result for Swansea is listed and position compared to 14/15 results.

PI41a shows Swansea carried out planned maintenance works on the smallest length of road in Wales in 14/15 by a considerable degree. This would be a concern in terms of funding however it is recognised that during this period most Authorities bar Swansea invested the LGBI money available into carriageways and therefore had a significant amount of additional funding. This reinforces the success of the overall condition rating in light of the additional investment experienced by all the

other Welsh Authorities and explains the drop in position from 2nd to 4th in terms of road condition. .

As staff work on Capital projects and are fee based, the following comparators have been made against both the Carmarthenshire Framework and the Welsh Government Technical Consultancy Framework.

C&CS Positon	Carmarthenshire Framework Average Rate	Welsh Government Technical Consultancy FrameworkAve Rate	C&CS Hourly Rates*
Principal Engineer	£48.07	£47.61	£44.76
Senior Engineer	£36.27	£43.06	£39.61
Snr. Technicain	£33.04	£36.16	£34.40

*C&CS rates are shown at basic salary with a 2.2 multiplier for overheads.

Note: Whilst C&CS rates may in some cases be slightly higher than the Carmarthenshire framework average rate, we believe these rates are still broadly comparable and that the C&CS rates still represent good value.

5. Highways Maintenance – Routine/Reactive Maintenance

This function is provided as a hybrid (in house) model with support from the partnership and the underlying statutory duty is to maintain the highway (and ensure safe passage). The service consists of circa 54 staff who deal with around 55,000 enquiries a year, with 86% of enquiries being responded to within 10 days (an indicator which is measured monthly).

Current arrangements were established following a best value review in 2000 and refined following the establishment of Street scene in 2010 and an Operational review in 2015.

The operational teams have extensive local and technical knowledge which is highly important in an area where records have traditionally been poor. Asset inventories are improving but even where good records exist the on-site knowledge is still invaluable in real time situations. For example the Authority have approximately 40,000 road gullies and numerous drains, channels or “grips”. The gullies are recorded on a mapping system however the grips are often located off road, in undergrowth or hidden from general view with their location only known from experience and local knowledge.

The service requires a flexible, multi-skilled workforce capable of responding to changes in priority in particular during exceptional circumstances (usually resulting from extreme weather events). For example a masons gang may be called upon to work in water courses or undertake winter gritting duties in times of need.

The partnership recognise that they cannot easily meet this requirement and have commented: *“Our current specialist works teams will remain available to maintain the current quality and programme confidence required by you to obtain your maintenance objectives. They are also available to complement your multi-skilled workforce in those areas that they are trained should your workload demand. We may however need to bring in sub-contractors for some works that are outside our core functions”*

Highway inspection services are not widely available outside of Local Authorities and private provision is focused on the individual's responsibilities rather than the reasonably practicable approach that the budget holder requires when assessing risk. The reliability in court of an independent Inspector with no responsibility or buy in to the long term condition of the highway would be a risk.

The Highways network in Swansea is similar in size to that of Cardiff and is largely urban (excluding Gower/Mawr). Whilst an exact comparison of staffing is not possible we are able to show comparisons with our neighbouring authorities as below.

	Cardiff	Bridgend	Swansea
Operational Staff	42	38	34
Technical Officers	n/k	20	16

The service operates a 24 hour emergency service throughout the year dealing with flooding, traffic accidents and white outs, together with the more mundane issues of pot holes. Out of hours public safety functions are also covered in relation to dangerous structures and a number of other areas not part of the day time service.

Operationally staff have to be flexible and responsive at all hours whether they are part of the formal standby rota or not and need to pull together during emergency situations to safeguard people and properties.

Resilience is provided by the Partnership who can provide routine works via planned programmes of work and give an additional resource when required.

The Highways Maintenance "Driving Forward" programme was established in 2015 to review the service (following the split with Cleansing). Subsequently work processes have been reviewed, and perhaps most notably, the approaches for the pot hole initiative were developed at this forum following poor perceptions in the reputation tracker and concerns of senior politicians and their aspiration to see an improvement in the public perception of highway maintenance.

Routine/Reactive Maintenance Evidence

WALES 2014/15

A.P.S.E. Indicator		Best in Group	Avg of Group	Worst in Group	C&CS	Group Position*
PI 03a	% of Cat 1 defects made safe within response times (carriageways)	100%	82%	25%	94.42%	7/15
PI 39b	% of planned KM of safety inspections completed (carriageways)	100%	98.7%	93%	93%	10/15
PI 28	Number of Cat 1 defects per KM of maintained carriageway	0.0	0.45	1.6	0.57	10/15
WPI 001	Number of 3rd party claims per KM of maintained carriageway	0.00	0.075	0.24	0.14	14/15
PI 31b	% change in number of	93.7%	-4.7%	-50%	-3.86%	4/15

	non repudiated 3rd party claims in last 3 years compared to previous 3 year period					
WPI 005	Headline indicator for net expenditure on the highway asset (per Km of carriageway maintained)	£19,315	£8,861	£4,764	£7,066	8/15
PI 060	Km inspected per Safety Inspector (carriageways & footways)	3,066km	1,310km	324km	908km	NA

* Actual position is out of 22, results shown reflect number of returns.

PI03a is reported as a corporate indicator. Swansea reports the second highest number of Category 1 issues/emergencies, but manages a high return against these.

PI39b – This indicator reflects the robustness of the insurance inspection regime. Results are improving and the performance is monitored monthly.

WPI 001- This indicator is expected to be higher for urban Authorities with a much higher population per km. Cardiff was placed 15/15 for a similar reason.

PI31b Slight reduction in numbers non-repudiated, further information listed in the Highways Technical Systems section.

WP005 An important comparator measuring revenue expenditure per km. Swansea's performance is comparable against most Authorities, however no detailed work has been carried out to confirm the reliability of this indicator which has a medium confidence rating.

PI060 This is a new indicator and was not supplied by Swansea last year but has been calculated at 908km. Driven and walked inspections have not been separated and this will distort figures depending on the rural or urban nature of the Authority.

Due to the contractual nature of the current commercial partnership, and the fact that the arrangement is currently being re-tendered, staffing cost comparisons are considered commercially sensitive.

However, when our in house supervisory and operational staff rates are compared against the private sector rates (via our partnership rates) our costs, even including an overhead cost, are broadly comparable at lower levels and notably more competitive at supervisory level and in terms of standby provision.

6. Highways Maintenance – Street works

The street works service is mainly concerned with statutory oversight (policing function; ensuring others comply with legislation) and licensing of activities on the Highway. All Welsh Authorities provide this service in-house and collaborate in an All Wales manner when discussing problems with high profile statutory undertakers e.g. BT, Dwr Cymru etc.

Comparison with other Authorities is difficult due to differing structures and functions but the following shows the approximate staffing arrangements our more comparable Authorities.

Authority	No Staff	Notices Handled	Note
Swansea	6	30,000	(5.5 fte)
NPT	4	4500	
Newport	5	5063	Excludes licencing
Cardiff	12	32000	

Controlling works on the Highway is important as uncontrolled works can cause physical damage to the highway, economic damage (via a disrupted network), and reputational damage (via public perception).

To address this, all works/events on the highways are assessed and planned to cause as little disruption as possible. Even with perfect planning some disruption is inevitable but the in house service is focused on safeguarding the network.

The process is supported by legislation and codes of best practice, and fines can be issued where non-compliance is found.

Income for this area in 2015/16 was approximately £130k but it should be noted that the legislation is based around cost recovery, and the limitation placed on “profit” would affect the viability of external provision. Income can be shown as follows:

Section 74: Charges in relation to over-runs of works	£ 11,100
Section 72: Charges in relations to defective works	£ 35,297
Sampling and Fixed Penalty Notices (Various fines & charges)	£ 82,930
Total	£ 129,327

Further developments are expected in this area as Welsh Government are looking to adopt the principle of internal noticing of works and have already indicated that Authorities will be encouraged to do the same. This will require additional processes to be introduced which may have resource implications, but importantly will need the service to be adaptable.

The service is currently trialling an initiative (known as the coring programme) which examines the quality of the repairs applied to the highway following ‘roadworks’. This is specialist work needing experience outside of the current team and operates on a cost recovery basis. It is currently estimated that the scheme will bring in £40-50k of income with approximately 45% being cost and 55% being ‘over recovery’.

Highway licensing is also undertaken by the team and is run in a minimalistic reactive way. The Authority has one officer dealing with this subject and intervention is carried out where non-compliance is reported either by the public or by members of staff. The Licensing function currently has a cost recovery/income stream of approximately £140k per annum.

Source of Income / Cost Recovery (2015/16)	Amount (£)
Skip Licencing	44,571
Scaffolding	21,183
Pavement Licences and A Frames	14,347

Temporary Traffic Regulation Orders (TTRO)	27,952
Other Licences	35,751
Total	£ 143,804

Total income excluding the coring programme for the team is £273k, total cost including a 30% overhead is £210k.

Street Works Evidence

The control of Street works is not an area included within the A.P.S.E. data sets, however statistics are collected nationally but not published, making comparison difficult. A full range of indicators is attached as Appendix 12 – Street Works Score Card.

Measure	2014/15				2015/16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Days Occupancy	9236	8147	9067	10144	8555	9334	10809	13027
Percentage over-run	5.7	2.9	4.2	0.9	0.4	0.7	1.7	1.5
No. of Inspections recorded as chargeable	340	617	1003	1413	264	669	1003	1342

The example above highlights the sheer volume of roadworks registered and inspections undertaken throughout the year. This also highlights that in quarter 4 of 2015/16 only 1.5% of work over-ran against a total of 13,027 days of work undertaken.

A comparison has been made of the licensing costs; for example Private Works on the Highway has a chargeable range of £212 to £405, with C&CS at £395. This survey is carried out every 4-5 years and is due to be repeated. Rates are increased annually at or above the rate of inflation.

Further comparison will be undertaken in relation to C&CS new coring programme and results after the first 6 months will be compared to the other Authorities in Wales carrying out this work. Early indications suggest that the quality of utility repairs in the Authority are toward the bottom end of the spectrum. This supports the proposed extension of the coring programme with a view to driving up quality and protecting our assets (the Highway) from unnecessary and accelerated deterioration.

7. Highways Maintenance – Drainage and Coastal Management

Work undertaken is mainly a client/statutory oversight and is closely linked to the Flood and Water Management Act (2010). This Act designated the City and County of Swansea as Lead Local Flood Authority which resulted in the establishment of new statutory duties to coordinate and manage flood risk from local sources .i.e. surface water, groundwater and ordinary watercourses. The team consists of just four staff (3.5 fte).

The Service Functions undertakes the following statutory duties:

- Flood and Water Management Act 2010

- Flood Risk Regulations 2009
- Land Drainage Act 1991
- Coastal Protection Act 1949
- Reservoir Act 1975

Under the terms of Flood and Water Management Act 2010 Welsh Government produced the first National Strategy for flood and coastal erosion. This places significant responsibility on C&CS as lead authority, to ensure that the fundamental objectives below are delivered:

- Reducing the consequences of flooding
- Raising awareness and engaging people affected by flooding
- Providing an effective response
- Prioritising investment

Due to the nature of the statutory oversight and stakeholder support, the service is carried out internally with commissioning as required. Collaboration is undertaken both with WLGA and other local Authorities and the team are currently undertaking their first commission from a neighbouring Authority. The ability to offer such services on a larger scale are limited (as this is a small team) however, such sale of services does help to support the unit financially.

Long term policy and data management lends itself to internal services to ensure ongoing responsibility whilst the need to undertake flooding investigations limits the ability to use local specialists due to potential conflicts of interest. Part of the role includes assessment of drainage proposals for new developments; as such the internal provision ensures that long term maintenance and effects on the highway are given due consideration during planning applications.

The team provide valuable knowledge and expertise to routine operations in addition to the above functions and also commission a programme of Capital Drainage Improvements either through specialist contractors (Coastal Works currently £200k) or the Partnership (Drainage/Flooding £400k pa.). In addition to internal budgets the team have been successful in obtaining approximately £350k of capital grants for flooding/coastal related works this year.

Drainage and Coastal Management Evidence

No indicators exist in relation to Drainage or Coastal management as much of this service is client/design based or fulfilling a statutory oversight role. All staff earn fees and scales of payment have been compared against the competitively tendered consultancy contract.

Position (C&CS Job Title)	Carmarthenshire Framework Average Rate	Welsh Government Technical Consultancy Framework Avg Rate	C&CS Hourly Rates*
Principal Engineer	£48.07	£47.61	£44.76
Senior Engineer	£36.27	£43.06	£39.61
Engineer	£33.04		£34.40

**Overhead multiplier of 2.2 included in C&CS Rates.*

8. Highways Maintenance – Winter Maintenance

The Highways Winter Service is an in-house service that relies on resources from across the service to ensure service provision during winter weather conditions. The dedicated resource for this team is just one half of one person (i.e. 0.5 fte). Work is carried out via a mix of commissioning (weather forecasting/ weather stations/ specialist vehicle servicing) and in-house operations.

The majority of this work occurs outside of normal working hours and is undertaken by staff drawn from other team operating on standby system. This can impact on day time operations as staff sometimes require rest days following overnight working.

This is an important service to the Authority and certainty of our ability to deliver is paramount; for that reason we must have robust arrangements in place and the requirement to provide this cover is written into staff contracts.

In other areas of Wales the gritting part of this service is provided in a similar manner or by full time night shift provision.

There are advantages in using internal staff as during whiteout conditions staff are able to provide a day time service as they are fully trained.

Use of a part year night shift is possible with staff rotation however this would leave day crews reduced in number. The night shifts are also less productive when winter operations are not being undertaken, as supervision is at a lower level, and quarries and other support services would be unavailable. Some works are also not possible at night due to noise issues. These revised arrangements have been trialled in some other authorities (Bridgend) but have not been widely adopted due to the loss of productivity during the day.

Winter Maintenance Evidence

Winter Maintenance is covered by A.P.S.E. and the following are an example of the indicators reported.

WALES 2014/15

A.P.S.E. Indicator		Best in Group	Avg of Group	Worst in Group	C&CS	Position in Group
PI 114	% of carriageway network subject to precautionary salting treatment	52.8%	35.6%	24.5%	42.7%	3/15
	Route Efficiency	53.75%	71.92%	170.64%	59.85%	4/15
	Top Priority Routes completed on time	100%	99.9%	99.1%	100%	1/15
	Average Route Length (kilometres)		80.39		131	NA

* Position is out of 22, results shown reflect number of returns.

PI114 refers to the extent of the network pre-salted (gritted). Although Swansea treats more than most Authorities, the Authority is heavily urban and the route efficiency is 4th in Wales.

Average Route length is 131km which is the longest in Wales. This maximises the use of plant and staff but the operation is at the limit of that which is achievable - both in terms of legislation and reactivity (more than 4 hours from start to finish).

9. Highways Maintenance – Highways Technical Systems

This is a small core of staff who provide the technical back up for the operational units. Works cover everything from workflow management, inspection records and land registry searches to technical FOI responses and claims handling and investigation. Routine driven inspections are also carried out in accordance with the maintenance team's safety policy.

The front desk area is included in this review, however much of this function has been transferred to the corporate call centre in accordance with the back office review. Performance management is also included in this area (using the Mayrise management system) and provides management information for Corporate, APSE and internal uses.

Realistically this is a maximum of seven staff (3 technical staff, 2 admin staff, 2 inspectors); plus one security guard to supplement the external security provision.

The team work closely with operational staff and have developed mobile working to provide teams with real time workflow. The team has implemented significant ICT improvements for the highways service including data capture and communication via handheld devices. The team have also rolled out a service wide asset management system which captures valuable data and improves the efficiency and effectiveness of our operations.

Highways Technical Systems Evidence

As a primary support function the team do not hold a breadth of PIs of their own. They are however responsible for claims investigations and A.P.S.E. PI's in relation to claims are listed in routine maintenance which shares the function. In addition claims related statistics are listed below.

Year	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Claims received	347	347	262	360	368	211	211**

** Prediction based on partial years figures.

The repudiation (rejection) rate is currently 82.98% across all highways claims comparing to 83.99% in 2014/15.

A study by the RAC Foundation shows that 31,483 claims were made against Councils across Britain during 2015/16 for vehicle damage caused by poor road conditions, and 33% of those were successful.

The table below shows an extract of the Welsh data which highlights Swansea's success in defending such claims. This performance contributes toward our achievement of lower insurance premiums.

WALES		2015/16		
Local Authority	No. of claims	No. of Successful Claims	Percentage of Claims Successful	Total Value of Successful Claims
Cardiff	237	51	50%	£11,952
The Vale of Glamorgan	173	39	56%	£7,327
Swansea	97	6	7%	£584
Powys	77	20	54%	£7,878
Neath Port Talbot	76	17	77%	£3067
Bridgend	76	40	66%	£8,234
All Wales Totals	1279	249	33%	£62,332

2014/15 and 2015/16 figures were reduced partly due to a change in legal process.

10. Finance – Back Office Support

The finance and purchasing aspects of back office support are currently included in the Business Support review and as such are not reviewed here. The Stores function is included in the operational review across the wider Highways service.

Finance: The team provide budget monitoring and management of capital and revenue accounts, including: reporting of financial information to Highways and Transportation Head of Service, payment of invoices for Highways and Transportation, control and management of Highways Oracle Project Costing, processing of manual and fee timesheets into Oracle Time and Labour module, process and maintain absence relating to staff and manual workers.

Purchasing: To procure and source all goods and services through corporate contracts ensuring Contract Procedure Rules and financial regulations are adhered to at all times. To supply Central Procurement with position statements on WPCC.

Stores: Management of the main stores at Clydach and Central Transport Unit (CTU) ensuring; all goods and services are ordered through Oracle inventory and Purchasing, maintain adequate stock of all commodities to ensure continuity of operations' run inventory reports to show slow moving stock, provide out of hours service to Highways and Transportation, ensure annual stock take is undertaken.

3.4.5 Customer Satisfaction and Stakeholder Engagement

A wide range of customer and stake holder engagement is undertaken across the Service.

The corporate Reputation Ttracker shows that performance is perceived poorly by the survey of 200 people. Only 26% believe a good service is provided. This is believed to relate to condition of the network rather than actual poor service delivery.

An Engagement Event was recently held for all staff in the Highways Service and alongside other staffing issues Commissioning was explained and staff were given further opportunity to contribute to future improvements and to make saving suggestions.

Engineering Services

A customer survey was recently undertaken with clients including internal departments, external organisations and developers. Questions were grouped into four categories:

- i. Advice and design.
- ii. Financial service (Estimating and cost efficiency)
- iii. Construction Works
- iv. Overall View of Service.

Results were good with 86% of clients rating the service as good or better (see table immediately below).

Function	Very Good	Good	Total – Very Good/Good
Advice and design.	63%	35%	98%
Estimates and Financial functions	46%	48%	94%
Construction works	55%	38%	93%
Overall View of Service	56%	40%	96%

Highway Maintenance

- Scrutiny has reviewed the service in:

2010 Winter Maintenance

2012 Highway Maintenance

2015 Street scene (incorporating Highway Maintenance)

In general the feedback from the panels has been very supportive:

“Street scene services are and remain critical services for the people of Swansea. It’s the one side of the Council that every citizen uses and interacts with on a daily basis,”

and

“Promotes and encourages communities to take up the Winter Warden Scheme by reducing the bureaucratic burden on the communities and individuals who want to sign up to the scheme”

- Feedback from the recent pot hole initiative is excellent. The following feedback has been received:
 - Corporate Communications have provided the following feedback:
 - Evening Post - 3 positive stories, 2 positive opinion pieces
 - Swansea Bay Radio – 1 positive story and website coverage
 - 593 unique page views on council website
 - 30,376 reached on council Facebook, 110 likes, 105 comments / shares
 - 52 likes, 25 retweets and conversations

- Positive feedback from our insurance providers in relations to Highways claims defence (2013). The Company’s ratings are Green, Amber, Red, and Black; the Authority’s practices were equi-distance between Green and Amber however it was decided to award a Green to Swansea and the following comment was made: *“The Authority was found to have a good, robust system and the overall standard was deemed Acceptable”*
- Planned Maintenance traditionally carried out works surveys for most schemes and feedback was very positive. However the view is that feedback tended to reflect that the stakeholders had received a new road rather than any perception of level or quality of the service provided. Two recent schemes have been surveyed (following works at Beaumont Crescent and Freeman Street) and initial feedback is shown below:

Question	Scheme Beaumont Crescent Average Score	Freeman Street Average Score
Workmanship	4	4
Communication	2.7	4
Co-Operation Of Workforce	3.2	4
Cleanliness Of Finished Site	3.7	4
Health And Safety	3.3	3.3
Environmental Awareness	3.3	3.3
Overall Average Score	3.4	3.8

Key 1 – Poor, 2 – Satisfactory, 3 – Good, 4 - Excellent

- The PATCH programme consults with Ward members prior to works being undertaken in their ward to allow comment or suggestions for alternative works. These have to follow suitability/priority guidelines but decisions are discussed with Councillors prior to works proceeding.
- Community Councils and Stakeholder groups are met on a regular basis, for example the Sandfield residents association was met to discuss measures to reduce sand on the Mumbles road; and the Marina Residents Association are regularly met in relation to Marina maintenance.

Finance Procurement and Stores Evidence

This service is largely internal with the majority of stake holders (suppliers and contractors excluded) being found operationally within the service. Feedback from internal managers is good with any issues being resolved at internal meetings.

As previously stated, finance and procurement elements are being reviewed as part of the ongoing business support / back office review and are therefore not examined under this review.

The provision of the Stores service is being considered (in conjunction with CTU) as it is believed there are viable alternatives to the way this service is currently delivered. There is therefore a proposal within the Central Transport Unit section of this report, to review the Stores service. Any such review will naturally be carried out

for Stores Operations as a whole and in conjunction with the wider highways service and stores users.

At present the stores operation is based at two sites, Central Transport Unit and Clydach Depot.

The Clydach stores (which is more prevalent to Highways Maintenance, Construction and Public Lighting) holds over 450 lines of stock with a value in the region of £150,000. The operation at Clydach is controlled by two staff and stock turnover by value is in the region of £30,000 per month (20%).

The Central Transport Unit Stores holds 2,500 lines of stock with a value of £130,000. The operation at CTU is controlled by three staff and the stock turnover is in the region of £20,000 per month.

This operation will be reviewed as part of the proposed stores review.

3.4.6 Conclusion on Current Service Provision across the Cluster

The authority provides a cost effective Highways Maintenance and Engineering Service which is delivered via a common in-house (hybrid) model. This is widely considered to be the most appropriate method of delivering the service as it maintains control and flexibility, allows income generation and still enables the externalisation of services and bolstering of resilience as required.

Like most highways services Swansea has been exposed to CCT and Best Value reviews, so the concept of becoming commercially aware is not a new one. Within this cluster income generation opportunities are limited to a small number of functions and a few fee earning staff, however, two of the functions that do earn fees (Construction and Plant Services) are able to operate as cost neutral or better (both generating a small surplus during the previous financial year).

Given the statutory nature of the work and the acknowledged low level of funding across the whole of Wales, it is important that this commercial approach continues.

The quality of the work provided by the service is believed to be good and despite perceptions about the service being an expensive one, evidence suggests it is actually well placed in comparison to the private sector and competitively tendered framework rates.

The service has been 'slimmed down' over recent years and the current service operates on three well founded principles:

- It is in the public interest that the authority owns and manages the local road networks, both from a cost efficiency and a safety perspective;
- Operating as a hybrid is essential to build service resilience and ensure that some specialist and lesser used services are delivered in a cost effective manner; and
- The ability, the local knowledge and the attitude of the workforce is fundamental to the delivery of a safe and efficient service.

The Service has an ethos of continuous improvement and this review has helped the service look more critically at how it can improve its offering, and will help deliver new (and already planned) changes in a focussed manner.

3.4.7 Savings Already Identified

Savings already proposed and accepted for this cluster are tabled in Appendix 1 – Savings Agreed and total circa £618,000 (12% of Service Target).

In addition to this the following opportunities are proposed:

3.4.8 Opportunities Proposed For Progression

Ref.	Proposal	Value	Year	Explanation
HE2	Provision of Red Diesel for Clydach depot	5000	17/18	Capital investment of £7k Confidence in delivery is high
HE3	Explore opportunities for increased delivery of operational works and technical services in house	L	18/19	Commercial & Public opportunities exist Would require increased staffing Business Case would need to be developed
HE4	More Homes Project – Infrastructure Works	L	18/19	Scale of works not yet known Requires CBS support and confirmation Would require increased staffing
HE5	Increased infrastructure works on behalf of Housing Department	50,000	18/19	Investment in Housing assets presents significant opportunities. Requires Housing support and confirmation Would require increased staffing
HE6	Investigate potential hiring of plant to staff at weekends	L	19/20	No additional investment sought Confidence in succeeding is Low Work to build proposal is low
HE7	Extend LED Lamp Replacement to illuminated street signs (on failure)	0	18/19	Undertaking as a full capital programme would provide low return on investment (ROI). Proposal is therefore to replace with LED at failure as part of business as usual
HE9	Deletion of Lighting Inspector Post	35,000	17/18	staffing restructure in 2017/18
HE10	Complete the LED Lantern replacement Programme. (<20% of stock) OR replace when fail	L	17/18	Three categories / levels of investment. £255k to complete working lights; a further £279k for lights not on highways land; and £393k - columns not used. ROI is low (est 6%) but would aid carbon reduction. Alternative proposal is to only replace these as lanterns fail.

Ref.	Proposal	Value	Year	Explanation
HE11	Creation of a plant database for the whole of the place directorate	L	17/18	Currently being trialled. Low cashable savings but will provide a more corporate approach, resource sharing efficiencies and cost avoidance.
HE14	Flexible Retirement of Asset Management Officer	12000	17/18	Reduction in staffing structure
HE15	Delete Lighting Inspector Post	32000	17/18	Reduction in staffing structure
HE24	Review delivery of community budget scheme works	0	17/18	The new construction framework will be implemented in early 2017. It is proposed for a review of the construction element of the works to be undertaken 6 months after implementation to evaluate the cost effectiveness of the delivery. This could be undertaken through a report to CAC.
HM1	Increase in Coring Programme works.	25,000	17/18	Confidence is high Provides an income stream and drives up the quality of the highway repairs by utility companies.
HM2	Reduction in Winter Gritting Routes resulting from Thermal Mapping works.	10,000	17/18	Political decision required. This is more efficient and targeted use of resources resulting in a saving which can be should be deliverable without any perceived loss of service
HM5	Licensing Charges increase of 3%	2,000	17/18	Appropriate review and increase in charges
HM7	Improve programming of works and communication	0	17/18	Service improvement (non financial) High confidence in success
HM8	Review of daytime emergency works re-charging.	0	17/18	Proposal to ensure full Cost Recovery. Savings (if any) will be low.
HM9	Decommissioning of water course grids. Review to confirm ownership and remove non-owned liabilities.	0	18/19	Review of assets and operations. Internal (legal) input required. Unknown financial benefits but should reduce financial risk. Needs to consider the Council's responsibility as Local Lead Flood Authority.
HM10	Welsh Trees Initiative: A grant based project to stop erosion through rainfall using natural barriers.	Potential future cost avoidance 0	17/18	Grant based project to prevent rainfall erosion via use of natural barriers, and prevent rainfall reaching the highway (reducing flooding) with zero maintenance costs.
HM12	Review if or how Highways can generate further income from advertising.	L	17/18	Work with the Commercial Team to explore new opportunities and investigate what others are doing via the APSE network.
HM14	Review and report on Weed Spraying Arrangements	0	17/18	Cross Council review of approach, efficiency and cross-service working

HM20	Integration of Highways Plant and Highways/CTU Stores	0	17/18	Implement structure changes to Highways Plant and Highways/CTU Stores to bring a more efficient and effective service (The savings are detailed in CTU14)
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3.4.9 Opportunities Proposed For Consultation

Ref.	Proposal	Value	Year	Explanation
HE8	Cease assumed responsibility for lighting on non-highways owned land.(Private Streets and Authority owned land).	46000	17/18	Political Decision and Consultation Turn off lighting and cease maintenance or transfer responsibility or only provide on a full cost recovery basis. (£46k is energy only, maintenance saving would be in addition)
HM3	Reduction of Private Streets and Un-adopted Areas budget (Stopping Emergency Strips)	35,000	17/18	Political decision required. Reduction in budget will impact on ability to repair non adopted council owned land.
HM4	Investigate use of ASBCP Act for Highway Offences (Using legislation to deliver fixed penalty fines)	0	18/19	Proposal to explore opportunity. Consultation and political decision required following investigation.
HM6	Reduction of Disability Crossover budget	10000	17/18	Needs political decision and consultation
HM11	Evaluation and Sale of surplus Highways land.	L	17/18	Review highways owned land with a view to selling. Land sales will generate a small capital income and reduce risk (of claims) and maintenance costs
HM25	Review of Weekend Working Arrangements	M	18/19	Consider a Review of working arrangements to provide contractual weekend working (i.e. options include 5/7 working, reduced overtime etc.)

3.4.10 Opportunities That Require Investment

Ref	Proposal	Value	Year	Explanation
HE1	Capital investment in the lighting cable network.	0		Lighting Cable Network is ageing. Replacement would reduce maintenance cost. Confidence is Medium, ROI is untested Future Cost Pressure Avoidance
HM13	Continuation of the Pot Hole initiative beyond March 2017	COST		Needs £150k additional investment p/a/ to continue
HM19	Major Capital Investment in Planned Maintenance Work to improve asset condition and reduce both the need and cost of reactive works, and the cost of insurance claims.	L		Elements of cost avoidance are logical ROI has not been proven. The highway asset condition is declining at current investment levels. Confidence in delivering cashable savings is low unless very significant capital investment made.

3.4.11 Adverse Proposals

In order to ensure members have options which are capable of realising the 50% savings required a number of adverse proposals have to be presented.

These are options not recommended by Officers but they are valid options and Councillors have it within their gift to pursue these options if required.

In almost all cases these options are delivered by a reduction or cessation of services.

Ref.	Proposal	Value	Year	Explanation
HE12	Considerably reduce street lighting provision (switch off lighting)	M	17/18	Would require street lighting switch off and removal. Would provide both maintenance and energy savings; Could be focussed on traffic highway and/or residential lighting. Total lighting and energy budget is £1.3m
HM15	Winter Gritting Routes - further reduction	14000	18/19	Further reduction in percentage of network treated (delivered via thermal mapping data to minimise risk). Would lead to more routes not being treated.
HM16	Weed spraying 50% reduction	30000	17/18	Reduce service levels of weed spraying as it is not a statutory service. Reputational risk due to visible impact particularly during wet summers.
HM17	Further Reduction of Disability Crossover budget	10000	17/18	Would require consultation and EIA

Ref.	Proposal	Value	Year	Explanation
HM18	Licensing Charges increase a further 7% above inflation	5,000	17/18	Could damage reputation and have significant kickback from public & businesses. Political decision and consultation required.
HM21	Reduction of the City Centre Maintenance Budget	10,000	17-18	Budget reduction would leave a minimum budget that is committed to ongoing costs and leave little room for project work and enhanced maintenance.
HM22	Reduce Highways Maintenance Operations by 4 members of front line staff	150000	17-18	Would significantly reduce service levels (pot holes, repairs) and impact ability to respond to extreme weather conditions..
HM23	Reduce Drainage team by 30% (2 staff)	80000	17-18	Cessation of routine gulley emptying in the Autumn/Winter period, moving to a reactive only service.

3.4.12 Key Risks

- Further reductions in staff following the Senior Staff Review may restrict the ability of Highways and Transportation to meet increased workload demands, thereby reducing our ability to make savings and generate additional income.
- The ability to retain and/or recruit qualified and technical staff given the upturn in construction industry is a potential risk.
- The service delivers work for other parts of the council, and therefore budget decisions taken by Cabinet and Council would have an impact on workloads and income.
- A programme of testing for all street lighting columns needs to continue on a risk based approach to minimise the risk of column collapses.
- Structural testing of street lighting bracket arms has been added to the programme of testing for lighting columns due to recent failures. This has the potential to require apparatus to be replaced and reduction in capital funding will limit the ability to replace the failed apparatus and columns will have to be cut down and bracket arms removed.
- The aged and deteriorating lighting cable network requires investment for renewal. The increasing number of faults places a strain on the revenue budget.
- Policy decisions at National and Welsh Government, particularly following the 'Brexit' vote could affect funding to Local Authorities.
- The balance between income and revenue budgets creates a potential risk around the net cost of the service.
- Loss of the Engineering Service will have a significant detrimental effect on the ability of other departments to deliver their objectives and obtain product guarantee due to:

- i. Higher whole service costs as Engineering advise, design solutions, and undertake the procurement, delivery, management and supervision on their behalf.
 - ii. Money leaving the Authority as external companies' profits.
 - iii. Being exposed as Clients under CDM
- The Highways Emergency Out of Hours and Winter Maintenance services are reliant upon staff from across the service with 'Gritter' drivers are recruited from both the Engineering and Highways Maintenance operational units (and the Cleansing Service). In the event that staff numbers reduce significantly then alternative arrangements would have to be made to ensure compliance with our duty to provide safe passage over the highway. Similarly, flooding to properties from highway land, or watercourses for which the Authority is responsible, would result in third party claims as well as have severe reputational issues.
- A service specific risk exists in relation to the expansion of the asset the service is responsible for. Under new Asset management guidelines assets are being transferred without either budget or staff resource and in sometimes poor condition. The risk is both in terms of maintenance and claims. E.g. recently 38 streets transferred from Housing responsibility to Highways within a 2 month period and without any additional budget.
- Without additional investment, the condition of the carriageway network will deteriorate significantly over the next 10 years. The number of roads classified as being in 'poor condition' will more than double, pushing up both reactive maintenance and planned maintenance costs as a result of increased demand; possibly at the expense of more cost effective preventative maintenance which then exacerbates the problem.
- The long term condition of coastal defences is a concern in relation to the increasing number of with severe weather events. This concern is based on the increasing in severity and frequency of extreme weather events alongside a condition survey which was undertaken in recent years.
- In seeking to comply with the Active Travel Act (and provide more cycle routes) there is a risk that classifying a road as a recognised cycle route may result in more stringent criteria being applied when determine 'faults' (as per code of practice). For example, ironworks 15mm below the road surface may be acceptable on a general carriageway but could be interpreted as a significant risk to cyclists. The remedial measure may require the re-setting of all ironworks along a stretch of road.

3.5 INTEGRATED TRANSPORT UNIT (ITU)

3.5.1 The Authority is now commencing a process to implement an Integrated Transport Unit (ITU) which will bring the transport functions of the Council into a single group. At present there are a handful of separate transport coordinators within the Council arranging similar services independently. The ITU would therefore combine the Highways Transportation Group, Social Services Transport and Home to School Transport into a single unit where skills and expertise could be properly pooled with a view to managing peaks in demand, and realising greater efficiencies in terms of increased productivity and cost reduction.

The proposal for the creation of an ITU was considered and supported through the Budget and Performance Review Group. Work has commenced to establish the ITU but this has been delayed by significant staff shortages. However some progress has been made and a Transport Steering Group has been established. This group has representation from transportation, fleet management, Social Services, Education and HR with the remit to ensure that service and transport changes are considered and evaluated effectively. The staff shortages have now been addressed and it is hoped that the ITU can be established at the start of the 17/18 financial year (subject to consultation).

A more detailed report on the creation of an Integrated Transport Unit is included as Appendix 13

The establishment of the ITU will help ensure the effective planning and deployment of the transport resources across the Council which should achieve financial savings. The level of savings possible is yet to be determined but this will be calculated as the ITU develops.

Included under the banner of the Integrated Transport Unit is a project to review Staff Travel which will seek to reduce staff travel both internal and external to the County boundaries.

Two elements of cost reductions have been proposed as part of this report and are table below. However it should be noted that the budgets for these activities do not fall under the Highways and Transportation budgets.

3.5.2 Opportunities Proposed For Progression

Ref.	Proposal	Value	Year	Explanation
TRN2	10% Reduction in 'in County' mileage claims. Corporate Budgets	100000	17/18	As part of the Integrated Transport Unit proposals a project will be undertaken to reduce staff travel (in County). Corporate Budgets.
TRN3	20% Reduction in OOC mileage claims Corporate Budgets	100000	18/19	As part of the Integrated Transport Unit proposals a project will be undertaken to reduce staff travel 'out of County'. Corporate Budgets.

TRN1	Construction of new 'Available Walking Routes' to Schools. Education Budget	280,000	19/20	<p>Improvements to routes allows withdrawal of school bus services for children who live within the statutory distance of their catchment school, but are unable to walk or cycle because of an 'unavailable walking route'.</p> <p>This is an Education Budget</p> <p>Three routes have been preliminarily identified as candidates for consideration: Kingsbridge Link (£80k p/a), Clyne Common (£120k p/a) and Birchgrove Road (£80k p/a).</p> <p>Capital Cost tba</p> <p>Risk - challenge after construction</p>
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4.0 **STAGE 4 –DELIVERY MODEL APPRAISAL**

4.1 **Consideration and Discounting of Delivery Models.**

The addition of 'Hybrid' to the commissioning review toolkit provides a more appropriate label for those services already operating a 'mixed economy' and enables 'In-House' to be seen as those services provided purely by Council employees.

In keeping with previous reviews all delivery models were initially considered; it was agreed that for expediency and consistency a standard subset of three models would be considered in more detail for each Service/Cluster.

Three models were then discounted:

i) Transformed In-House. For good reason none of the current services are considered as purely 'in-house' and whilst it would be technically possible to transform some services from their current Hybrid state to such a model, with the limitations the Council already faces this option is not considered practical and has therefore been discounted.

ii) Community Transfer. Given the scale, scope and statutory nature of the duties involved it would not be feasible to undertake a wholesale transfer of these operations to a community based service. This does not preclude use of community transfer as an option for functional elements.

iii) Collaboration / Partnership. Again, wholesale transfer of arrangements to a collaborative structure (be that with Private or Public Sector) is not considered desirable. Elements of collaboration still exist at a functional level and will continue to form part of the Hybrid Solution (e.g. the sharing of technical resources with partners, the creation of regional frameworks for construction and technical services and wider use of procurement frameworks such as NPS).

4.2 **Models Considered Appropriate for Further Consideration**

Three remaining models were therefore carried forward to the competitive scoring sessions, these being:

i) Transformed Hybrid. This is the further refinement of the current operating model. The Hybrid model delivers services via a mix of internal service provision, externally sourced services, collaboration and potentially community transfer;

ii) Outsource to the Private Sector. Under this model a third party (or parties) would be asked to provide all services or appropriate subset(s) of these. Any such award would have to be in full compliance with European procurement rules.

iii) Alternative Company Model. The nature of the alternative company for this evaluation was not prescribed. Typically such companies could be a staff mutual; a TECKAL; a not for profit organisation; or an arm's length trading company. Under each of these models the authority would have varying degrees of control, risk and reward but ultimately the advantages and disadvantages between models would not be vastly different.

4.3 An **Options Appraisal Workshop** was held on 31st August to consider these models against each of the Services / Clusters under review.

Each Service / Cluster presented an overview of their services and held discussions with stakeholder groups scoring the models for appropriateness against:

- Service Outcomes;
- Corporate Priorities;
- Financial Impact;
- Sustainability and Viability;
- Deliverability.

4.4 Summarised results are provided below.

In each instance the most appropriate model for service delivery was considered to be the Transformed Hybrid (a refinement of the current operating model).

Similarly, the creation of an alternative company was considered a less attractive option, although not ruled out, and the wholesale outsourcing of services to the private sector was seen as the poorest option by comparison.

From a scoring perspective, across all four services, the overall percentage fit can be shown as:

Service	Transformed Hybrid % Fit	New Company % Fit	Private Provider % Fit
Highways Operations	85	61	52
Traffic & Transportation	89	41	24
Marina	87	53	40
CTU*	73 (76)	48 (50)	32 (33)

* the CTU workshop did not score any provider on the Corporate Priority: Improving Pupil Attainment thus skewing the result under the standard formula. A formula adjustment to remove that criteria for CTU only reflects the scores as 76, 50, and 33 as shown above.

4.5 A more detailed table of scores is presented immediately below

	No of Criteria	Transform Hybrid	Private Provider	New Company	Transform Hybrid	Private Provider	New Company
Engineering and Maintenance (Cons)							
Service Outcomes	4	18	12	13	4.5	3.0	3.3
Corporate Priorities	5	18	18	18	3.6	3.6	3.6
Financial Impact	6	28	10	14	4.7	1.7	2.3
Sustainability & Viability	4	20	13	14	5.0	3.3	3.5
Deliverability	3	15	9	10	5.0	3.0	3.3
Total Services Score (Pts)	110	99	62	69	90.0%	56.4%	62.7%
Whole Average Score					4.6	2.9	3.2
Engineering and Maintenance							
Service Outcomes	4	15	10	12	3.8	2.5	3.0
Corporate Priorities	5	18	12	16	3.6	2.4	3.2
Financial Impact	6	24	12	12	4.0	2.0	2.0
Sustainability & Viability	4	18	13	16	4.5	3.3	4.0
Deliverability	3	13	6	10	4.3	2.0	3.3
Total Services Score (Pts)	110	88	53	66	80.0%	48.2%	60.0%
					4.0	2.4	3.1
Traffic & Transportation (TNMG)							
Service Outcomes	5	24	4	5	4.8	0.8	1.0
Corporate Priorities	5	25	0	16	5.0	0.0	3.2
Financial Impact	6	28	9	14	4.7	1.5	2.3
Sustainability & Viability	5	25	4	8	5.0	0.8	1.6
Deliverability	3	15	7	8	5.0	2.3	2.7
Total Services Score (Pts)	120	117	24	51	97.5%	20.0%	42.5%
					4.9	1.1	2.2
Traffic & Transportation (Transp)							
Service Outcomes	5	20	4	8	4.0	0.8	1.6
Corporate Priorities	5	16	5	10	3.2	1.0	2.0
Financial Impact	6	24	15	16	4.0	2.5	2.7
Sustainability & Viability	5	24	3	6	4.8	0.6	1.2
Deliverability	3	13	8	8	4.3	2.7	2.7
Total Services Score (Pts)	120	97	35	48	80.8%	29.2%	40.0%
					4.1	1.5	2.0
Marina and Maritime Quarter							
Service Outcomes	4	17	7	9	4.3	1.8	2.3
Corporate Priorities	5	16	8	9	3.2	1.6	1.8
Financial Impact	5	24	11	15	4.8	2.2	3.0
Sustainability & Viability	3	15	8	10	5.0	2.7	3.3
Deliverability	3	15	6	10	5.0	2.0	3.3
Total Services Score (Pts)	100	87	40	53	87.0%	40.0%	53.0%
					4.5	2.0	2.7
Central Transport Unit							
Service Outcomes	4	14	11	10	3.5	2.8	2.5
Corporate Priorities*	4	12	4	8	3.0	1.0	2.0
Financial Impact	5	20	8	15	4.0	1.6	3.0
Sustainability & Viability	3	13	3	6	4.3	1.0	2.0
Deliverability	3	14	6	9	4.7	2.0	3.0
Total Services Score (Pts)	95	73	32	48	76.8%	33.7%	50.5%
					3.9	1.7	2.5

4.6 During the reviews (and workshops as part of such) the following opinions on the advantages and disadvantages for each of the models were proposed and discussed.

Option 1 – Transformed Hybrid	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Arguably the least risk option • Already an efficient, well performing service (evidenced by benchmarking) • Workforce have strong skillsets, experience and local knowledge • No additional set up costs • Control and Accountability are held locally (Members and Officers) • Commitment to Corporate Priorities and ownership of business outcomes. • The model is flexible and adaptable enough to address changes in legislation, service needs and market forces. • Not driven by profit measures • ‘Profits’ support wider service delivery • Helps preserve local employment • Supports delivery of other services. • Retains flexibility ahead of potential LGR 	<ul style="list-style-type: none"> • Perceived reduced ability to innovate and provide value for money. • Changes to Terms and Conditions and operational practices can be difficult and slow to introduce. • Historic lack of technological Investment • Corporate budget cuts impacting on service area performance, eg less legal support, HR support etc. • Can be less risk averse and appear more ‘bureaucratic’ (rightly or wrongly) •

Option 2 - Outsourcing to Private Sector	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Could inject new investment without the need for the Authority to invest up-front. • Introduction of new ways of working and innovation. • Removal of perceived red tape and overhead cost of bureaucracy. • Reduced political priority 	<ul style="list-style-type: none"> • Loss of local control and flexibility • Staff transfer promotes reliance on contractor. • Change in strategy / needs leads to increased costs over contract price. • Potential loss of local employment. • Contract and procurement costs. • LA would need a client function. • Poor timing bearing in mind uncertainty of local government reorganisation. • Culture of money making as opposed to social conscience of CCS • Loss of political reactivity • Would take many months (years) to negotiate and implement given scale.

Option 3 – Set up a New Company/Joint Venture

Advantages	Disadvantages
<ul style="list-style-type: none"> • Possibility to reduce overall management costs. • More flexible to change • Could enable economies of scale to be achieved • Platform to encourage more income generation/commercialism beyond Public sector. • May be appropriate at a future date for some aspects of the service • Reduced political priority • Increased objectivity. • Trading opportunities increase • Less internal 'obstruction' 	<ul style="list-style-type: none"> • Poor timing bearing in mind uncertainty of local government reorganisation. • Different methods of existing service delivery. • Needs a partner who wants to undertake preferred Joint Venture approach. • Teckal Company could only trade at 20% of turnover externally • Initial set-up cost could be circa £500k. • Knock on effect on wider corporate services • Reduced political reactivity • Limited capital for set up • Has failed elsewhere • Less internal support • Would take many months (years) to implement.

4.7 Ongoing development of the Transformed Hybrid model is supported by each of the Service Managers and the Head of Service.

4.8 In addition to the scoring of the models and the above widely discussed rationale, the following, more service specific rationale is offered in support of the proposal.

Service	Additional Supporting Rationale
Highways Operations	<ul style="list-style-type: none"> • The current delivery model is already considered robust; • Commercial opportunities around statutory duties are limited; • The Authority is focussed on whole life cost of assets; • Shared resources help drive down whole service cost • Retaining the service retains flexibility and responsiveness • The service can and does help the authority avoid cost • The market cannot provide a one-stop solution • The partnership approach to externalising works is working • Provision of 24/7 winter maintenance standby would be provided at a premium by a private sector service provider. • 2009 A.P.S.E. guidance on in-sourcing stated: <i>“There is mounting evidence that councils have been bringing services back in-house and are continuing to do so.” and “APSE’s research shows insourcing is happening for practical reasons rather than any ideological stance.”</i> • Diversity of functions makes a single supplier contract unlikely (increasing potential contract management overhead and and complexity);

	<ul style="list-style-type: none"> • In any outsourcing scenario, ensuring local knowledge (staff) transferred to the new supplier and could be retained would be important • Contract values and lack of established major highway term contractors within Wales make Term Maintenance Contracts (TMC) less appealing to the private sector • Evidence shows contractor charges for re-mobilisation, programme changes and out of hours emergency working to be very expensive. Such “compensation events” occur frequently in Highways and arrangements would need to be contractually very robust.
Traffic & Transportation	<ul style="list-style-type: none"> • Traffic currently operates at a near zero net cost • Parking and traffic management is a significant strategic transport tool • Transportation is a low cost service (in staff terms) which delivers significant benefits to residents and visitors alike. • Policy development, bids for funding and regional networking could not be provided more efficiently by contracting out the service • The bus station has been remodelled and is now well managed and delivered as a cost neutral service – to externalise this provision would introduce unnecessary risk • Audit reports on large scale ERDF and Welsh Government funded infrastructure projects have confirmed the use of the ‘in-house’ design consultancy as being best value.
Marina	<ul style="list-style-type: none"> • The service operates at a net profit • Previous externalised management arrangements have not been successful • Surplus funds are re-invested to promote longer term viability of the operation • Additional monies and shared staffing support the (statutory) upkeep of the River Tawe Barrage • Previous management approaches (wholly private and arm’s length company) have been less successful than the current set-up.
Central Transport Unit	<ul style="list-style-type: none"> • The service recovers all of it’s costs and offers services to the Council at competitive rates, saving money for others • The delivery model is recognised as a good one (APSE) • Holistic approach consolidates costs, allows greater economies of scale and a channel for corporate governance • Allows efficiencies, priorities and service improvements to be tailored for the benefit of the end user • Ensures resilience and service delivery for others • Ensures responsibility for Operator’s Licence compliance • Hybrid model offers income generation opportunities • Helps safeguard the authority (financial and reputational risk)

- | | |
|--|---|
| | <ul style="list-style-type: none">• Helps other services avoid costs (via competitive rates)• Although a good service is currently provided there are recognised opportunities to improve upon this• Previous externalised management arrangements have not been successful |
|--|---|

4.9 RECOMMENDATION: The Transformed Hybrid model clearly comes out on top for all services in this review and is recommended as the adopted model subject to members agreeing that the package of savings and opportunities proposed are adequate.

5.0 SERVICE ENHANCEMENT / IMPROVEMENT OPTIONS

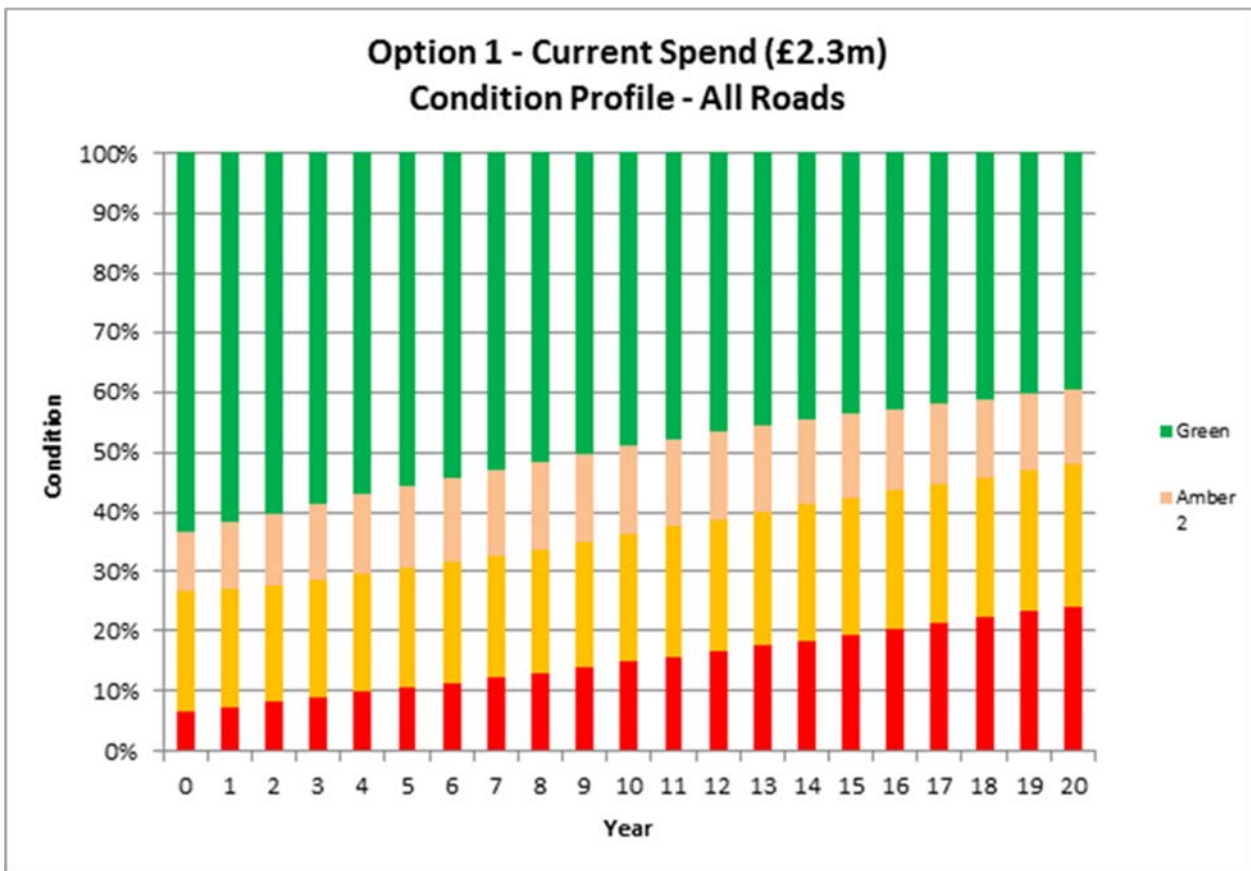
It is recognised that some areas of activity within the Highways and Transportation Service require increased levels of expenditure and an increased level of resources in order to maintain service levels and meet customer expectations. The areas which would benefit from additional investment/resources are as follows;

5.1 Increased Highway Maintenance Capital Investment

The following budget proposal reflects the urgent need to increase the resources available to maintain the highway. It reflects the maintenance backlog of work for the Authorities 1,000km of carriageways which is calculated at £54m and recognises that without further investment the condition of the carriageway network will severely deteriorate over the next 10 years, significantly increasing the costs of planned and reactive maintenance.

The report is based on figures calculated by the Welsh asset management valuation tool and uses both a deterioration model for roads and the annual condition figures that are produced from highways surveys. The overall value of the carriageway network is calculated to be just in excess of £1,039m with an annual depreciation of £122m.

Current funding (including the £1m spend to save initiative) is around 50% of that required to keep the carriageway network in its current condition. The graph below shows how the roads will deteriorate over the next 10 to 20 years if current funding remains the same.



The important points to notice are

- a) by 2026 the number of roads in poor condition will have more than doubled.
- b) by 2026 the number of roads in good condition will have reduced from 62% to 47%.

This means that by 2026 the number of roads requiring reactive day to day maintenance (ie pot holes) will have increased by over 900 streets. Assuming revenue budgets remain constant (unlikely under current spending pressures) the service would be unable to meet minimum statutory obligations for a deterioration of this nature.

In terms of cost effectiveness, planned maintenance is far more cost effective than reactive maintenance, in simple terms a pot hole may cost between £50-£100 to fill whereas a metre square of resurfaced road is costed at £15 and preventative measures (e.g. surface dressing) may cost as little as £5m2.

These figures exclude a number of key issues which exasperate the situation and are not considered namely, traffic growth, network growth, the increase in HGV traffic to residential areas, the resilience of roads in poor condition to severe winters, increasing risk of flooding.

A suggested **additional expenditure of £2m per annum of Capital funding** would raise the level of carriageway funding to a steady state level where the condition of the carriageway network would not deteriorate as a whole.

5.2 Funding To Carry Out More Highway Maintenance Works During Evenings/Weekends

There have been an increasing number of requests to carry out more planned and reactive maintenance works during the evening/nights or on Sundays to minimise the disruption to motorists. There are significant cost increases with working during night times and on Sundays as there are premium rates for contractors and overtime rate enhancements. These costs can be particularly high with some activities like patching as the surfacing suppliers may need to specifically open and man surfacing plants which are very expensive. In some areas it is not possible to work during the nights as the noise and disruption is not considered acceptable for nearby residents.

The Service tries to balance the level of disruption for motorists with the cost effectiveness of carrying out the works using off peak working and some weekend working as appropriate. However if there is an increased level of expectation to limit disruption further then it will be necessary to increase budgets to enable more works to be planned during the nights and weekends. It is difficult to quantify the costs associated with this however an **increased revenue budget allocation of £50k per annum** will provide funding for increased night/weekend working. This will need to be evaluated to see whether further funding is required.

5.3 Telematics

Increasing the investment in staffing levels will assist in reducing congestion and improving journey time reliability on key arterial routes.

5.3.1 Investment in Telematics Equipment

The telematics network would benefit significantly from an **additional £200k per annum of Capital funding** as it will allow life expired junctions to be renewed and new technologies to be implemented to improve junction efficiency, thereby reducing journey time. This will result in a gradual improvement in the stock throughout the City and County, with more reliable junctions not being prone to unexpected failures as happened recently on Oystermouth Road, resulting in a 10 minute journey increasing to 50 minutes at the peak of the traffic congestion. Efficient transport access into the city would improve the reputation of the Council and City, supplementing the Economic Regeneration aspirations of the City & County of Swansea.

Improvement in the traffic signal stock will also bring about a reduction in the annual second line maintenance contract, providing a saving to the authority. This is the maintenance work which has to be carried out by external contractors when our in house staff are unable to rectify the faults.

5.3.2 Additional Staff Resources in Telematics

An additional Telematics Engineer would have a number of advantages;

- At present, our monitoring of the Highway Network is very much reactive. Staff will strive to minimise negative impacts on the travelling public once a fault / issue is identified. – An additional member of staff will allow a more proactive approach to monitoring of the highway network, especially the main arterial approaches to ensure that issues are identified earlier, mitigation measures put in place quickly, to reduce disruption and consequential delays.
- An additional member of staff will be able to work on capital design projects bringing additional income into the authority.
- An additional member of staff will allow greater collaboration with local communities, investigating members' concerns with regard to congestion, protecting our most vulnerable sections of our community with safe routes within communities.

The staffing resource would **cost approximately £40k per annum of revenue funding** (inclusive of on-costs).

5.4 Traffic

An additional traffic engineer would enable closer, more comprehensive engagement with communities and enhancing the council's prevention / safeguarding capabilities and would have the following benefits:

- Provide greater more comprehensive support to members. At present the performance indicator for response times to member queries is not being met. In addition, the ability to support members and assist in maintaining the reputation of members and the Council is severely compromised, with officer responses focussing on the lack of funding, where an additional officer will allow time to consider more holistic solutions through collaboration with partners, engaging with the public to change attitudes, through PACT and other public meetings. This would have an immediate reputational benefit.

- Welsh Government grant allocations for Safe Routes in Communities and Road Safety Grants are through competitive bids from all Welsh authorities, at present there is insufficient resources to meaningfully engage with schools and other important partners, which is a key component of any successful bid. Therefore, the share of grant allocation from the Welsh Government is being compromised, due to lack of resource to evidence meaningful engagement with communities in formulating bids for grant funding.
- An ability for the current team leader to focus on strategic policies to protect the authority, such as a policy for Road Safety Audit, a Road Safety Strategy (covering road safety engineering as well as road safety education, training and publicity) – important elements of the council's safeguarding duties.
- Unfortunately, WGov road safety grant funding is predicated on reducing accidents, and schemes that address community concerns are not considered as a priority. An additional Traffic Engineer will help to provide a proactive service to members to work with communities to establish solutions, for consideration of future funding. Providing best value for any future community budget allocation and protecting members and enabling investigation into areas of concern rather than those just linked to accident statistics.

The staffing resource would **cost approximately £40k per annum of revenue funding** (inclusive of on-costs).

6.0 SAVINGS, OPPORTUNITIES AND DISCRETIONARY SERVICES

6.1 The Savings Target

The Highways and Transportation Service, as part of the Place directorate, has been set the target of finding a 50% saving against its revenue budget as benchmarked at 2014/15

The service has a revenue budget cost to the Authority of almost £10m.

This section summarises the proposals which try to achieve that 50% (£5m) and presents those summaries in three categories, those being:

- i) **Savings:** where we have 'cost certainty' and the proposals have either been achieved, agreed or are considered achievable via 'business as usual';
- ii) **Opportunities:** where there is a clear potential for income generation or cost reduction but the actual return may not have sufficient financial certainty and/or can only be banded into High/Medium or Low at this stage. There is a recognition that some of the measure proposed are savings which have been previously rejected by members.
- iii) **Adverse Measures:** whereby savings can only be achieved by reducing service provision (all service types); stopping (discretionary) services; or some other measure which officers consider counter-intuitive to long term service provision.

Category	2014-17	2017/18	2018/19	2019/20	Total
Savings	£2,220,000	£170,000			£ 2,390,000
Opportunities (H&T Budget)		£1,328,600	£496,000		£ 1,824,600
Opportunities (Non HT)		£200,000	-	£280,000	£ 480,000
Adverse Measures		£345,000	£1,040,000	0	£ 1,385,000
Total	£2,220,000	£2,043,600	£1,536,000	£280,000	£6,079,600

6.2 Cost of Investment in Service Improvement

Category	Capital Cost	Revenue Cost
Investment in Highway Infrastructure	£2,000,000	
Investment in Telematics Equipment	£200,000	
Investment in Evening & Weekend Works		£50,000
Investment in Resources (Traffic Engineer)		£40,000
Investment in Resources (Telematics Engineer)		£40,000
Total	£2,200,000	£130,000

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 Financial Findings

The Highways and Transportation Service in Swansea is not dis-similar to services provided up and down the country. The service has operated under a 'best value' regime for many years and whilst there are recognised areas for improvement, the functions are generally well managed and the findings of this review reflect that.

Given that the service was already a well performing one, the review has not surprisingly struggled to identify a 50% revenue budget saving against the operational cost of the service without including proposals that are not recommended by officers.

The current operational (revenue) budget is just under £10m per annum giving an outline £5m savings target. As summarised in Section 5 this target can be achieved if the majority of these proposals are accepted and savings made against corporate budgets and enabled on behalf of others are accepted.

The savings are effectively grouped into two main categories;

- Those which can be recommended by officers as they would not adversely impact upon communities
- Those which are not recommended by officers as they would have significant impacts on the communities. However they are measures which have been considered and implemented in some authorities across the UK

7.2 Delivery Model Findings

As per section 4 of this report, three possible delivery models were examined and scored. These models were discussed and scored by groups of key stakeholders in discussion with the SME(s) for the service.

All Services and all discussions leaned heavily towards the view that the most appropriate model of delivery is the Hybrid model currently employed. Transformed Hybrid is therefore the recommended model of choice subject to members agreeing that the savings potentially achievable under that model are acceptable.

7.3 Recommendations

- i) That the confirmed savings of £2.39m be noted;
- ii) That opportunities and measures listed (totalling £3.689m) be considered and are either:
 - a) authorised for immediate implementation;
 - b) authorised for consultation;
 - c) are parked subject to review in future years.
 - d) are rejected
- iii) That the precise savings for these opportunities are determined and they form the basis of the budget savings.

- iv) That the Hybrid model of service delivery continues as the model of choice and that a programme of work is now compiled to enable Services to examine and implement the agreed recommendations.
- v) That the service improvements proposed are considered and are either:
 - a) authorised for implementation; or
 - b) rejected
- vi) That service areas are reviewed in the future should changes affect the viability or competitiveness of the service delivery

8.0 HR IMPLICATIONS

Preferred options do not incur compulsory redundancies; any deletion of posts will be achieved through voluntary measures and natural wastage.

Any proposals which result in changes to staff terms (such as shift patterns) will be properly managed and consulted upon in the appropriate manner.

9.0 LEGAL IMPLICATIONS

The service does not foresee any notable requirement for additional legal input beyond the business as usual service.

10.0 EQUALITY IMPACT ASSESSMENT

All proposals are currently undergoing Equality Impact Assessment screening and it is anticipated that prior to Cabinet:

- a) All proposals will have undergone an EIA screening;
- b) Cabinet will only be asked to approve implementation of proposals that do not require a full implementation report;
- c) Where Cabinet request that proposals are taken to consultation, these will receive further assessment to ensure compliance and any public consultation will form part of that assessment.

A more detailed review of progress will be provided in due course.

11. IMPLEMENTATION

Following Cabinet approval all remaining proposals will progress to implementation in a controlled manner and be monitored to ensure delivery and capture of financial benefits.

Where consultation is required an appropriate programme of works will be developed.



Commissioning Review (2017) Option Appraisal Report Highways and Transportation

APPENDICES

APPENDIX 1 : SAVINGS AGREED

Table 1 : Achievable Savings

Grp	Saving	£ 2014/15	£ 2015/16	£ 2016/17	£ 2017/18	£ 2018/19	£ 2019/20	Total Revenue Saving (£,000)
HO	Energy savings from LGBI		400K					400
HO	Increase in Income Target			17k				17
HO	Delete Tower Attendant Post		14K					14
HO	Restructure Plant		5K					5
HO	Delete Night Patrol			21K				21
HO	Depot Savings			125k				125
HM	Reduce Maintenance Weekend Working		30k					30
HM	Capitalisation of Planned Maintenance Staff		50k					50
HM	Recycling Sidings Waste Dependant on upgrade of recycling centre.			30k				30
HM	New Coring Programme (Agreed & Budget Taken)		£5k	5k				10
HM	Event Road Closures (Agreed & Budget Taken)		8k					8
HM	Management Supervisory and Admin saving	20k	20k	10k				50
HM/E	Saving from Business Transition		40k					40
HM	Staff Saving Planned Maintenance		10k					10
HM	Senior Staff Saving Senior Engineer				47K			47
HM	Senior Staff Savings Projects Team Manager				30k			30
HM	Senior Staff Savings Project Officer			20k	20k			40
HM	Senior Staff Savings Posts to be capitalised			97k				97
MAR	Marina RAG Saving – Barrage Fee	10K						10
MAR	Marina RAG Saving – Mooring price increase			40K				40
MAR	Marina Staff Saving		10k					10
CTU	CTU Fleet Utilisation Review (realised via Services)	159k						159
CTU	Fleet Management Staff Saving		33k					33
Traf	Cease Abandoned Vehicle service			£50k				50
Traf	Cease 20 mph programme	100k		£100k				200
Traf	Cease road safety measures in target areas			£80k				80
								Cont/d



City and County of Swansea

Review of Fleet Management and Fleet Maintenance Efficiency

This report has been prepared by Peter Hollinshead and Alan Green on 28th August 2015
Version 1.0



APSE Review of Fleet Management and Fleet Maintenance Efficiency

Action Plan in Response to Recommendations

<u>Activity Headline & Supporting Narrative</u>	<u>Anticipated Deliverables & Outcomes</u>	<u>Resources</u>	<u>Dependencies & Risk</u>	<u>Timeline</u>
<p><u>Income Generation Opportunities</u></p> <p>Realising opportunities to generate income</p> <p style="text-align: center;">Page 361</p>	<p>MOTs (own fleet, own staff & public), triage repairs arising from MOTs, school minibus maintenance, 3rd party & public sector vehicle maintenance, spot hire company maintenance, driver training & other 3rd party spend brought in-house</p>	<p>CTU Management team, Sustainable Swansea Commercial Team</p>	<p>Future CTU facility capacities and resources, size of future CCoS vehicle fleet, impact of future fleet maintenance benchmarking, Commissioning Review</p>	<p>On-going/tbc</p>
<p><u>Revised Service and Maintenance Regimes</u></p> <p>Review of existing frequencies on fleet vehicle servicing based on mileage & use, service delivery approaches (SS & Baling Plant)</p>	<p>Reduced servicing costs, improved productivity and vehicle turnaround, rationalised service delivery (SS & Baling Plant)</p>	<p>CTU Management team</p>	<p>O licence vehicles out of scope, vehicle operational context, user resistance, future location of key users (SS & Waste @ Baling Plant)</p>	<p>March 2016</p>
<p><u>Manufacturers' Book Times for repairs</u></p> <p>Establish generic standard times for basic repairs</p>	<p>Greater control over labour times, improved productivity, reduced costs</p>	<p>CTU Management team</p>	<p>Cultural change resistance, aligned support from stores in terms of parts, availability of workshop resource to underpin, enforcement of times, breadth of repair complexities</p>	<p>March 2016</p>

<p><u>Vehicle Maintenance Costs (light commercial)</u></p> <p>Benchmarking of workshops with potential external providers via NPS Light Commercial Contract Hire tender (@ 200 CCoS units)</p>	<p>Options available to ensure cost reduction for light commercial maintenance, improved cost control, fixed price budget per vehicle, potential cost savings, revised service delivery approach</p>	<p>Fleet Manager, Fleet Engineer, National Procurement Service, CCoS Procurement</p>	<p>NPS tender configuration (& outcomes), TU resistance to 'outsourcing', impact on workshop viability & resilience</p>	<p>May 2016</p>
<p><u>Vehicle Supply Options Appraisals</u></p> <p>Review of vehicle acquisition evaluation, financing and terms, inclusion of Whole Life Costing in evaluations</p>	<p>Improved understanding of most appropriate methods of acquisition, potential cost savings, more consistent approach to evaluations</p>	<p>Fleet Manager, CCoS Procurement & Finance, NPS</p>	<p>Funding options availability (capital etc),</p>	<p>May 2016</p>
<p><u>Improved Management Information Systems</u></p> <p>Review and revision of MI, upgrade of IT system, introduce systems thinking to rationalise processes, document process flows</p>	<p>Greater control of fleet costs, standard suite of fleet MI, exception reporting improved, reduced manual processes, improved user MI</p>	<p>CTU management team, CCoS ICT, H&T Quality Manager</p>	<p>ICT resource availability, CTU process realignments,</p>	<p>October 2016</p>
<p><u>Review of CTU Financial Structures and Charging</u></p> <p>Revision of charges, including overhead allocations, and accounting to bring 'up to date'</p>	<p>Revised charge structure, clearer accounting, clearer opportunity for benchmarking and budget monitoring at more discreet cost centre levels, revised CTU budgets</p>	<p>Fleet Manager. CTU Snr admin officer, H&T Finance & Stores Manager (KS), CCoS Finance</p>	<p>End user budget realignment,</p>	<p>March 2016</p>

<p><u>CTU Staff Skills Gaps</u></p> <p>Address perceived skills gaps – finance, fleet management, workshop skills, commercial opportunities. Consider succession planning</p>	<p>Improved resilience and role/process understanding, upskilling to develop productivity and income generation opportunities</p>	<p>CTU staff,</p>	<p>Financial resources (current restrictions), staff resource levels</p>	<p>June 2016</p>
<p><u>CTU Structure Review</u></p> <p>Revised CTU structure, ‘release’ Fleet Manager from ‘admin duties’ to strategically manage fleet (direct link to staff skills gap), match changes to model of service delivery, consider stores assimilation under CTU.</p>	<p>Fleet Manager concentrating on strategically managing fleet, improved team resilience, adjusted structure to meet service delivery changes, direct control of stores</p>	<p>Fleet Manager, HoS Highways & Transportation, CCoS HR</p>	<p>Future operational model & size of CTU, impact of Integrated Transport Unit, Senior Staff Review, Business Support Review & Place dept budget cuts on CTU staff, Commissioning review impact on operational model</p>	<p>On-going/tbc</p>
<p><u>Fleet Fuel Provision</u></p> <p>Review current ‘bunkering’ approach (perceived as expensive but acknowledged attendant resilience issue). Consider impact of PHW & Fforestfach depot sale/relocation on corporate fuel stock. Challenge current supply option costs and on-cost approach</p>	<p>Most cost effective options to backfill corporate capability to refuel, (and maintain level of resilience), fuel card implementation</p>	<p>Fleet Manager, CTU Snr admin officer, CCoS Procurement</p>	<p>Depot relocation impacts, size of future fleet, insufficient resilience,</p>	<p>July 2016</p>

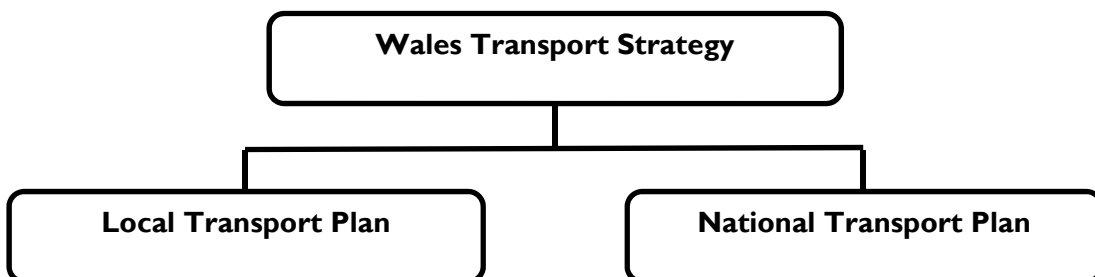
<p><u>Spot Hire Desk Review</u></p> <p>Improve MI and controls, consider impact of PHW depot sale/relocation on service delivery</p>	<p>Greater challenge and more robust user authorisation routines, regular review and greater user awareness, revised methods of service delivery</p>	<p>Fleet Manager, CTU Snr admin officer,</p>	<p>Stakeholder compliance, devolved process issues, depot relocation, ICT system development</p>	<p>April 2016/tbc</p>
<p><u>Fleet Utilisation</u></p> <p>Continue work previously completed on fleet asset utilisation</p>	<p>Cyclical challenge of users where vehicle use below corporate expectation, reduced fleet costs</p>	<p>Fleet Manager, Fleet Compliance & Performance officer</p>	<p>Stakeholder resistance, available MI to challenge, shift of costs to grey fleet</p>	<p>Cyclical</p>
<p><u>Grey Fleet Controls</u></p> <p>Address weak controls surrounding use of private vehicles within CCoS</p>	<p>Improved duty of care and cost controls</p>	<p>Fleet Manager. CCoS HR</p>	<p>Staff resistance, role of ITU, Fleet Manager availability</p>	<p>tbc</p>
<p><u>CTU User Forum</u></p> <p>Establish regular user group</p>	<p>Opportunity to formally update users, discuss key issues and address perceptions</p>	<p>CTU Management team, CTU users</p>	<p>User engagement,</p>	<p>Oct 2016</p>

TRANSPORT POLICY BRIEFING NOTE

I. INTRODUCTION

- 1.1 Transport Policy within the City & County of Swansea is governed by a legislative framework which is principally established by ‘One Wales – Connecting the Nation, The Wales Transport Strategy’ (WTS) (2008). The WTS establishes the requirement for Welsh Local Authorities to have in place a transport strategy which will guide and facilitate the development of transport needs at a local level across Wales. The requirement for local transport policy is realised by the 22 Local Authorities through their Local Transport Plans (LTP). The LTP provides transport policy and infrastructure programmes for each of the Welsh Councils.
- 1.2 The LTPs are complemented by the National Transport Plan (2015). The NTP, which is the Welsh Government’s supporting policy and provides the strategy for the strategic transport issues and infrastructure in Wales. The strategic transport needs and movements are often beyond the control and influence of individual Local Authorities and these issues are therefore controlled by the NTP. The NTP also deals with transport issues which are not devolved to Local Authorities such as Freight, Ports, and Rail.
- 1.3 The relationship between these policy documents is summarised in the figure below:

Figure I – Transport Policy Framework



- 1.4 The current LTP for the City & County of Swansea was adopted by Council in January 2015 and subsequently accepted by the Welsh Government in May 2015. The LTP was developed in conjunction with the three local authorities in South West Wales, namely Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the City & County of Swansea. This regional approach to the transport policy was enacted in order to support the work of the Swansea Bay City Region, and to build upon and preserve the collaboration in transport provision between Local Authorities which has been developed over the past fifteen years.

2 THE LOCAL TRANSPORT PLAN

- 2.1 The LTP is therefore entitled ‘The Joint Transport Plan for South West Wales’ and provides a single transport policy for South West Wales, which is supported by separate capital investment programmes which signal the transport investment priorities for the Council and are

subsequently used to secure the necessary funding. The policy covers a five year period from 2015 – 2020.

- 2.2 The LTP, as with the policy before it, was underpinned and developed through consultation with the Public as well as key stakeholder groups. These consultations provided the basis for determining the issues and opportunities for transport provisions in South West Wales regionally and the City & County of Swansea in a local context. The LTP has five stated objectives; these are:

Figure 2 - The LTP Objectives

1. *To improve the efficiency and reliability of the movement of people and freight within and beyond South West Wales to support economic growth in the City Region*
2. *To improve access for all to a wide range of services and facilities including employment and business, education and training, health care, tourism and leisure activities*
3. *To improve the sustainability of transport by improving the range and quality of, and awareness about, transport options, including those which improve health and well being*
4. *To improve integration between policies, service provision and modes of transport in South West Wales*
5. *To implement measures which will protect and enhance the natural and built environment and reduce the adverse impact of transport on health and climate change*
6. *To improve road safety and personal security in South West Wales*

- 2.3 These objectives serve to realise the vision of the Local Transport Plan which is shown in the figure below.

Figure 3 - The LTP Vision

To improve transport and access within and beyond the region to facilitate economic regeneration, reduce deprivation and support the development and use of more sustainable and healthier modes of transport.

- 2.4 The culmination of the policy is the capital infrastructure programme, which encompasses a range of investments from road traffic, to transport interchange, public transport and walking and cycling improvements. The variety of these investments is reflective recognition that no single mode of transport can deliver the solutions to ensure efficient and affordable transport within the City & County of Swansea. It should however be noted that public transport and walking and cycling investments make up the majority of the improvements proposed by the LTP; this is in order to reduce transport congestion, increase efficiency of movement and promote sustainable, affordable access for all users.
- 2.5 The Local Transport Plan's Capital Investment Programme is included in Appendix 1 for information. The transport modes reflected in this programme are summarised in Appendix 2.

3 LOCAL TRANSPORT FUND

- 3.1 The Local Transport Fund (LTF) is the principal funding mechanism for the schemes identified in the LTP. This is an annual funding grant from the Welsh Government, and the pan-Wales budget is currently £12million per annum.
- 3.2 Despite the highlight competitive nature of the bidding process, which is compounded by often short deadlines, the City & County of Swansea has been very successful in securing funding from the Welsh Government and has delivered approximately £2million per annum for transport infrastructure investments.
- 3.3 The funding restrictions of the Local Transport Fund largely dictate the schemes that are funded within any given year. These restrictions are summarised below:
- Schemes must be included within the Local Transport Plan Programme;
 - Conforms to Welsh Government target objectives
 - The grant funding must be able to be spent within one financial year; (which usually means that);
 - The scheme is preferably on land that the Council owns.
 - Match funding is preferable;
 - One new scheme application per year;
 - Maximum grant bid of £1.5million per annum;
 - Schemes can only receive LTF funding for a maximum of three years (this is a new requirement which has not yet been demonstrably exercised).
- 3.4 The terms of the Local Transport Fund, and the limited funding available, means that complex schemes or those which require land purchase are usually too difficult to deliver through this mechanism because of the uncertainties that this can bring.
- 3.5 The deadlines between invitation to submit bids and actually submission can be as little as three weeks for the LTF, and as the terms and conditions can change markedly from year to year it is not feasible to pre-prepare funding bids.
- 3.6 The lack of funding opportunity and the constraints of the terms often means that the number of schemes which conform to the requirements is often quite few.

Ben George – Transport Strategy

July 2016

Appendix I - LTP Capital Investment Programme

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Scheme Name	Description of Scheme	Priority	Local, regional or national significance	Cost (£k)	Funding sources
Fabian Way corridor	This is large multi element scheme to improve connectivity along this corridor which is a strategic development site. The overall scheme will deliver the outcomes of the Fabian Way Transport Assessment which was developed by the Welsh Government and endorsed by both Neath Port Talbot County Borough Council and the City & County of Swansea. The schemes will be delivered on a phased basis as developments come to fruition and it is anticipated that a substantial amount of match funding would also be achieved through Developer contributions. The scheme includes;; Park & ride; Dedicated bus lanes; Junction improvements; Interchange hubs; Cycling and walking links	1	Regional	25,000	Local Transport Fund, Section 106, CIL, ERDF, LA capital funds
City Centre Project	A scheme which will deliver an off-road traffic-free network for cyclists in Swansea City Centre. The scheme is expected to be delivered on a phased basis and will complement proposals for city centre redevelopment and regeneration.	1	Local	700	LTF, S278, ERDF, Corporate
• City Centre Cycle Network					
• Kingsway Public Transport Initiative	Reconfiguration of the Kingsway to accommodate enhancement public transport infrastructure.	11	Local	10,000	LTF, Corporate
• Air Quality Package	A series of traffic management measures to improve city centre air quality.	17	Local	1,000	LTF, Corporate
• Public Transport Enhancements to Employment Centres	A package of public transport enhancements to improve connectivity for public transport services to employment sites within the city centre.	12	Local	2,000	LTF, Corporate
Morfa Distributor Road	A new arterial route connecting the A4067 Neath Road with the city centre. The 1.4km road will perform four prime functions: improving journey time reliability into and out of the city, improving air quality in the Hafod AQMA by displacing traffic to the new route, opening up land for development and facilitating the construction of a number of new walking and cycling routes.	2	Regional	5,000	LTF, S106, Community Infrastructure Levy (CIL), Corporate
Carmarthen to Swansea Bus Corridor	A series of enhancements on the Carmarthen to Swansea bus route which will serve to promote journey time reliability, improved travel times and passenger waiting facilities.	3	Regional	500	LTF, ERDF, Corporate
Kingsbridge Cycle Link	This scheme would deliver a missing link in the cycle network between Gowerton and Kingsbridge crossing Stafford Common using a former railway alignment.	4	Local	500	LTF, RDP, S106, CIL, Corporate
Electric Vehicle Charging Network	A scheme to investigate and implement a network of electric vehicle charging points across South West Wales. This will seek to draw together fragmented existing provision and install new sites at strategic locations using standardised technology.	5	Regional	5,000	LTF, S106, CIL, ERDF, Corporate, Private Sector
Walking & Cycling Links to NCN Routes	The City & County of Swansea benefits from a good quality strategic cycle network (NCN4 & NCN43), but connectivity to residential communities is often poor. This scheme would construct a series of traffic-free paths to enhance and create these connections.	5	Local	3,000	LTF, S106, CIL, ERDF, Corporate

Scheme Name	Description of Scheme	Priority	Local, regional or national significance	Cost (£k)	Funding sources
Walking Links to Schools	A number of school children within the City & County of Swansea currently qualify for free schools transport on the grounds of there not being a 'safe walking route to school'. This creates a revenue burden for the Council and does not serve to promote healthy lifestyles for the children. This scheme would therefore create walking and cycling routes for children who do not have the benefit of a 'safe walking route to school'	5	Local	1,500	LTF, SI06, CIL, ERDF, Corporate
Pontarddulais to Grovesend Cycle Link	Pontarddulais is the largest single community not to benefit from a dedicated walking and cycling link into the existing NCN. This scheme would construct a linkage from Pontarddulais to Grovesend where existing provision would provide connectivity to Gorseinon and Kingsbridge. (Delivery of the Kingsbridge Cycle Link would open up many more destinations).	5	Local	1,500	LTF, SI06, CIL, ERDF, Corporate
Road Safety Package	A range of schemes and interventions which will improve road safety in line with the priorities of the Road Safety Framework for Wales and which will target collision hotspots and other areas of increased risk for example around or routes to schools	9	Local	1,500	RSG,SRIC, LTF
Swansea Air Quality Package	A series of traffic management measures to improve air quality within the Air Quality Management Areas (AQMA).	10	Local	300	LTF, Corporate
Swansea Valley to City Centre Bus Corridor	A series of enhancements on the Swansea Valley to Swansea bus route which will serve to promote journey time reliability, improved travel times and passenger waiting facilities.	12	Regional	1,800	LTF, Corporate
Strategic Bus Corridors around Swansea	A series of enhancements on high frequency bus routes around Swansea which will serve to promote journey time reliability, improved travel times and passenger waiting facilities.	12	Regional	2,000	LTF, Corporate
North Gower Trail	This scheme would deliver a missing link in the cycle network between Gowerton and Penclawdd. Approximate length – 1.5km.	15	Local	400	LTF, RDP, Corporate
Landore Park & Ride Extension	The identified site is currently used as an overflow to complement the existing site.	16	Local	2,000	LTF, SI06, CIL, Corporate
Park & Share site closes to M4 junctions	A scheme to provide a permanent facility for Park and Share users adjacent to the M4 corridor and to replace the temporary facility shared with the DVLA on the Felindre Strategic Business Park.	18	Local	800	LTF, Corporate
Swansea West Park & Ride	A fourth park and ride site to complement the existing provisions to the north and east of the city centre. A preferred site is yet to be identified.	19	Local	800	LTF, Corporate
Swansea West Access Road	There is a need to improve access to the Swansea West Business Park to improve provision of employment sites. A new access road would be essential to facilitate this. Preliminary studies have identified a preferred alignment. Developer contributions are possible.	20	Regional	5,000	LTF, SI06, CIL, ERDF, Corporate
Investigate Light Rail Schemes	A study to consider the application of Light Rail or Ultra-Light Rail Transit within the City & County of Swansea. This study may require revenue funding and may not therefore be eligible for LTF funding.	21	Regional	100	LTF, Corporate

Appendix 2 - LTP Capital Investment Programme by Transport Mode

Scheme Name	Estimated Cost (£k)	Highways	Integrated Transport	Rail	Active Travel
Fabian Way	25,000	✓	✓		✓
City Centre Project					
• City Centre Cycle Network	700				✓
• Kingsway Public Transport Initiative	10,000		✓		
• Air Quality Package	1,000	✓	✓		✓
• Public Transport Enhancements to Employment Centres	2,000		✓		
Morfa Distributor Road	5,000	✓	✓		✓
Carmarthen to Swansea Bus Corridor	500		✓		
Kingsbridge Cycle Link	500				✓
Electric Vehicle Charging Network	5,000	✓			
Walking & Cycling Links to NCN Routes	3,000				✓
Walking Links to Schools	1,500				✓
Pontarddlais to Grovesend Cycle Link	1,500				✓
Road Safety Package	1,500	✓			✓
Swansea Air Quality Package	300	✓			
Swansea Valley to City Centre Bus Corridor	1,800		✓		
Strategic Bus Corridors around Swansea	2,000		✓		
North Gower Trail	400				✓
Landore Park & Ride Extension	2,000		✓		
Park & Share site closes to M4 junctions	800	✓	✓		
Swansea West Park & Ride	800		✓		
Swansea West Access Road	5,000	✓	✓		✓
Investigate Light Rail Schemes	100		✓	✓	
Total Number of Schemes		8	13	1	11

HIGHWAYS & TRANSPORTATION

PROJECT DELIVERY 2013/14 – 2016/17

I. INTRODUCTION

- 1.1. The Transportation Group is responsible for the planning and delivery of transport strategy, policy and infrastructure delivery and also for the provision of a number of public transport services; including supported bus services, the administration of concessionary bus travel, school bus travel and liaison with private bus operators.

2. 2013/14 PROJECT DELIVERY

- 2.1. **Morfa Distributor Road (£1080k):** The commencement of a new road to alleviate traffic congestion in the Hafod. Air quality improvements and riverside regeneration opportunities are also attached to this scheme. This first phase improved the southern junction with New Cut Road.
- 2.2. **Boulevard Project:** A scheme to improve the gateway arterial route into the city centre. This regeneration scheme also delivered a new bus lane and cycle route to bring about improved function for this important route.
- 2.3. **City Centre Cycle Network (£600k):** A number of schemes were delivered under this project heading in 2013/14. These investments delivered a number of new routes for cycling in and close to the city centre. This investment was supported by an increase in measured cycling trips; a trend which has largely continued since. The routes were:
- Waterfront Connections – a route between Argyll Street and the LC;
 - Boulevard – a route between the LC and the Tawe Bridges;
 - Mumbles Road Shared Use Path – a route between Brynmill Lane and St. Helens Rugby Cricket Ground.
 - Strand Row: A new route between New Cut Road and Kings Lane to serve, in part, the St David's Student Accommodation on New Cut Road.
- 2.4. **Local Government Borrowing Initiative – Low Energy Lighting (£8000k):** Street lighting across the City & County of Swansea was upgraded to low energy LED lighting. This has significantly lowered the energy cost for this asset. This investment has accrued a saving of £400k.
- 2.5. **Local Government Borrowing Initiative – Traffic Signals (£1250k):** Renewal and upgrade of 10 pedestrian crossings and 10 signal junctions, which reduced the power consumption of these sites by 60% and improved reliability.
- 2.6. This investment also delivered a Wireless Network Extension, which allows the telematics equipment to communicate without the use of third party owned telephone lines. The use of wireless communications has increased reliability and reduced the communications budget requirement by 75%. The network can also be used to provide CCTV at junctions across the City & County of Swansea.

- 2.7. **Local Government Borrowing Initiative - Raised Bus Kerbs (£200k):** This scheme delivered raised kerbs at bus stops across Swansea in support of the requirements of the Equalities Act (2010).

3. 2014/15 PROJECT DELIVERY

- 3.1. **Morfa Distributor Road (£1200k):** A continuation of the project's development and the construction of the first substantive sections of new road.
- 3.2. **City Centre Cycle Network (£330k):** Princess Way – between the junction with Oystermouth Road and Kingsway Circle. This was an important enhancement as it was the first route to be permitted within the pedestrianised zone and was lauded in transport planning circles as it was a departure from the common approach and signalled our willingness to deliver the aims of the Active Travel (Wales) Act.
- 3.3. **Joint Local Transport Plan for South West Wales (2015 – 2020):** A new transport policy was developed and adopted by the four Councils in South West Wales as a replacement for the former Regional Transport Plan (2010 – 2015). The common policy is supplemented by four separate programmes for each Local Authority area. The policy is important in not only complying with our legislative requirements, but the plan is one of the few joint transport plans which signals the good regional partnership working which persists here in South West Wales.

4. 2015/16 PROJECT DELIVERY

- 4.1. **Morfa Distributor Road (£1500k):** A continuation of the project's development.
- 4.2. **Fabian Way Corridor Improvements (£300k):** This investment delivered improvements to the traffic signal management systems, preliminary designs for Baldwins Bridge junction and new bus shelters.
- 4.3. **Fabian Way Cycle Route (£280k):** This was a very much needed enhancement to cater for the Bay Campus which opened in September 2015. Prior to the opening of the Bay Campus this route was used by ~100 cyclists each day. Following the opening of Bay Campus its use has risen to ~350 cyclists each day.
- 4.4. **Upper Bank Cycle Route (£250k):** A new 2km cycle route following the alignment of the former Swansea Vale Railway Line and linking Llansamlet, Bonymaen and Morfa Retail Park with an off-road, traffic free cycle route which has been very well received.
- 4.5. **Swansea Strategic Transport Model (~£150k):** An important project delivered in partnership with colleagues in the Planning Department. This project utilised pioneering methods built on mobile phone data to plan for the development and growth forecasted through the LDP. The model has allowed the Council to improve accountability when dealing with Developers to ensure their conclusions and assessments are robust. The model will also be used more generally to improve traffic management across the City & County of Swansea. The Council's approach has been commended by the Welsh Government and being one of the first models to use of mobile phone data, it has been of interest not only within Wales but also further afield.
- 4.6. **Wheels2Work (50k):** This project provides assistance to those who are unable to access job opportunities because of transport constraints by providing mopeds and scooters on a low rent basis. The Council is one of only three local authorities in Wales offering this service and it is expected that it may be expanded to Carmarthenshire and Neath Port Talbot CBC in the coming months.

- 4.7. **Active Travel (Wales) Act (2014) - Existing Route Map:** This new piece of legislation has placed a number of new duties upon Local Authorities in Wales which are aimed at improving the provision for walking and cycling. The first duty was complied with through the delivery of the Existing Route Map in September 2015. This phase of work mapped and audited the walking and cycling provisions within the City & County of Swansea and resulted in a new promotional map being made available to the public in mid-2016.
- 4.8. **Bay Campus Travel Planning:** Officers from the Transportation department began meeting with First Cymru and Swansea University in late 2014 to plan for the transport requirements of the Bay Campus which ultimately opened in September 2015. The Council provided considerable planning expertise in forecasting demand and developing proposed bus and cycle routes to serve the new campus. This resulted in the delivery of three new high frequency bus routes which operate at up to 10 minute frequencies to move the thousands of students to and from the campuses each day. These services are also available to the public and therefore represent a significant improvement to city centre public transport provision. This partnership working has been recognised by the Chartered Institute of Logistics and Transport who have shortlisted this project in its upcoming UK Transport Planning Awards 2016.
- 5. 2016/17 PROJECT DELIVERY**
- 5.1. **Morfa Distributor Road (£1100k):** The delivery of this £5million project is due for completion by the end of 2017. The new road will deliver an important new arterial route into the city centre, which bypasses the congested area of Hafod which also suffers from air quality problems caused by peak hour traffic congestion. The new road will facilitate redevelopment of this riverside area and also delivers strategic routes for walking and cycling to link with existing infrastructure.
- 5.2. **Westway (£1600k):** An important project to deliver public realm enhancements to Westway, to improve the road network, bus station access and also to deliver improvements to support potential investments to Kingsway in the coming years.
- 5.3. **Fabian Way (450k):** A detailed business case is being prepared in partnership with Neath Port Talbot County Borough Council, South Wales Trunk Road Agency and Welsh Government for the infrastructure needs of the Fabian Way Corridor over the coming years. The business case will support multi-million pound investments in transport infrastructure from the Welsh Government and serve and support adjacent redevelopment including the further expansion of Bay Campus.
- 5.4. **Safe Routes in Communities (c.£1000k over the past four years):** This annual funding source has delivered local improvements to improve road safety and walking and cycling links within communities.
- 5.5. **Quality Bus Partnership Agreement:** This agreement has been developed in partnership with First Cymru, as a replacement for the former agreement which was in place when the ftr Metro was in place.
- 5.6. **Active Travel (Wales) Act (2014) - Integrated Network Map:** The second legislative requirement of this Act is the delivery of the Integrated Network Map which will set out the proposed enhancements for the walking and cycling networks over the next 15 years. This is due to be submitted to the Welsh Government in September 2017.

Appendix 5

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This Appendix has been removed and the data incorporated in the main body of the report.

Report of the Cabinet Member for Environment

Corporate Briefing – 23rd February 2012

CAR PARK MANAGEMENT ARRANGEMENTS

Purpose:	To report on the assessment of the option of continued in-house management of Council-owned car parks and consider whether to pursue third party management options.
Policy Framework:	Regional Transport Plan, City Centre Strategic Framework
Reason for Decision:	To agree whether or not to pursue the option of third party management of Council-owned car parks.
Consultation:	Legal, Finance.
Recommendation(s):	<ul style="list-style-type: none">• That, for the reasons outlined in this report, the option of third party management of car parks is not progressed at this time;• That improvements in car park standards and facilities are secured through an invest to save programme to be agreed;• That the future management arrangements, within the Council's Transportation Service, of all Council-operated public car parks detailed in the report, are noted.
Report Author:	Chris Vinestock
Finance Officer:	Kim Lawrence
Legal Officer:	Patrick Arran

1.0 Introduction

- 1.1. In August 2011, a project was initiated to explore the options available to the Council for the ongoing management of its car parking stock, to address concerns about the condition of the car parks and in response

to the inclusion of an anticipated saving of £150,000 included in the Council's medium term financial plan.

- 1.2. On 22nd September 2011 Cabinet considered a report on car park management and agreed two primary project objectives:-
 - To optimise financial returns from the Council's current stock of car parking.
 - To ensure that the future car parking provision meets the needs of Swansea.
- 1.3. On the 3rd November 2011 Cabinet considered a further report which set out the options available to the council and agreed that officers should formulate a business case for the council retaining ownership and management of car parks and consider the case for introducing third party management.
- 1.4. This report considers the outcome of that work and recommends a way forward.

2.0 Current position

- 2.1 The council currently operates 58 car parks across the City and County of Swansea (see Appendix A). Most of the car parks are managed by the Environment Department (Transportation and Streetscene services), with 7 surface car parks managed by the Culture and Tourism Service. In total there are 53 surface car parks and 5 Multi Storey Car Parks (MSCPs). At present, all council owned car parks are managed and operated directly by the Council. Whilst many of the car parks charge for parking, a number are free.
- 2.2 The car parks are in mixed condition, but with most requiring investment in surfacing, lighting, signing, road markings and payment / access control equipment. In addition the multi-storey car parks require significant maintenance work including concrete repairs and waterproofing of concrete car park decks.
- 2.3 It is suggested that the standard of Council-operated car parks should match or exceed the standard of competing private car parks in terms of appearance, illumination, security, drainage, surfacing, access (including lift access and CCTV in MSCPs), lighting and payment facilities. The expenditure necessary to achieve these standards has been assessed.
- 2.4 To improve the attractiveness of car parks, and make them easier to use and manage, investment in new payment and access control equipment is required. This will provide communications between car parks and the central office and give remote access to control systems.

2.5 The Tables below summarises the costs involved.

Table 1: Major Maintenance and Desirable Improvement Costs (Income Generating Car Parks)

Car Park Type	Managing Service	Major Essential Maintenance Costs	Desirable Improvement Cost	Replacement and Upgrading Technology Cost	Total Cost
MSCP	Transportation	£1,400,000	£60,000	£325,000	£1,785,000
Surface	Transportation	Nil	£603,000	£113,000	£716,000
Surface	Culture and Tourism	Nil	£163,000	£23,000	£186,000
Surface	Streetscene	N/A	N/A	N/A	N/A
	Total	£1,400,000	£826,000	£461,000	£2,687,000

Note - No improvement cost for Clarence Terrace has been included as the car park building needs major repairs and is subject to redevelopment.

Table 2: Major Maintenance and Desirable Improvement Costs (Free Car Parks)

Car Park Type	Managing Service	Major Essential Maintenance Costs	Desirable Improvement Cost	Replacement and Upgrading Technology Cost	Total Cost (inclusive of essential, desirable and technology) (if charges are introduced)
MSCP	Transportation	£85,000	£3,000	£12,000	£100,000
Surface	Transportation	£0	£30,000	£ 49,000	£79,000
Surface	Culture and Tourism	£0	£6,000	£7,000	£13,000
Surface	Streetscene	£0	£9,000	£9,000	£18,000
	Total	£85,000	£48,000	£77,000	£210,000

2.6 The total cost of these improvements, for free and income-generating car parks, amounts to £2.9m.

2.7 Replacing and upgrading technology would allow more efficient cash collection and fault reporting, better management information, more efficient operation of Multi Storey car parks and better payment options and facilities. For income-generating car parks this would cost an estimated £460,000, which would be subsequently offset by efficiency savings, which could pay back the upfront investment.

2.8 As part of the project, options to generate additional income were considered. Car valeting services provided by a third party but within council car park(s) would be one option. Renting out areas for storage,

hiring out areas for displays / promotions, car boot sales and sponsorship of all or parts of car parks could also generate a modest income.

3.0 Benefits of retaining the in-house management option

3.1 There are some advantages of the Council retaining the car parks in Council ownership and continuing the current operating arrangements. This would maintain the current revenue stream, albeit that this is currently failing to meet budgeted levels.

3.2 There are also operational benefits of retaining in-house management, as this would maintain tariff control and the ability to support local businesses in the city centre through parking offers.

3.3 However the in-house option would require the investment in improvements to be funded, one way or another, by the Council.

4.0 Third party management option

4.1 A third party management arrangement for the Council's car parks would involve the Council retaining ownership but letting a contract to a third party who has experience of operating car parks. The operator would manage day to day operations and manage the car parks commercially to generate income for it and the Council. A third party operator, who would be likely to have portfolio of car parks in the UK, could secure economies of scale in procurement and operation, and could take advantage of additional marketing and tariff promotions.

4.2 The advantages are that the third party would be required to undertake and fund the improvement works, at no up-front cost to the Council. The contract would set income sharing arrangements that would allow the third party and the Council to benefit from income growth, but would also reflect the fact that the third party had invested in improving the car parks and would need to recoup its investment.

4.3 The financial benefits to the Council would be that it would not have to fund the major maintenance and improvement work required, and that it would retain a share of income above agreed levels. It should be noted that the income to the Council would be expected to be below the current level to reflect the up-front investment by the operator.

4.4 The third party management option has been used successfully elsewhere, but the exact arrangements that would apply in Swansea are subject to local decisions, the market and the outcome of a specific procurement exercise. The implications can not be quantified without a procurement exercise.

4.5 There are risks associated with third party management: income received by the Council is likely to fall, at least in the short term, and that

the third party operator may seek greater control of parking tariffs than the Council is willing to give. The other significant risk is that, given the number of car park sites that are identified as development sites, this may deter third party operators from tendering. Alternatively the specific arrangements for compensating a third party operator for car park sites taken out of the agreement for redevelopment may be so costly as to undermine the overall benefits of the approach.

5.0 Development Context and Programme

5.1 There are two key factors that will affect the availability and the future council ownership of car parks within the city centre, and hence the suitability of the third party management option. These are the planned redevelopment of some of the surface car parks and the proposed City Centre Retail Scheme redevelopment, for which there is currently no fixed date. It is difficult to predict when these city centre developments will take place so an assumption that developments will be completed by 2015/16 has been made.

5.2 Whilst some of the redevelopment schemes (such as the City Centre Retail Scheme) will likely include replacement car parking, developers may not support the creation of replacement car parking under Council ownership. Whilst any loss of income from these car parks will be one issue, the other consequence of these development plans is that it generates substantial uncertainty as to the life of car parks and limits the benefit (and scope for pay back) for any investment in improvements. Table 3 details the car parks involved.

Table 3: City Centre Sites Identified For Development

Site	Type	Management	Location
Sites identified for development prior to 2017			
The Quadrant	MSCP	Transportation	City Centre
St David's	MSCP	Transportation	City Centre
Oxford Street	Surface	Transportation	City Centre
Post Office, The Strand	Surface	Transportation (Private Owner)	City Centre
Mariner Street	Surface	Transportation	City Centre
Paxton Street	Surface	Transportation	City Centre
Clarence Terrace	Surface	Transportation	City Centre
Worcester Place	Surface	Transportation	City Centre
Other sites identified for development			
East Burrows Road	Surface	Transportation	City Centre
High Street	MSCP	Transportation	City Centre
Northampton Lane	Surface	Transportation	City Centre
Park Street East	Surface	Transportation	City Centre
Park Street West	Surface	Transportation	City Centre
Pell Street	Surface	Transportation	City Centre
Salubrious Place	Surface	Transportation	City Centre
YMCA	Surface	Transportation	City Centre

- 5.3 It can be seen that development plans affect a large proportion of the Council's city centre car parks, which would form the core of any third party management arrangement. This would make investment by a third party unlikely, and would be likely to deter potential tenderers. If a third party management arrangement were to be introduced, subsequent removal of the core car parks from the arrangements would be costly. For these reasons it is not considered timely to progress the third party management option.
- 5.4 For consistency and clarity, all public car parks operated by the Council and detailed in this report will in future be managed by the Council's Transportation Service.

6. Financial Implications

- 6.1 The recommendation not to pursue out-sourcing will mean that the anticipated saving of £150,000 per year included in the Council's medium term financial plan will not be achieved at least initially. This saving has therefore been removed from the 2012/13 revenue budget and medium term financial plan reported to Council earlier this week. Savings could be achieved following investment in new technology, and these would contribute to the Council's budget savings targets after the investment on a "spend to save" basis has been recouped, if a decision is taken not to apply released resources to car park maintenance and improvement. A detailed "spend to save" business case will be prepared.
- 6.2 Keeping the service in-house will mean that the Council will retain the benefits of the 'Isle of Wight Council vat case' if this is successful.
- 6.3 In the absence of investment by a third party, improvements to the Council's car parks will be progressed through an invest to save programme, whereby investment in essential maintenance work and new technology will be funded by efficiency savings and additional income. This will be subject to the submission and approval of the appropriate FPR6 and FPR7 reports.
- 6.4 If it is decided to pursue the third party management option the following factors need to be taken in to account:-
- there are likely to be additional costs in terms of dedicated project staff, and consultancy advice (e.g. VAT and property issues) during the procurement process;
 - any contract would need to be structured to enable the Council to benefit from potential future vat benefits;
 - if the private sector operator is required to invest in the car parks there may be a reduction in the annual revenue stream to the Council.

7.0 Human Resources Implications

- 7.1 Trade Unions and car park management staff have been regularly briefed and consulted from the outset of the Car Park Management Project.
- 7.2 If car park management is retained in house, HR implications will depend on whether identified staff efficiency savings as a result of the possible introduction of new technology, are realised. Should the efficiency savings be achieved, this would either result in having more staff available for on street enforcement work, or the affected staff may be placed in a Redeployment / Redundancy situation.

8.0 Legal Implications

- 8.1 One of the recommendations in this report is not to pursue an option involving third party management of Council car parks at this time. If that recommendation is not agreed and a decision made to pursue the third party management option a procurement process would need to be carried out under the Council's rules and the relevant EU legislation.
- 8.2 The changes outlined in this report may lead to staff being redeployed or made redundant. In this event, detailed legal and HR advice will be required.
- 8.3 If the Council does not invest to keep its car parks up to standard that may lead to claims being made against the council for injury or loss resulting from a defect in the relevant car park.

Background Papers:

Appendices: Appendix A - Car Parks Owned and Operated by the Council

Appendix A

CAR PARKS OWNED AND OPERATED BY THE COUNCIL

	<u>CAR PARK</u>	<u>LOCATION</u>	<u>CAR PARK TYPE</u>	<u>INCOME GENERATING?</u>
Transportation - City Centre				
1	The Quadrant MSCP	SA1 3QW	Multi-Storey CP	Yes
2	St. David's MSCP	SA1 3NG	Multi-Storey CP	Yes
3	High Street MSCP	SA1 1NU	Multi-Storey CP	Yes
4	Sea Gate	Marina	Multi-Storey CP	Free
5	Pau Square	Marina	Multi-Storey CP	Free
6	Park Street East	SA1 3DJ	Surface	Yes
7	Park Street West	SA1 3DJ	Surface	Yes
8	Picton Lane	SA1 3BG	Surface	Yes (season ticket)
9	Pilohouse Wharf	Marina	Surface	Free
10	Pell Street	SA1 3ES	Surface	Yes
11	Northampton Lane	SA1 4EH	Surface	Yes
12	Worcester Place	SA5 4AQ	Surface	Yes
13	YMCA	SA1 4EH	Surface	Yes
14	Salubrious Place	SA1 3LZ	Surface	Yes
15	Oxford Street	SA1 3AG	Surface	Yes
16	Mariner Street	SA1 1NU	Surface	Yes
17	Paxton Street	SA1 3SQ	Surface	Yes
18	East Burrows Road	SA1 1RR	Surface	Yes
19	Pockets Wharf, Trawler Rd.	SA1 3XL	Surface	Yes
20	Post Office (The Strand)	SA1 2AE	Surface	Yes
21	Clarence Terrace	SA1 3QT	Surface	Yes (season ticket)
22	Madoc Street	SA1 3RB	Surface	Yes
Transportation - Suburban				
23	Treharne Road	SA6 8AW	Surface	Free
24	Sway Road	SA6 6HT	Surface	Free
25	Glantawe Street	SA6 8DQ	Surface	Free
26	High Street	SA6 5LQ	Surface	Free
27	Vardre Road	SA6 5LU	Surface	Free
28	Lime Street	SA4 4AD	Surface	Free
29	Brighton Road	SA4 4BW	Surface	Free
30	Gowerton By-pass	SA4 3GE	Surface	Free
31	Mill Street	SA4 3ED	Surface	Free
32	Water Street	SA4 8RL	Surface	Free
33	Cambrian Place	SA4 8RG	Surface	Free
34	The Bush, Eversley Road	SA2 9BZ	Surface	Yes
35	Saddler Street	SA1 2PP	Surface	Free

	<u>CAR PARK</u>	<u>LOCATION</u>	<u>CAR PARK TYPE</u>	<u>INCOME GENERATING?</u>
36	The Dairy	SA3 4LQ	Surface	Yes
37	The Quarry	SA3 4LQ	Surface	Yes
38	Oystermouth Foreshore	SA3 4DP	Surface	Yes
39	Sketty Lane	SA2 8QB	Surface	Yes
40	Southend	SA3	Surface	Yes
41	Langland	SA3 4QU	Surface	Yes
42	Caswell Bay	SA3 3BW	Surface	Yes
43	Caswell Hill	SA3 4RY	Surface	Yes
44	Bracelet Bay	SA3 4LQ	Surface	Yes
45	Clyne Gardens	SA2 8EG	Surface	Yes
46	Horton	SA3	Surface	Yes
47	Port Eynon	SA3	Surface	Yes
48	The Baths	SA1 4PQ	Surface	Yes (from 2010/11)
Culture & Tourism				
49	LC - Oystermouth Rd	SA1 3ST	Surface	Yes
50	Knab Rock	SA3 4EL	Surface	Yes
51	Singleton Boating Lake	SA2 8PY	Surface	Yes
52	Opp St Helen's	SA2 0AS	Surface	Yes
53	The Recreation Ground	SA2 0AR	Surface	Yes
54	Loughor Foreshore	SA4 6TE	Surface	Free
55	Llangyfelach Road, Brynhyfryd	SA5 9L	Surface	Free
Streetscene				
56	Llangyfelach Road	SA5 9L	Surface	Free
57	Brynhyfryd Square	SA5 9EB	Surface	Free
58	Lime Street	SA4 4LD	Surface	Free

Report of the Director of Place / Cabinet Member for Place

Corporate Briefing/Cabinet/Council – Insert Date

**GUIDANCE FOR WORKS ON THE HIGHWAY AND THE ADOPTION OF
NEW INFRASTRUCTURE**

Purpose:	To provide information to developers on the highway aspects of pre-planning application guidance and introduce a sliding scale of fees for highway adoption agreements.
Policy Framework:	Corporate Plan 2015/17 : “Delivering For Swansea”: Priority Three: Creating a vibrant and viable City and Economy .
Reason for Decision:	To support and promote development within the City & County of Swansea .
Consultation:	
Recommendation(s):	<p>It is recommended that:</p> <ol style="list-style-type: none">1. Appendix A, “Guidance For Works On The Highway and The Adoption Of New Infrastructure” is provided to developers as an informative at the pre-planning application advice / planning application stage.2. That specific recommendation to adopt a sliding scale for Section 38 agreements is approved.
Report Author:	Mark Thomas, Group Leader Traffic and Highway Network Management
Finance Officer:	
Legal Officer:	
Access to Services Officer:	

1.0 INTRODUCTION

- 1.1 In order to assist developers comply with the Highways Act, as part of planning and delivering their developments, it is considered helpful to provide a guidance document that explains the various considerations necessary, should their proposed development interact with the existing adopted highway or should the developer wish to offer their completed development for adoption by the Highway Authority.
- 1.2 The document, “Guidance For Works On The Highway And The Adoption Of New Infrastructure” (Appendix A), is intended to assist developers working through the pre-application / planning processes, to fully understand what are purely planning issues and which issues need to be addressed with the Highway Authority. Developers have previously expressed concerns that they were initially unaware of these commitments when submitting planning applications, and of the resultant financial implications.

2.0 HIGHWAYS AND DEVELOPMENT ISSUES

- 2.1 The document will address issues that have been a subject of discord with developers and seek to clarify processes, raise awareness of statutory requirements, under the Highways Act, that Developers must comply with, over and above those issues addressed within the Planning Permission process and the Town and Country Planning Act.
- 2.2 The guidance document will explain the benefits of Developers offering their sites for adoption (S38 process) and the process to be undertaken. This has been an issue with some developers who have not offered their sites for adoption and not informed their customers of this fact, when they have purchased their properties. There, are a number of reasons why developers have declined the opportunity to offer their sites for adoption,
- Level of commuted maintenance sums requested
 - Level of section 38 fees requested by the Authority.
- 2.3 The guidance document explains how commuted maintenance sums are calculated, enabling Developers to ascertain whole project costs and cost certainty at project feasibility stage. Previously, some Developers have claimed to be unaware of the requirement to pay commuted maintenance sums and have therefore declined to offer their sites for adoption, resulting in local residents having to pay an annual maintenance charge to a management company or, in some cases, having their streets and public lighting maintained to an unacceptable standard with irregular interventions by the Developer.
- 2.4 Welsh Authorities charge a section 38 fee of 8.5 percent of highway works costs to adopt a development. These costs cover technical

approval of the Developer’s design, inspection to ensure that the site is constructed to an adoptable standard and legal fees. However, some of the larger Developers have raised concerns that for their larger sites the 8.5% charge is excessive and does not represent value for money. They have therefore, declined to enter into section 38 agreements resulting in residents suffering, as described in section 2.3 above. Therefore, the City & County of Swansea is the first authority in Wales to consider introducing a sliding scale, following benchmarking with English Authorities such as Bristol. It is envisaged that for more expensive projects the percentage charge will be less than 8.5%, but still sufficient to cover officer time and assist in making the service operate on a full cost recovery basis. Developers have welcomed this approach, following initial discussions and it is considered that such an approach will encourage greater uptake of the section 38 adoption process.

2.5 A summary of the sliding scale of fees is provided below

Value of works	Fees
Under £250,000	Minimum fee of £2k or 8.5% of works cost
Over 250,000	8% of works costs with a capped maximum fee of £28,750
Over £500,000	7.5% of works costs with a capped maximum fee of £45,000
Over £750,000	7% of works costs with a capped maximum fee of £58,750
Over £1,000,000	6.5% of works costs with a capped maximum fee of £70,000
Over £1,250,000	6% of works costs with a capped maximum of £75,000

2.6 It is proposed that, in order to undertake activities on/ from the public highway all Developers who’s developments have the potential to cause disruption to the public highway, will submit a Construction Traffic Management Plan (CTMP) for approval by the Highway Authority, at no cost. The guidance document explains what is expected of a CTMP, that the approval of the document is a condition of the Planning Consent, and that if additional advice and assistance is required, then this service is available, but at a cost.

3.0 Equality and Engagement Implications

3.1 An EIA screening process has been undertaken and included as Appendix B.

4.0 Financial Implications

- 4.1 It is anticipated that advance notice of the requirement for Commuted Maintenance Sums and adoption of the proposed sliding scale of fees for Section 38 agreements will increase the number of sites being offered for adoption and result in increased fee income for the Authority.

5.0 Legal Implications

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

Background Papers: none

Appendices: Appendix A , “Guidance For Works On The Highway And Adoption Of New Infrastructure”.
Appendix B – EIA Screening

Feasibility of Undertaking Lining Works In-house.

Introduction.

A staff suggestion has been submitted referring to undertaking lining works in-house. The following is a feasibility appraisal of setting up and carrying out this function.

Prime Costs.

Purchase of lorry equipped with burners.	£90K
Pram & Lance	£5K
Materials	£550/tonne
Glass beads	£500/tonne
Labour - Unburdened)	£12/hour
Labour -Burdened @ 150%	£30/hour

Cost of applying markings.

Lorry and ancillaries	£95K (Purchase)
Annual cost based on a 5 year life	= £365 per week
C.T.U. Maintenance	= £150 per week
Fuel at 130Litres/week x £1.10/L	= £143 per week
Fuel for burners at 70L/week x £0.6/L	= <u>£42 per week</u>
Weekly vehicle cost	= £700 per week.

Allow 10 weeks for breakdown, holidays, weather etc. therefore working period = 42 weeks

Weighted cost for transport = $\frac{£700 \times 52}{42} = £867/\text{week}.$

Assume output of 2000m of lining per week (new and maintenance work)
Transport cost = $£867/2000 = \mathbf{£0.43/m}$

Materials

Yellow thermoplastic - at average material usage of 1000m per tonne
= $£550/1000 = \mathbf{£0.55/m}$

White - at average material usage of 1000m per tonne
= $£550/1000 = £0.55/m$
Add glass beads @ 1 tonne to 10 tonne= $£500/10/1000 = \underline{£0.05/m}$
= $\mathbf{£0.60/m}$

Labour

Yellow Lining can be carried out using a 2 man gang.
Therefore labour charge = $2 \times £30 \times 37 = £2220.00$
At an output of 2000m = $£2220/2000 = £1.11/m$

White Lining requires 3 men
Therefore labour charge = $3 \times £30 \times 37 = £3330.00$
At an output of 2000m = $£3330/2000 = £1.67/m$

Total price per metre based on laying 2000m of yellow line per week.
= £0.41 + £0.55 + £1.11 = **£2.07/m**

Total price per metre based on laying 2000m of white line per week.
= £0.41 + £0.60 + £1.67 = **£2.68/m**

The rate charged by lining contractors (approx. *) = **£0.60/m**

*Tender currently out for advert

Other Considerations.

1. Flexibility - Some works require work to be undertaken on a Sunday, at night or an early start. The lining contractor isn't restricted to set working hours offering greater flexibility to carry out such works.
2. The process of road marking is weather dependent with frequent periods when markings cannot be applied. At these times the contractor would not be used and therefore the Authority does not incur any costs.
3. Additional labour would have to be employed to undertake lining work as the present establishment is sufficient only to carry out the existing workload.
4. At downtimes alternative work would have to be found and the skill set of the lining personnel would be limited for the type of work undertaken in the section.
5. The calculations assume an annual downtime for the haulage of 10 weeks but the cost of the lorry will have to be borne should this figure be exceeded.
6. Alternative work would have to be found for the third man when the gang were employed on yellow lining.

Conclusion.

The Engineering Section is progressive in exploring new working methods and processes and strives at all times to keep work in-house.

However, there is some specialist work which private companies are more equipped and experienced to undertake and this is the case for roadmarking.

Commissioning Review: Community Budgets

1.0 Introduction

- 1.1 Each ward Councillor has for some years received an Environmental Improvements (EI's) allowance of £1,000 per annum to fund highway related environmental improvement works in their wards.
- 1.2 In 2013/14 each Member's EI's allowance was increased to £3,000 per annum and the scheme extended to include works on all Council Owned land and Public Rights of Way.
- 1.3 In November 2015 the Environmental Improvements programme was replaced by the Community Budgets Programme. Details of the Communities budget are included in the report to Cabinet dated 19th November 2015 – Community Budgets.
- 1.4 As well as the change in name, each Member's allowance was increased from £3,000 to £9,388 per annum for 2015/16 and 2016/17. This was in response to Member concerns that the existing level of funding was inadequate to have an impact within communities.
- 1.5 Restrictions on the use of the funding were also reduced to allow Members greater flexibility in support local improvements and events.
- 1.6 Concerns had been raised by Members regarding costs of delivery of schemes, the fee of 15% of works costs charged for design/administration work, and, communication with Members in delivering schemes.

2.0 Purpose of the Report.

- 2.1 This report aims to provide members with a comprehensive view of the processes and charges relating to the management and delivery of Highway related works under the Community Budget Programme.
- 2.2 Attached to the rear of this report are:
 - a) Four examples of Community Budget Works undertaken; (Cost Examples)
 - b) A high level flowchart of the Community Budget Works Process (Fig 1)
 - c) A detailed flowchart of the Traffic Regulations Order Process (Fig 2)

3.0 Process.

- 3.1 The Community Budget programme is managed by Corporate Building and Property Services' Facilities Management team.
- 3.2 Initial Member contact is with Facilities Management.
- 3.3 A catalogue of typical schemes with the associated budget costs is held by Facilities Management which is used as a guide to aid Members in deciding the feasibility of a project.
- 3.4 If the budget costing meets expectations or further advice or estimated costs for any particular scheme be required, Facilities Management refers the Member to the relevant service provider e.g. Improvements or Traffic management teams.

- 3.5 Having established the Member's requirements, assigned officers will assess the proposal and consult with the Member on the proposal's viability, including matters that would have to be addressed such as:
- Safety implications of the proposal.
 - Governing legislation e.g. traffic orders, accessibility, Welsh Language Act etc
 - Policy matters e.g. Residents parking policy
 - Costs.

Officers will also advise on alternative options.

- 3.6 Every effort is made to provide this information to Members within two weeks; however, delays may be experienced depending on available resources.
- 3.7 Based on the information provided Members have three options:
- i. Request the scheme be moved on to the detailed design stage. This would apply to a scheme such as construction of a new layby.
 - ii. Request the work to be undertaken. This would apply to minor works such as placing a few bollards. There is still input required by design staff to compile any safety plans, risk assessments and indicative plans and obtain Statutory Undertakers information.
 - iii. Decide not to proceed.
- 3.8 If the scheme is to proceed an instruction shall be given to Facilities Management who will issue the service provider with an instruction to either implement the scheme or proceed with a detailed design, providing a financial code and specific job number for cost allocation.
- 3.9 If, during the design, unforeseen items come to light, such as services that need to be diverted, the price to deal with these is calculated and presented to Members.
- 3.10 Upon completion of the design, the budget cost is adjusted, if necessary, and the work issued to the Engineering Division for programming and implementation.
- 3.11 Similarly, minor works are issued directly to Engineering to be undertaken.
- 3.12 This process is set out diagrammatically and attached as Fig.1.

4.0 Financial.

- 4.1 A small percentage is removed from the overall budget to cover the input of a budget co-ordinator in Facilities Management.
- 4.2 Estimates for individual schemes/works are prepared at consultation stage, and these include all costs relating to advertising of TRO's, other service providers, commuted sums for future maintenance and provisional budget design and construction costs.
- 4.2 Costs incurred by Highways staff in the initial consultation stage and in preparing the works package for issue are absorbed by the department and are not charged to the Community budget.

- 4.3 Design work is charged to the individual scheme on a time related basis.
- 4.4 Disbursements such as advertising costs and legal fees are also charged to the individual schemes.
- 4.5 Works undertaken by the in-house Engineering Division are priced using the competitively procured Partnership Framework where possible.
- 4.6 Where work is specialist in nature and the in-house unit either haven't the skills or it is not cost effective for them to carry out the work themselves a suitable contractor will be engaged. An example is road marking which due to the equipment required, its limited use throughout the year and the weather dependency of the process makes it uneconomic to carry out this work.
- 4.7 Where specialist work is undertaken, competitively procured contracts such as the contract for road marking are utilised.
- 4.8 Prospective costs for licences and CDM for external service provision are detailed in 5.4.6 and 5.4.8 below.

5.0 Service Provision.

- 5.1 The Council is committed to using in house engineering services to design and construct schemes whenever the necessary skills and resources are available.
 - 5.1.1 The information below details the service provided by the department's staff and defines the responsibilities undertaken to protect Members and the Authority generally, in terms of sustainable works, compliance with legal and health & safety legislation and also Council policies. Four detailed examples of schemes are presented at the end of this report (Cost Examples)
- 5.2 Design
 - 5.2.1 Design of highway related Community Budget schemes is carried out by the Capital Projects Team, an in house Civil Engineering Consultancy offering design and project management services for a range of projects within the City and County of Swansea, ranging from multi million pound schemes to Community Budget schemes costing less than £1,000.
 - 5.2.2 To manage performance, continual improvements and evidence best value the Capital Projects Team have carried out benchmarking activities for a number of years. The team is a member of the County Surveyors Society (Wales) Engineering Services Benchmarking Team, set up to share good practice and promote professional development of engineering services within local government in Wales. In a comparison of hourly rates from the Welsh Government Technical Consultancy Framework, for schemes below £25K, hourly rates identified by the Capital Projects team are competitive and offer best value. This is detailed in the 'Cluster 2' section of the Commissioning Review report.
 - 5.2.3 As stated in 4.2 above significant time is spent by design staff during the consultation and works ordering stages which is not charged to the Member's allocation. Consultants would charge all time spent on a project, including advising Clients.
- 5.3 Traffic Regulation orders.

- 5.3.1 There is a perception that schemes involving road marking are expensive and take protracted periods to deliver. However, to be enforceable, markings such as double yellow lines must have a traffic regulation order. The stages involved are:
- i. Design
 - ii. Compilation of legal documentation.
 - iii. Advertising the proposed Order.
 - iv. Objection period.
 - v. Implementation.
 - vi. Legal sealing of the Order.

Fig.2. (attached) is a flowchart detailing the above TRO process.

5.3.3 Due to these processes implementation takes several months.

5.3.4 The costs of the legal and advertising vastly outweigh the works costs which for simple schemes are about 6%

5.4 Construction.

5.4.1 The in-house Construction section of the Engineering Division, are equipped to undertake the majority of civil engineering works. Specialist works are contracted out as described in 4.6 above.

5.4.2 Estimates for various Community Budget schemes are, whenever appropriate, built from item rates derived from a schedule of rates taken from the competitively procured Partnership Contract.

5.4.3 Where the framework is not applicable, as in the case of road marking, individual scheme prices are produced.

5.4.4 There is a perception that some works costs, particularly on small works, are higher than would be obtained from a local contractor but this does not take into account the 'whole service cost' should an external contractor be employed.

5.4.5 Should external contractors be engaged costs would be incurred by in house officers in preparing a specification for the works, producing a tender/quotation package and obtained prices in accordance with the Council's Contract Procedure Rules (CPR's), which may delay implementing the works by up to three months.

5.4.6 If external contractors are employed to work on the highway they must either:

- i. Be licenced, which involves applying to the Department of Transport and undergoing a vetting process and also having an IT infrastructure to comply with the requirement to notify the Authority of proposed works, electronically.
- ii. Apply for a Section 50 licence for **each** scheme carried out, the cost of which is currently £512.

The in-house Engineering Division is exempt from these licences and charges.

5.4.7 The Authority insists that any company or person engaged to undertake works carries the following minimum levels of insurance.

- Public Liability - £5M
- Employer's Liability - £5M

- Professional Indemnity -£2M

5.4.8 The Construction (Design and Management) regulations (C.D.M.) place legal responsibilities on Clients, Designers and Contractors in relation to health and safety. In 2015 the regulations were amended to tightening up compliance, making it a legal requirement to provide a health and safety plan for all projects.

Small contractors are generally ill equipped to produce these unless they employ someone to undertake this on their behalf, the cost of which will vary depending on the complexity of the plan, but is in the region of £150 to £800 per plan.

5.4.9 Under the Road and Streetworks Act the works promoter is responsible for any works for a period of two years. Being part of the Authority the in-house section take ownership of any work undertaken.

5.4.10 Besides the legislative issues highlighted, the in-house providers also:

- Ensure compliance with C.P.R's;
- Plan, organise and deliver schemes;
- Provide street works planning and co-ordination;
- Ensure compliance with specification;
- Self-supervise eliminating the need, and resultant costs associated with this;
- Manage variations;
- Take immediate ownership of the works.

6.0 Summary.

6.1 The Community Budget affords the opportunity for Members to implement schemes which benefit their ward residents.

6.2 It is important that proposals are delivered to Members expectations and efficiently. To this effect the in-house staff provide a service which delivers all the functions required to achieve these as well as protecting members as Clients.

6.3 Four examples of Community Budget Works are presented below.

Examples of Community Budget Works Undertaken

Example 1. Improvements to pedestrian guardrail at Morriston Cross.

There are varying types of pedestrian guardrail (PGR) currently in situ at the cross in Morriston. A large percentage of this is a galvanized rectangular section standard type being in a varying state of repair. The remainder is a bespoke style guardrail, predominantly black in colour fabricated in rounded section, installed as a part of a highway improvement scheme at Clase Road in 2003

To improve the streetscape and introduce a consistent style of guardrail in the area the Members for the Morriston Ward wished to remove the standard style barrier and replace with new of the same style as the bespoke black guardrail.

The funding for the scheme is from Member's Communities Budget allocation supported by funding set aside from a S106 Agreement in respect of a local development.

To date over 50 hours of officer time has been spent consulting with Members, other departments within the authority and suppliers in preparing estimates and timescales for the scheme. An instruction to pursue a scheme has recently been received.

The sequence of events leading to the instruction is set out below:

- | | |
|----------|--|
| 11/6/14 | Initial request for estimated costs for replacing and/or painting the guardrail in the vicinity of the cross at Morriston. |
| 7/7/14 | Plan of existing PGR prepared and an assessment of the site carried out in conjunction with the Authority's Road Safety officer of existing barrier with a view to rationalizing the quantity of PGR. |
| 5/9/14 | Indicative cost and options presented to Ward Members. |
| 9/9/14 | Brief extended to include provision of diagonal crossing facility at the Cross. Referred to Telematics Section |
| 24/11/16 | Request from Ward Members for updated costs for the scheme. |
| 11/2/16 | Amended scheme costs provided to Ward Members. |
| 26/2/16 | Breakdown of amended scheme costs provided to Ward Members. |
| 1/4/16 | Update on scheme status provided. First mention of S106 finding to support scheme. Advice sought from Planning re: use of S106 funding. |
| 7/4/16 | Advised by Planning S106 funding cannot be used. |
| 17/5/16 | Meeting with Morriston Ward Members. Use of S106 funding to be pursued by Members. Further costs requested for upgrade of further guardrail along Woodfield Street together with timescales for delivery. Instruction from Members not to pursue diagonal crossing scheme. |
| 16/8/16 | Meeting with Members and Planning. Agreed S106 funding is available for the scheme. Costs requested for improvements to further street furniture, litter bins, bollards, seats etc. along Woodfield Street. |
| 26/8/16 | Costs for painting of perimeter railings to Library requested by Members. |

- 19/9/16 Members advised of costs and timescales for manufacture , installation and painting of guardrail, these being £29,200. Costs for improvements to street furniture along Woodfield Street not included.
- 24/9/16 Instruction received to proceed with works to guardrail based on information provided.

Costing.

No fees have been charged for the consultation to date.

The works were priced utilising the Framework rates with an additional allowance for the bespoke guardrail. The estimate was forwarded to the Engineering Division for comment.

Two major factors had to be addressed, these being whether the allowance would be sufficient for procuring the new barrier and also the logistics of undertaking the work at an extremely busy junction, in terms of traffic and pedestrians.

These issues were positively addressed and the scheme will proceed.

Example 2. Provision of bus shelter at Clydach Road, Ynystawe.

A request was made by the Morryston Ward Members for a bus shelter to be installed at a bus stop on the B4603, in the vicinity of No. 495 Clydach Road, Ynystawe.

The bus stop is located at a lay-by situated between Clydach Road and a service road fronting 487 – 499 Clydach Road. The difference in level between the two carriageways is approx. 900mm. Due to its elevated location the only access to the bus stop is provided by a flight of 5 steps.

The Equalities Act (2010) prescribes a legislative duty upon all local authorities in England and Wales to ensure that all bus stops are accessible by 2016.

There is a need to improve the Council's bus stops to ensure that they can be considered to be accessible to particularly benefit those with mobility impairment. The Council therefore exercises a policy whereby raised kerbing is installed at all bus stops which are subject to an associated modification (such as a replacement bus shelter, resurfacing etc.) This policy allows bus stops to be upgraded in a sustainable fashion, and demonstrates compliance with the legislative duties prescribed by the Equalities Act (2010).

The limited funding available through the Community Budget and also the inability to support additional works from other budgets, due to restrictions, can result in conflict with the above Act. Officers advise on legislation and reputational risk.

In this case the decision was to proceed with the shelter only.

The sequence of events is set out below:

- 5/10/15 Request from Leader to Transport Team for bus shelter at Clydach Road, Ynystawe.
- 20/10/15 Request by Transport Team to provide estimated costs for improvements to access facilities.

- 28/10/15 Costs provided to Transport team for:
- Raised bus stop kerbs.
 - Access ramp from service road to bus stop.
 - Uncontrolled crossing across service road.
- 18/11/15 Instruction from leader that Community budget funding is to be used to support specific request for shelter only. Access facilities to be provided from other budgets if relevant service provider wishes to do so.
- 30/1/15 Instruction received from Leader to install shelter.
- 1/2/15 Confirmation received from Place Director to install a bus shelter only. The provision of additional access facilities is not to be supported from other budgets.
- No further involvement in in scheme from capital Projects Team.
- 16/5/16 Installation of shelter complete.

Costing.

Estimate prepared from the Schedule was forwarded to the Engineering Division who have installed the shelter as directed.

Example 3. Footway maintenance at various locations within the Penllergaer.

Estimated costs were requested for maintenance works to footways at:

- Swansea Road, Penllergaer (two sites).
- Ynyswerdd, Penllergaer.

The footways had previously been assessed to be in Average condition for Footway Planned Maintenance purposes. The footways are not included in the 'Highways Maintenance Forward programme of Works 2015 – 2020'.

Estimates were prepared, based on the Highways Partnership schedule of rates, as used for Footway Planned maintenance schemes.

The estimated costs were questioned by the Member and a breakdown was provided. A further explanation of the costs was provided to the Member following her representation to the Head of Service.

With over 15 hours of officer time spent in providing the information requested, no instruction has been received to date.

The sequence of events is set out below:

- 24/3/16 Request for estimates from Member
- 30/3/16 Site meeting to indicate sites and discuss initial observations.
- 5/4/16 Estimates presented to Members

- 14/4/16 Breakdown of costs and quantities presented on request from Member.
- 3/5/16 Further explanation of build-up of costs presented to Member following representation to Head of Service.
- 29/10/16 No instruction received to date.

Costing.

The estimates provided were as follows.

Area of footway	Estimated cost
Swansea Road, Penllergaer – Footway fronting St. David’s church	£8,945
Swansea Road, Penllergaer – Footway fronting No. 22-30	£8,275
Ynyswerdd – Footway fronting No. 5 - 12	£8,975

As has been detailed in the Commissioning report the method of pricing adopted by many contractors of having lower rates and higher preliminary items such as accommodation, welfare etc. makes prices appear extensive as the ‘front end’ of the Bill of Quantities is disproportionately higher. It must be noted that if a balance wasn’t achieved by compensatory lower work rates a tender bid would be uncompetitive and would not be successful.

Example 4. Introduction of Traffic Regulation Orders to address inconsiderate parking on Heol Pentr Felin and the surrounding estate.

Officers initially became aware of a desire to implement a scheme to address the inconsiderate parking of DVLA staff within the Pentre Felin estate following a request from the Llangyfelach Community Council in 2011. During the following eighteen months officers attended five evening meetings where proposals were developed, shared with the public with the design going through a series of amendments at the request of those residents attending the meetings. The overriding desire from those residents attending was for Residents Parking to be implemented into the estate. However as the majority of properties had access to off street parking, it does not meet the criteria for Residents parking as set out in the appropriate council approved policy.

It was not possible to reach a consensus with the public and no further contact was received for a period of eighteen months. Following this, officers met with the ward member in October 2013. This meeting and a subsequent one two weeks later was with a very small number of local residents and was less ambitious in scale primarily addressing junction protection and protecting vehicular accesses.

Proposals were drafted which again failed to obtain a consensus with the wider community, and a further site meeting was held which was very well attended by approximately fifty residents. However, as before the main request was for Residents Parking which was not possible as it does not conform to Council policy.

Officers attended two further public meetings held during on 20 October 2014 and December 2014 where the issues regarding Residents Parking were again explained to those in attendance. However this led to a proposal to introduce a parking control zone.

This was discussed at a further public meeting in February 2015. Following this designs were finalised to provide a control zone with a 10am to 11am restriction. In light of previous

experience this was issued to all residents as a consultation with a yes/no option. The letter drop took place over the following weeks with repeats sent out to residents claiming not to have received a copy.

The survey results were analysed with the conclusion that the majority of residents were in favour of implementing the controlled zone. Officers then updated the costs of the scheme, confirmed that there were sufficient funds available within the EI Budget, and confirmed which publication the advertisement was to be included in. It was agreed that to minimise costs this should be the Swansea Leader. Whilst significantly cheaper than the Evening Post or Western Mail, the Swansea Leader publication does have significantly longer lead in periods, to enable a TRO schedule to be publicised.

Email correspondence was sent on the 11th of August 2015 advising that the TRO would be advertised in the November issue of the Swansea Leader.

In November 2015 the Traffic Regulation Order was advertised. As a consequence 9 letters of objection were received. The objection process concluding with the preparation and approval of an objection report took place between January and May 2016.

Following this drawings, Bills of Quantities and Safety Plans were issued to the Engineering Division. Works were undertaken through July, August and September.

The value of the scheme was £9,037 for which Traffic Management charged a total fee of £1,356 which did not cover the time spent for the consultation and management associated with this project.

Fig.1. Process for Ordering Community Budget Works

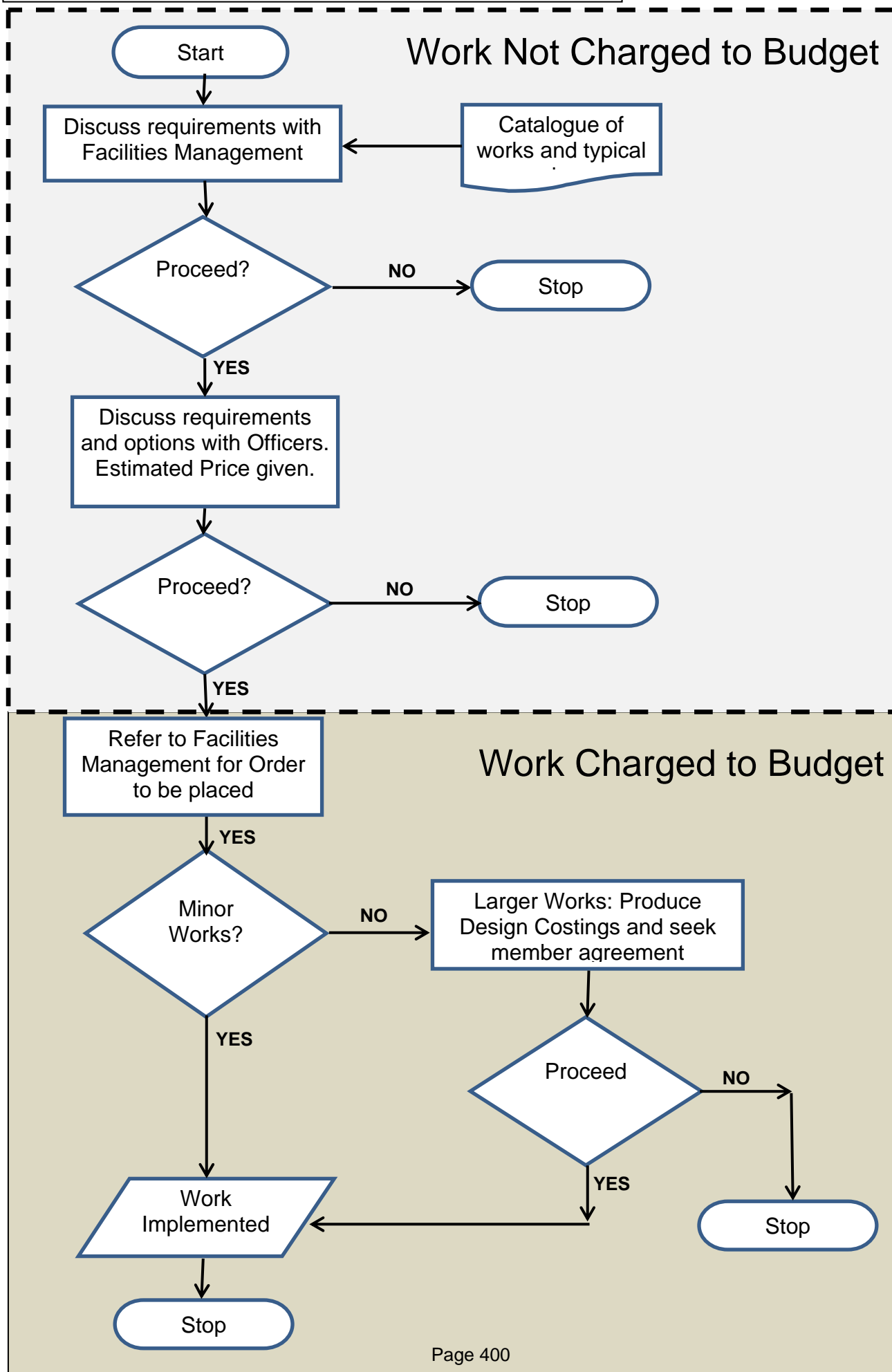
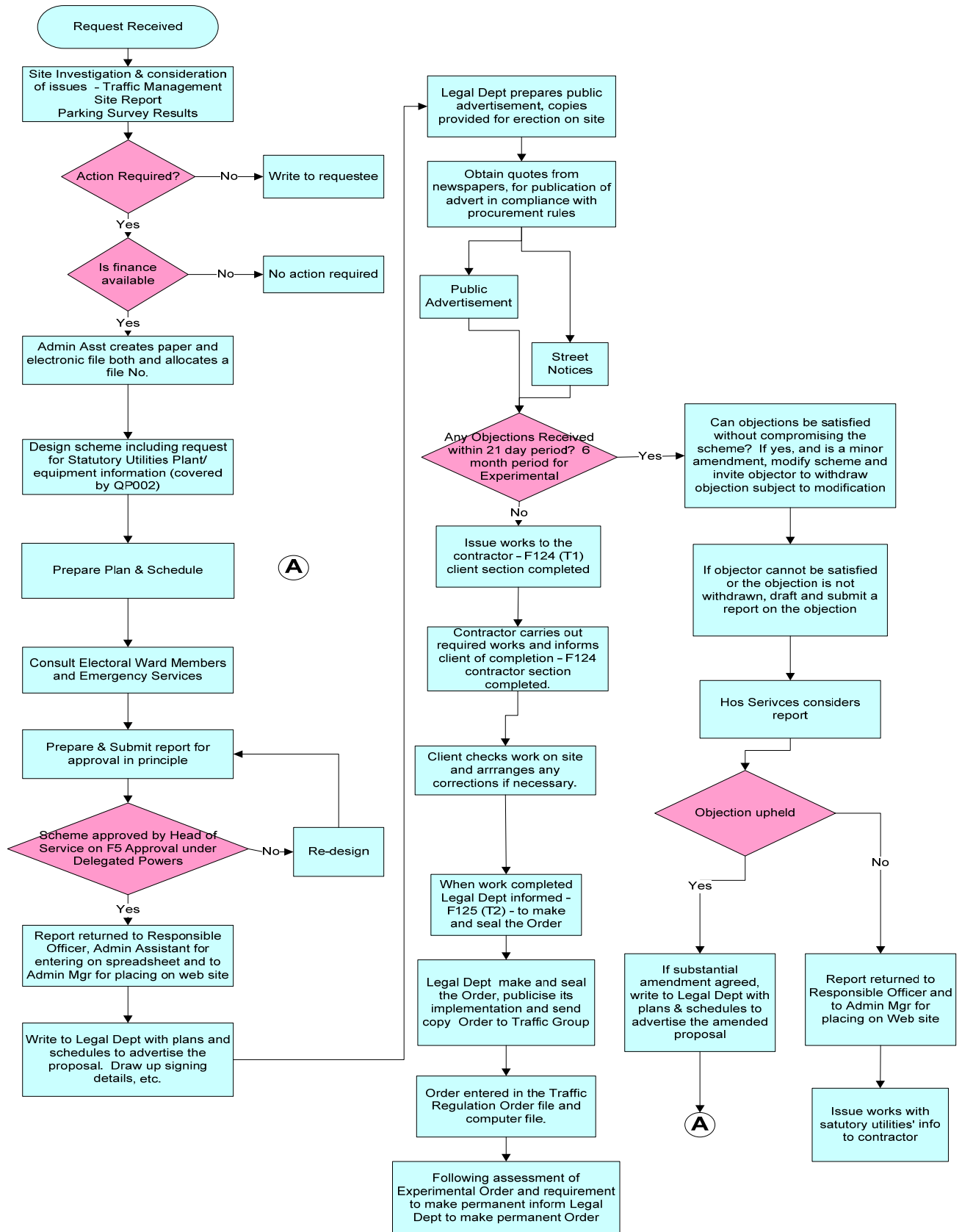


Fig 2: Process for obtaining a Traffic Regulation Order

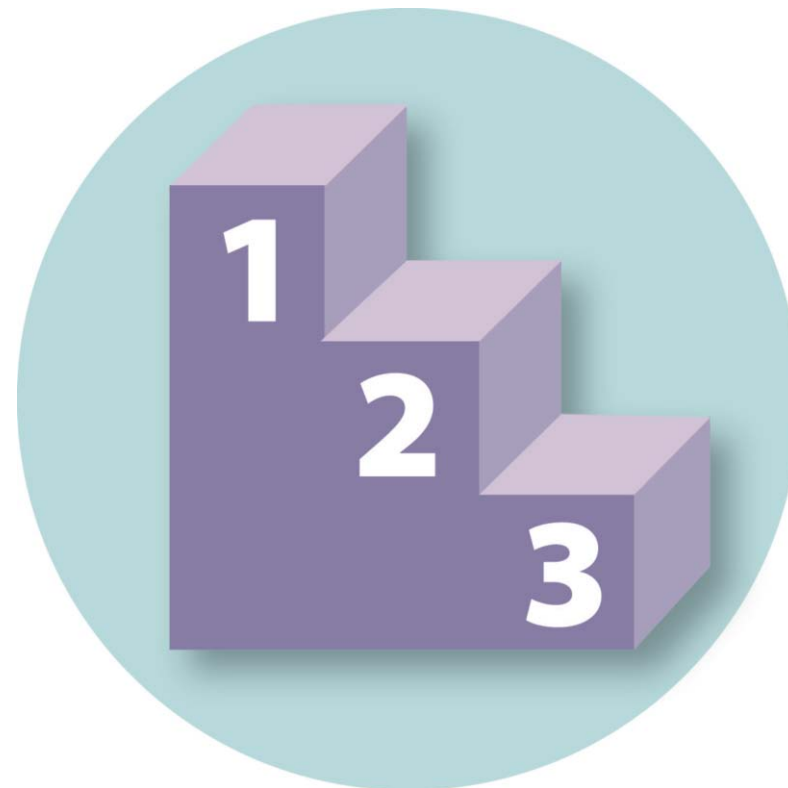
**TRAFFIC REGULATION ORDER (including Experimental Order)
In accordance with the Road Traffic Regulation Act 1984**



Street lighting

2014-15, Issue 2

Performance indicator standings



Street lighting performance indicator standings 2014/15 : Family group report

Name of authority
PIN
Family group

Swansea City & County
8093
L2

Performance indicator

	Number in group	Highest in group	Average for group	Lowest in group	Your output/score	Standing in group	Top quartile mark	Quartile achieved	Ten percentile mark
Safety performance indicators									
PI 39 - Percentage of columns with a valid structural test certificate	9	100.00%	31.38%	0.00%			55.27%		100.00%
PI 40 - Percentage of lights with a valid electrical test certificate	13	100.00%	72.41%	22.71%	36.37%	11	96.61%	4	100.00%
Condition / asset preservation performance indicators									
PI 39a - Routine faults as a percentage of street lighting stock	14	25.02%	18.26%	12.93%	16.19%	5	15.14%	2	14.29%
PI 39b - Mean time between failures (MTBF) in years	14	7.73	5.71	4.00	6.18	5	6.61	2	7.00
Asset information performance indicators									
PI 19 - Percentage of street lamps that are controlled by electronic gear	11	71.34%	39.75%	1.86%	52.09%	-	-	-	-
PI 21 - Percentage of faults repaired by regional electricity supplier	11	100.00%	99.71%	96.85%	100.00%	1	100.00%	1	100.00%
Customer service performance indicators									
PI 03 - Percentage of lamps restored to working condition within 7 days	12	98.10%	88.13%	52.81%	59.51%	11	97.30%	4	97.93%
PI 20 - Average time to restore lamps to working order	13	18.97	6.36	2.00	18.97	13	4.00	4	2.94
PI 04 - Average time to repair lamps (authority only)	11	9.89	4.31	1.28			2.80		2.00
PI 05 - Average time to repair lamps (electricity supplier)	10	30.61	14.29	5.00	9.23	4	8.00	2	5.00
PI 22 - Percentage of faults repaired by regional electricity supplier within SLA/agreed timescale	10	100.00%	87.35%	57.54%	72.22%	8	100.00%	3	100.00%
PI 27 - Public telephone calls/contacts as a percentage of faults	10	115.66%	59.66%	6.69%			32.56%		24.57%
PI 28 - Public telephone calls/contacts as a percentage of street lights	9	28.93%	13.05%	4.79%			5.83%		5.04%

Notes:

- The authority will only be ranked in family group if it has shown an output / score within the set parameters for the performance indicator.
- Quartile / percentile marks are only shown for those performance indicators for which there is a desirable achievement.
- Quartile marks are only shown for those performance indicators for which there are a minimum of 8 outputs / scores within the set parameters.

Street lighting performance indicator standings 2014/15 : Family group report

Name of authority

Swansea City & County

PIN

8093

Family group

L2

Performance indicator

Performance indicator	Number in group	Highest in group	Average for group	Lowest in group	Your output/score	Standing in group	Top quartile mark	Quartile achieved	Ten percentile mark
Availability performance indicators									
PI 02a - Percentage of street lamps not working as planned	13	12.78%	3.68%	0.44%	8.94%	11	0.70%	4	0.65%
PI 02b - Percentage of street lamps dark on any one evening	14	9.45%	1.03%	0.00%	0.00%	1	0.00%	1	0.00%
Financial performance indicators									
PI 35 - Actual capital investment as a percentage of annual depreciation (Scotland only)	5	145.80%	71.56%	30.78%		-	-	-	-
PI 36 - Depreciated replacement costs (DRC) as a percentage of gross replacement cost (GRC)	12	68.79%	43.44%	0.05%	30.50%	-	-	-	-
PI 33 - Average cost of repairing routine faults	9	£189.93	£109.34	£51.32	£172.23	8	£75.01	4	£56.26
PI 04a - Annual cost of night inspecting a street light	3	£1.35	£0.97	£0.54			-		£0.63
PI 04b - Individual cost of night inspecting a street light	7	£0.11	£0.04	£0.01			-		£0.01
PI 42 - Revenue allocation per street light excluding electricity costs	12	£104.46	£39.68	£14.37	£26.74	4	£26.74	2	£20.31
PI 43 - Capital allocation per street light replacement	8	£68.84	£25.09	£3.43	£5.30	2	£19.35	1	£4.74
PI 01a - Average cost of maintaining street lights	12	£160.81	£75.18	£19.44	£160.81	12	£58.54	4	£32.36
PI 01b - Average cost of maintaining street lights excluding bulk/capital replacement	13	£78.97	£45.62	£13.97	£38.42	7	£34.93	2	£21.51
PI 01c - Total investment in infrastructure per street light	11	£138.95	£69.55	£23.24	£32.05	2	£50.62	1	£32.05
PI 06a - Energy cost per street lamp only	14	£52.03	£41.16	£32.53	£38.17	5	£37.75	2	£35.03
PI 06b - Energy cost per street lamp and illuminated sign	14	£46.53	£38.20	£30.43	£33.43	3	£33.61	1	£32.20
Environmental performance indicators									
PI 18b - Average annual electricity consumption per street light (KWH)	13	495.89	386.37	264.70	315.13	2	333.38	1	316.95
PI 37a - CO ₂ emissions (kg) per head of population	13	59.21	33.93	20.02	20.02	1	28.53	1	21.75
PI 37b - CO ₂ emissions (kg) per street light	13	264.36	205.98	141.11	168.00	2	177.73	1	168.97
PI 38a - Percentage of street lamps that are dimmable or part night lighting	14	83.13%	27.34%	0.00%	50.40%	3	47.24%	1	69.33%
PI 38b - Percentage of street lamps that are dimmable	14	50.40%	14.92%	0.00%	50.40%	1	33.18%	1	42.12%
PI 38c - Percentage of street lamps that are part night lighting	14	76.13%	12.42%	0.00%	0.00%	8	18.82%	3	41.49%

Street lighting performance indicator standings 2014/15 : whole service report

Name of authority
PIN

Swansea City & County
8093

Performance indicator

Performance indicator	Number in service	Highest in service	Average for service	Lowest in service	Your output/score	Standing in service	Top quartile mark	Quartile achieved	Ten percentile mark
Safety performance indicators									
PI 39 - Percentage of columns with a valid structural test certificate	38	100.00%	47.68%	0.00%			100.00%		100.00%
PI 40 - Percentage of lights with a valid electrical test certificate	53	100.00%	64.81%	0.00%	36.37%	39	98.31%	3	100.00%
Condition / asset preservation performance indicators									
PI 39a - Routine faults as a percentage of street lighting stock	59	31.36%	16.96%	2.48%	16.19%	28	13.10%	2	9.65%
PI 39b - Mean time between failures (MTBF) in years	56	10.89	6.05	1.29	6.18	24	7.32	2	8.47
Asset information performance indicators									
PI 19 - Percentage of street lamps that are controlled by electronic gear	56	79.89%	32.49%	0.00%	52.09%	-	-	-	-
PI 21 - Percentage of faults repaired by regional electricity supplier	43	100.00%	99.03%	88.96%	100.00%	1	100.00%	1	100.00%
Customer service performance indicators									
PI 03 - Percentage of lamps restored to working condition within 7 days	51	100.00%	88.55%	52.81%	59.51%	49	97.10%	4	98.60%
PI 20 - Average time to restore lamps to working order	50	18.97	5.77	1.56	18.97	50	3.36	4	2.86
PI 04 - Average time to repair lamps (authority only)	49	12.78	4.41	1.28			2.75		2.06
PI 05 - Average time to repair lamps (electricity supplier)	44	39.40	14.23	3.00	9.23	18	7.23	2	5.00
PI 22 - Percentage of faults repaired by regional electricity supplier within SLA/agreed timescale	41	100.00%	84.90%	36.67%	72.22%	31	100.00%	3	100.00%
PI 27 - Public telephone calls/contacts as a percentage of faults	45	148.26%	63.87%	6.69%			38.20%		23.89%
PI 28 - Public telephone calls/contacts as a percentage of street lights	46	29.45%	11.86%	4.37%			7.36%		5.78%

Notes:

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- Quartile marks are only shown for those performance indicators for which there are a minimum of 8 outputs / scores within the set parameters.

Street lighting performance indicator standings 2014/15 : whole service report

Name of authority
PIN

Swansea City & County
8093

Performance indicator

Performance indicator	Number in service	Highest in service	Average for service	Lowest in service	Your output/score	Standing in service	Top quartile mark	Quartile achieved	Ten percentile mark
Availability performance indicators									
PI 02a - Percentage of street lamps not working as planned	56	12.78%	3.14%	0.04%	8.94%	50	0.62%	4	0.43%
PI 02b - Percentage of street lamps dark on any one evening	65	12.02%	1.22%	0.00%	0.00%	1	0.00%	1	0.00%
Financial performance indicators									
PI 35 - Actual capital investment as a percentage of planned (Scotland only)	22	169.40%	65.52%	3.87%		-	-	-	-
PI 36 - Depreciated replacement costs (DRC) as a percentage of gross replacement cost (GRC)	45	96.67%	49.35%	0.05%	30.50%	-	-	-	-
PI 33 - Average cost of repairing routine faults	42	£218.96	£95.01	£26.22	£172.23	38	£58.08	4	£41.68
PI 04a - Annual cost of night inspecting a street light	20	£2.83	£1.37	£0.54			£0.73		£0.63
PI 04b - Individual cost of night inspecting a street light	28	£0.15	£0.06	£0.01			£0.03		£0.01
PI 42 - Revenue allocation per street light excluding electricity costs	58	£271.06	£43.26	£11.34	£26.74	23	£21.13	2	£17.28
PI 43 - Capital allocation per street light replacement	48	£75.23	£29.90	£1.99	£5.30	7	£9.30	1	£4.88
PI 01a - Average cost of maintaining street lights	56	£160.81	£73.59	£19.44	£160.81	56	£43.82	4	£32.48
PI 01b - Average cost of maintaining street lights excluding bulk/capital replacement	55	£99.70	£46.07	£11.01	£38.42	28	£30.39	2	£22.82
PI 01c - Total investment in infrastructure per street light	57	£156.03	£71.54	£23.00	£32.05	7	£42.62	1	£30.74
PI 06a - Energy cost per street lamp only	59	£69.05	£42.44	£23.03	£38.17	20	£36.23	2	£32.15
PI 06b - Energy cost per street lamp and illuminated sign	59	£57.49	£38.15	£16.40	£33.43	16	£31.84	2	£28.61
Environmental performance indicators									
PI 18b - Average annual electricity consumption per street light (KWH)	57	597.95	387.62	200.66	315.13	10	335.94	1	293.33
PI 37a - CO ₂ emissions (kg) per head of population	58	59.21	31.14	9.63	20.02	5	25.19	1	20.74
PI 37b - CO ₂ emissions (kg) per street light	59	447.49	208.72	88.45	168.00	11	177.73	1	153.58
PI 38a - Percentage of street lamps that are dimmable or part night lighting	60	94.31%	21.62%	0.00%	50.40%	11	38.58%	1	66.92%
PI 38b - Percentage of street lamps that are dimmable	62	90.69%	12.74%	0.00%	50.40%	4	16.47%	1	38.57%
PI 38c - Percentage of street lamps that are part night lighting	61	81.08%	8.87%	0.00%	0.00%	29	2.79%	2	33.95%

Depreciation Models (Road Condition and Spend Levels)

The following graphs show the condition of the roads based on planned maintenance spending levels and are intended to show the effects that these differing spend levels will have on the highway asset over a 20 year period. The model used to predict these outcomes was produced as part of the All-Wales/Scots Asset Management Project and uses both a deterioration model for roads and the annual condition figures that are produced for the highways condition performance data.

The graphs show road condition in four bands:

- Green: Roads in Good Condition
- Light Amber (Amber 2): Roads in Average Condition. Condition is mostly ok but some defects evident and routine work is required.
- Darker Amber (Amber 1): Roads in Average to Poor Condition. Structure starting to fail, work or regular work required.
- Red: Roads in Poor Condition – Planned and significant works required.

Current Road Conditions (Year 0) are assessed and shown as:

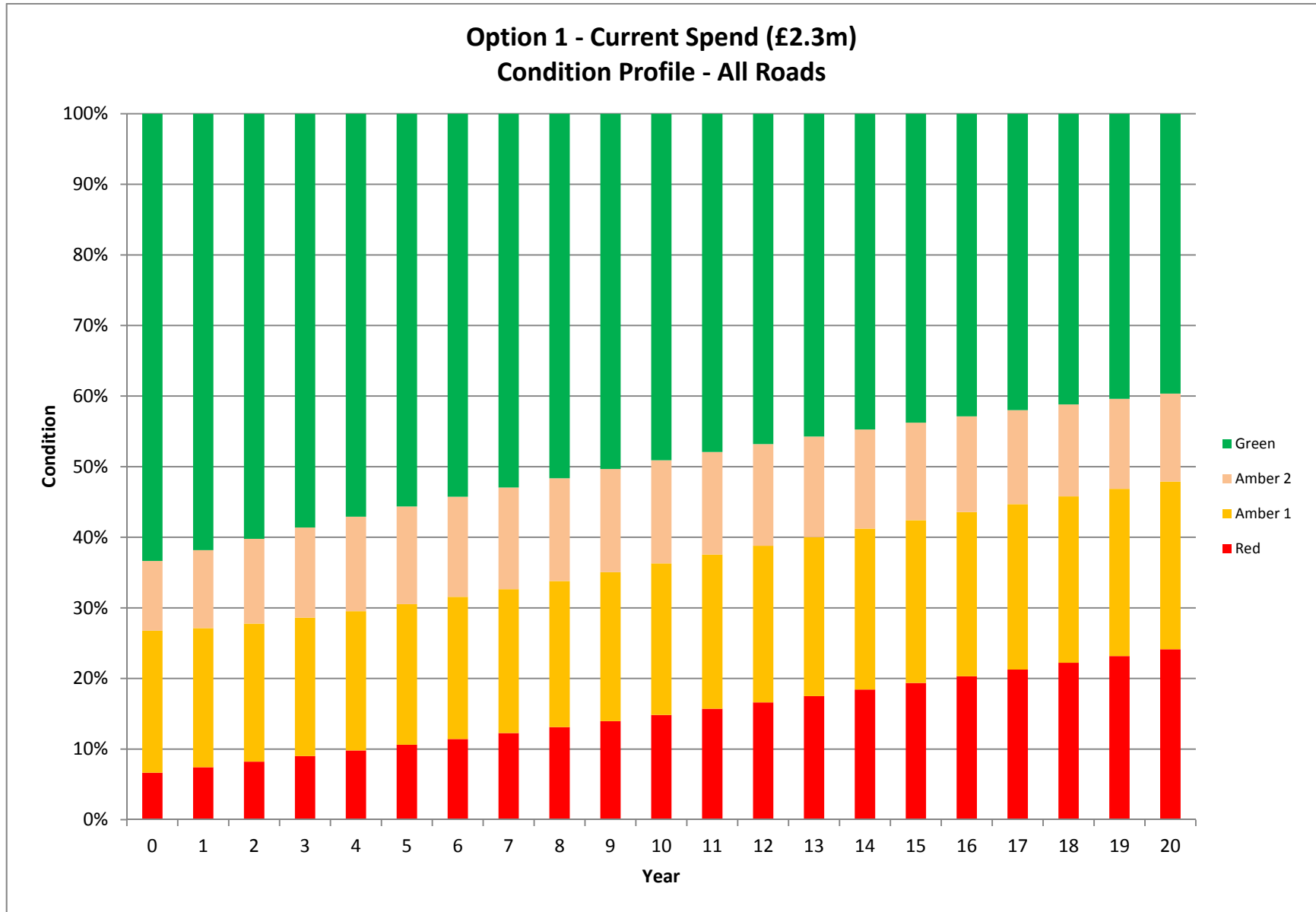
Page 407	Good Condition:	61.84%
	Average Condition:	9.63%
	Average to Poor:	19.65%
	Poor Condition:	6.49%

Three graphs are presented for comparison, each representing a different level of spend. These being:

- | | |
|--|--|
| Option 1 = Budget of £2.3 million (current budget plus spend to save initiative) | (23% of all roads cease to be in good condition) |
| Option 2 = 50% reduction in budget | (34% of all roads cease to be in good condition) |
| Option 3 = Steady State Budget (calculated at £4.3 million) | (8% of all roads move up to be in good condition) |

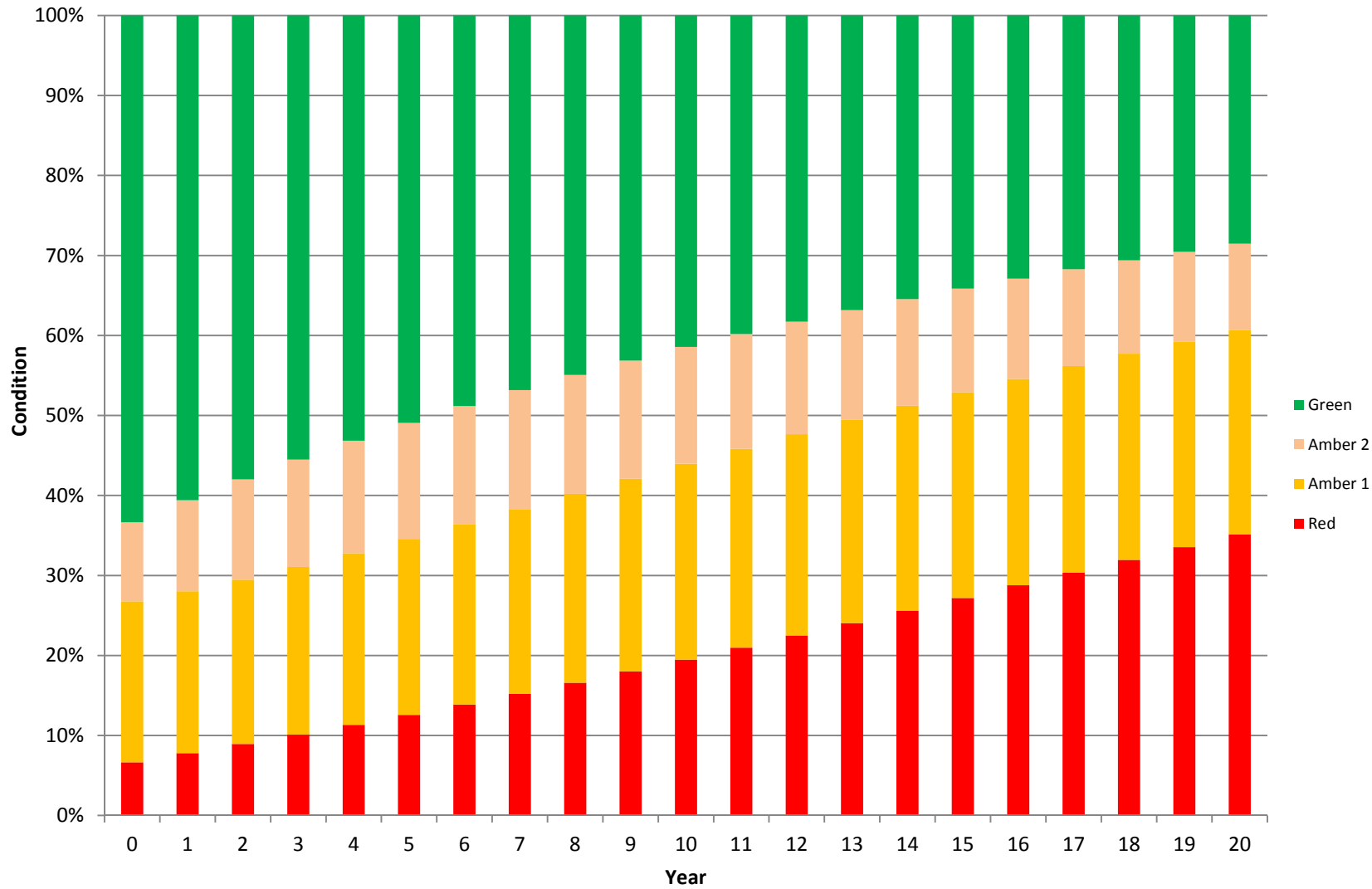
Note:

Steady State means the level of funding required to keep the roads in their current condition (slight increase in condition overall). The figure used is based on mainly preventative maintenance with an allowance for some structural reconstruction. Anything less than this value means the condition of the highway deteriorates.



Result Shown: Maintaining current spend levels (with the Invest to Save Initiative) will see the percentage of roads classed as being in 'Good Condition' decline from 61% to 38% over the period.

Option 2 - Budget Reduced by 50%
Condition Profile - All Roads



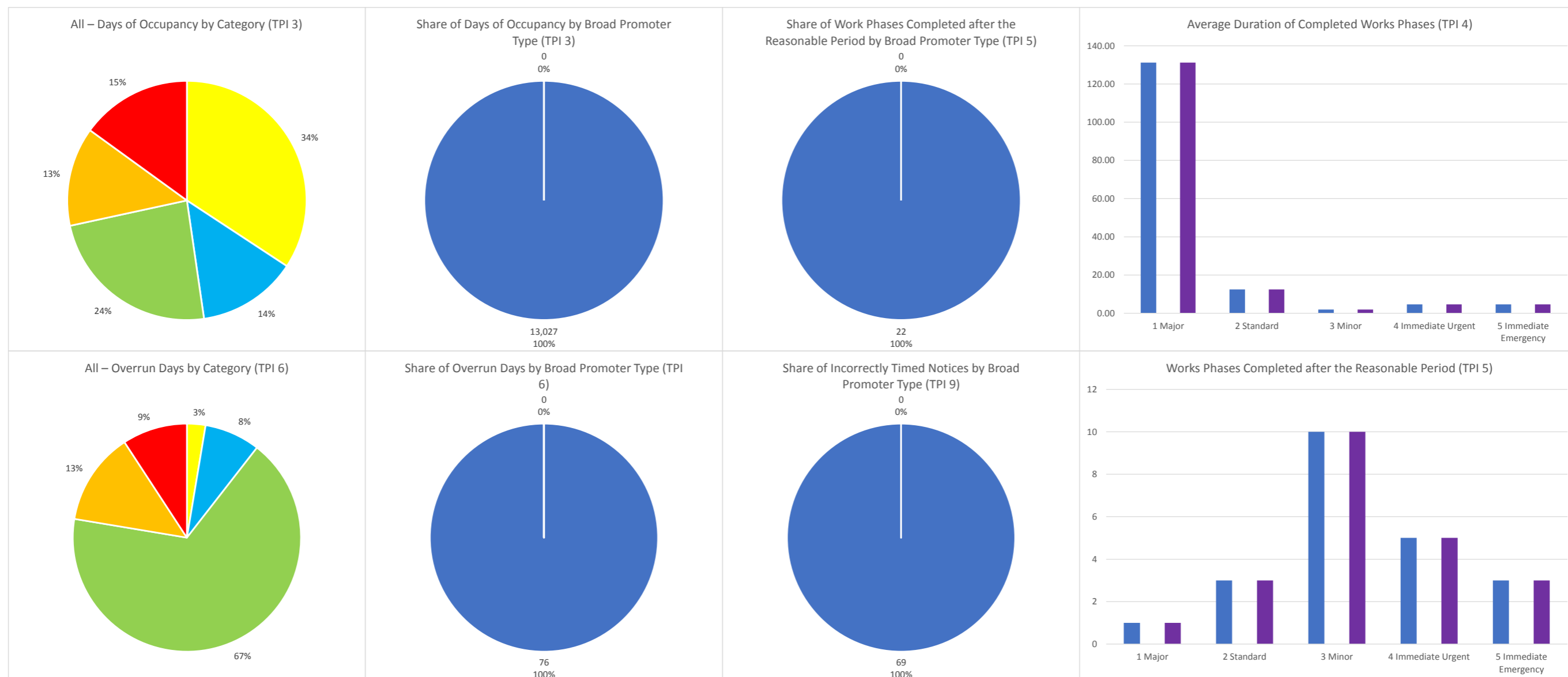
Result shown: Reducing spending levels by 50% would see the percentage of roads classed as being in 'Good Condition' decline from 61% to 27%, whilst those in 'Poor Condition' rise from 6% to 34%

Option 3 - Steady State (Budget Increased to £4.3m)
Condition Profile - All Roads



Result shown: Increasing investment to a 'Steady State' level of £4.3m would enable 70% of the Authority's roads to reach, and be maintained in Good Condition.

Broad Promoter Type	Category	TPI 1	TPI 2	TPI 3	TPI 4	TPI 5	TPI 6	TPI 7	TPI 8	TPI 9	TPI 10	TPI 11	TPI 12	TPI 13	TPI 14	TPI 15	TPI 16	TPI 17	TPI 18	TPI 19
		Works Phases Started	Works Phases Completed	Days of Occupancy	Average Duration of Completed Works Phases	Works Phases Completed after the Reasonable Period	Overrun Days	Number of Phase 1 Registrations	Number of Phase 1 Permanent Registrations	Incorrectly Timed Notices	FPNs Given	FPNs Paid	FPNs Withdrawn	Early Start Agreements	Agreed Sample Inspections	Sample Inspections Recorded as Chargeable	Sample Category B and C Inspections	Sample Category B and C Failures	Sample Category A Inspections	Sample Category A Failures
All	1 Major	42	41	4,463	131.25	1	2	26	24	13				40						
	2 Standard	192	182	1,752	12.40	3	6	162	159	26				41						
	3 Minor	912	895	3,112	1.91	10	51	451	432	18				87						
	4 Immediate Urgent	224	208	1,744	4.67	5	10	186	171	7				0						
	5 Immediate Emergency	198	193	1,956	4.67	3	7	165	154	5				0						
	Total	1,568	1,519	13,027	22.41	22	76	990	940	69	10	0	0	168	11,170	1,342	243	10	96	1
Utility	1 Major	42	41	4,463	131.25	1	2	26	24	13				40						
	2 Standard	192	182	1,752	12.40	3	6	162	159	26				41						
	3 Minor	912	895	3,112	1.91	10	51	451	432	18				87						
	4 Immediate Urgent	224	208	1,744	4.67	5	10	186	171	7				0						
	5 Immediate Emergency	198	193	1,956	4.67	3	7	165	154	5				0						
	Total	1,568	1,519	13,027	22.41	22	76	990	940	69	10	0	0	168	11,170	1,342	243	10	96	1
Highway	1 Major	0	0	0	0.00	0	0	0	0	0				0						
	2 Standard	0	0	0	0.00	0	0	0	0	0				0						
	3 Minor	0	0	0	0.00	0	0	0	0	0				0						
	4 Immediate Urgent	0	0	0	0.00	0	0	0	0	0				0						
	5 Immediate Emergency	0	0	0	0.00	0	0	0	0	0				0						
	Total	0	0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Period	TPI 1		TPI 2		TPI 3		TPI 4		TPI 5		TPI 6		TPI 7		TPI 8		TPI 9		TPI 10		TPI 11		TPI 12		TPI 13		TPI 14		TPI 15		TPI 16		TPI 17		TPI 18		TPI 19		
	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway	Utility	Highway			
2013/14	Q1	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Q2	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Q3	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Q4	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014/15	Q1	1,521	0	1,543	0	9,236	0	13.75	0.00	88	0	165	0	206	0	192	0	109	0	43	0	42	0	0	0	175	0	2,818	0	340	0	228	0	12	0	112	0	0	0
	Q2	1,523	0	1,500	0	8,147	0	9.82	0.00	43	0	76	0	133	0	119	0	108	0	19	0	17	0	1	0	211	0	5,683	0	617	0	187	0	12	0	90	0	0	0
	Q3	1,399	0	1,438	0	9,067	0	9.11	0.00	60	0	108	0	141	0	120	0	133	0	14	0	9	0	1	0	158	0	8,549	0	1,003	0	268	0	4	0	118	0	0	0
	Q4	1,432	0	1,388	0	10,144	0	9.29	0.00	13	0	22	0	29	0	25	0	74	0	11	0	5	0	1	0	230	0	11,368	0	1,413	0	301	0	14	0	109	0	1	0
2015/16	Q1	1,397	0	1,419	0	8,555	0	9.65	0.00	7	0	13	0	5	0	4	0	54	0	4	0	1	0	1	0	195	0	2,875	0	264	0	186	0	8	0	78	0	0	0
	Q2	1,326	0	1,319	0	9,334	0	8.84	0.00	10	0	18	0	897	0	872	0	55	0	7	0	6	0	0	0	145	0	5,765	0	669	0	288	0	11	0	117	0	1	0
	Q3	1,298	0	1,299	0	10,809	0	9.75	0.00	22	0	44	0	907	0	848	0	452	0	5	0	3	0	0	0	198	0	8,376	0	1,003	0	227	0	16	0	107	0	1	0
	Q4	1,568	0	1,519	0	13,027	0	22.41	0.00	22	0	76	0	990	0	940	0	69	0	10	0	0	0	0	0	168	0	11,170	0	1,342	0	243	0	10	0	96	0	1	0



Report to BPRG 15/12/15 Developing An Integrated Transport Unit

OUTLINE BUSINESS CASE

1.0 Executive Summary

The Budget Performance and Review Group (BPRG) which is overseeing the outputs from Sustainable Swansea want a single Integrated Transport Unit (ITU) to be established in the City and County of Swansea.

The ITU is expected to support more integrated working and result in economies of scale, increase service resilience (thus protecting the Council from gaps in provision) the potential to broker transport for non-emergency patient transport and create an income stream. It is recommended that decisions on eligibility for transport are also made in the ITU, although the actual policy development should rest with the “home” Department. To ensure that policy is developed in the full knowledge of the access and transport implications a new Transport Steering Group is proposed.

One limitation of the ITU is that with efficiencies already having been made in the delivery of transport services over the last few years, through procurement and ongoing management of contracts, big savings are unlikely to accrue unless transport policy (where the Council has discretion) is changed.

The ITU will be formed by merging together current teams working in different departments and divisions under the management of a single Group Leader and reporting through the Head of Service for Highways and Transportation. Whilst the aim is to co-locate the ITU as quickly as possible to capture the synergies and integration opportunities, it is recognised that co-location is dependent upon other work being developed as part of the Depot Rationalisation Project and so initial integration will be via a single line of management only. Every effort will be made to jointly locate the ITU as quickly as possible.

The ITU will have targets to achieve which include reducing costs in some areas of spend and generating income from some activities. Estimates are included in this outline business case, but these will need to be thoroughly reviewed in the first year of the ITU operation to reflect real rather than predicted impacts.

2.0 Proposal and Objectives

One of the workstreams of Sustainable Swansea is focused on new models of delivery and a project within that workstream is “Shared Transport Services”.

In April 2015 a cross Departmental Working Group was established to examine the implications and potential benefits which could accrue from bringing together the officers (located in various divisions and teams) working on transport into one co-located team, an Integrated Transport Unit (ITU).

This business case represents the output from the working group which proposes:

The creation of a single unit within the Council with responsibility for delivering Council transport outcomes through integrated policy, commissioning, deploying and utilising resources effectively and efficiently.

The objectives of creating an ITU are:

- To ensure consistent decision making in terms of applying transport strategy, policy and programmes
- To integrate transport provision and pursue economies of scale as they arise
- To sweat the assets (make best use and ensure maximum utilisation of existing resources)
- To create a more resilient team structure and retain technical expertise
- To improve the link between policy decisions and transport provision
- To reduce staff travel through establishing a common decision making protocol

3.0 Benefits and Limitations

The working group examined what happens in other Local Authorities (in our region and other examples in England) where ITUs have been developed. They looked at the expenditure on transport within the City & County of Swansea and the framework within which that expenditure took place. The group concluded that the key benefits of a single unit with responsibility for all aspects of transport delivery were as follows:

- The ITU would bring together scarce transport planning and transport management resources. Joint working within the ITU will ensure greater resilience, offer improved opportunities for career progression and thus result in greater stability for the Council
- More consistent decision making in respect of eligibility for transport (against established criteria)
- Comprehensive management reporting on transport provision and spend by the council will be possible
- The ITU would foster more integration between transport provided for school pupils (mainstream and Special Educational needs), college students and clients attending Social Services facilities.
- An ITU would also make possible further integration with Non-emergency patient transport services and this could lead to an income stream
- More scrutiny of pool car resources and staff travel claims will support maximum utilisation of pool cars and discouragement of private transport. This in turn will lead to budget savings

Evidence from elsewhere and the personal experiences of the working group also highlighted some limitations in terms of what an ITU could achieve as follows:

- Transport is a cross cutting issue and transport services are an essential component in delivering the Council's priorities. Therefore changes to the way in which transport is provided, or to the number of people who are eligible to use

transport services, or to the cost which falls on users, are all controversial. Therefore the support of elected Members is paramount and the financial benefits of the ITU will be achieved over time rather than immediately

- In the last 5 years there have been significant improvements in procurement processes for transport services and as a result cost savings have been achieved in the order of:
 - £301,892 for mainstream school transport between 2008/9 and 2014/15
 - £2,453,659 for Special Educational needs transport through the taxi framework between 2008/09 and 2013/14
- The one area where spend continues to outstrip budget is in EOTAS where the 2013/14 budget was £211,700 and spend was £397,187 and it is clear this needs to be addressed.
- Additionally more innovative forms of transport such as Community Transport and Wheels to Work projects have been developed to try and address gaps in provision and meet access needs in less conventional ways. These initiatives have been developed through the 100day transport budgets.
- The “easiest” saving to make is that related to staff travel. However, as this will almost certainly require consultation and negotiation with Trade Unions, and subsequent to adoption there will need to be a concerted effort by Managers to ensure new procedures are being complied with, it will take time to generate the savings

Overall this means that the largest savings can only be achieved through changes to policy and/or eligibility. There will be a significant amount of work on policy and eligibility in education and social services over the coming months and this will enable members to make decisions on the appropriate provision of transport in light of the severe budget constraints. There is a significant lead in time for introducing policy changes, particularly with respect to education and hence the options and approaches need to be developed as quickly as possible.

A key aim of the ITU is to achieve integration of policy with delivery for all transport activities. It is anticipated that the integration of policy will occur through the effective operation of the transport steering group.

The ITU will have strong links with the fleet management and maintenance team for the Council owned vehicles which are used to deliver transport services. There is a separate commissioning review of fleet services to consider the procurement, specification and effective operation of the Councils fleet. The fleet review has been brought forward as part of the recent depot rationalisation report although more work will be undertaken as part of the commissioning review of the Highways and Transportation Service in March 2016.

4.0 Options considered

A wide range of options was not considered by the working group as a clear remit which framed the scope of the investigation had been provided by Budget Performance and

Review Group (BPRG – formerly BRSG). However options were where considered are shown in Appendix A (pages 9-10).

5.0 Proposals

It is suggested that the following proposals are implemented;

- An ITU is established which will involve transferring staff from Social Services and Education. This Unit will manage all aspects of planning, eligibility and delivery for transport relating to Education and social services. The ITU will also manage the public and community transport policy, eligibility and delivery for the Council. The outline structure for the ITU is shown in Appendix B (page 11).
- A Transport Steering Group is established to monitor and evaluate policy and eligibility decisions and their impact on transport provision and cost. It is proposed that the core membership of the Steering Group will comprise the following officers:
 - Head of Highways and Transportation
 - Chief Education Officer
 - Head of Adult Services, and
 - The ITU Manager
 - Fleet Category Hub Procurement Officer
 - Chief Accountant
 - Other officers as required to support the group

The purpose of this Group will be to review operational and policy issues in terms of their impact on transport needs and costs. A key aim of the group will be to reduce transport costs for the Authority wherever possible.

- A specific project will be established to review all staff and member travel demands. The project will focus on the following priorities:
 - Preventing the need to travel
 - Ensuring travel costs are minimised
 - Developing an effective pool car policy

It will be necessary to identify the resources required to support the three key activities (ITU, Steering Group and Staff & Member Travel) and a subsequent report will be taken back to Executive Board once the resources have been identified.

6.0 Proposed Timeline

Establishing an ITU by bringing together staff from different Departments and teams across the Council will take some time. There are issues of accommodation, IT, staffing structure and lines of reporting to be determined.

Once a decision to proceed with an ITU is taken, an ITU Manager will need to be appointed. This is not expected to be an external appointment but a re-classification of an existing Group Leader role within Highways and Transportation. A single line of management can then be established, working remotely in the first instance whilst accommodation is secured and ICT requirements are planned and delivered.

The recently adopted report on Depot Rationalisation in Swansea includes a two stage approach which impacts on the accommodation of the ITU. In the first phase Fforestfach Transport Depot (Social Services) is to be disposed of and marketing of the Pipehouse Wharf location of Fleet is to commence.

The next phase will be the decision on disposing of Pipehouse Wharf and the acquisition of new premises which is sufficiently large to accommodate an ITU which includes Social Services transport and Fleet as well as officers involved in planning, commissioning and delivering transport.

Timescales will depend on the market responses to the sites concerned, and so the timelines proposed in the following matrix include assumptions about the disposal of Fforestfach and Pipehouse Wharf and about securing suitable premises.

A timeline is set out in Appendix C (page 12).

7.0 Assessment of risks associates with establishing an ITU

A risk assessment for the development of an ITU in Swansea has been developed and the resulting risk register is shown in Appendix D (pages 13-15). This is a live document which will need to be checked and updated regularly as the project proceeds.

8.0 Financial Implications

There will be some initial costs associated with the establishment of an ITU. These costs relate to:

- Creating a shared digital platform which will support better utilisation of resources
- Re-location costs of staff - this is directly linked to the ongoing Depot Rationalisation Project
- Potential costs associated with Single Status

In addition to this there may be some resource requirements in order to drive forward the efficiency initiatives and policy and eligibility reviews. Hence further resources may be required as follows;

- Project management and potential consultancy resources to deliver the staff travel project
- Project management and potential consultancy resources to assist with operational efficiency reviews and policy and eligibility reviews

However, the establishment of an ITU which is responsible for all planning, commissioning, delivering, managing and monitoring transport will lead to savings in the short, medium and longer term. The exact level of savings is subject to ongoing evaluation, but the evolving business case should help to tease out the level of savings which could accrue. These will be measured against the 2015/16 baseline levels recorded at the end of the 2015/16 financial year, with the first measurements being at the end of the 2016/17 financial year.

The largest potential savings will be derived from policy and eligibility reviews and the levels of savings associated with this cannot be quantified as yet. Many of the savings from this process will have a longer lead in time and particularly in terms of Education, these may not be realised until 2018.

The one element of advanced work which can be undertaken is reviewing the current transport provision against the eligibility criteria. This is particularly relevant to Special Educational Needs Transport (SEN) whereby there is significant expenditure on transport which is less than the 2 or 3 mile statutory distance. In a number of cases there may be very good reason for the transport being provided, however it is appropriate that all the cases are reviewed.

The shorter term savings targets for the ITU are proposed as follows;

Staff Travel

The Council currently spends approximately £2.5m per annum on staff and member travel costs. There is a very clear opportunity to make significant savings on this

- **Pool Car Utilisation increases** - Pool car utilisation across the Council varies widely and the best comparison to make is the cost per mile per vehicle (which is a combination of the annual cost of the vehicle and the number of miles it is driven). The Council needs to take steps to improve the use of all pool cars to match the highest levels of current utilisation. Currently the best utilisation of pools cars results in costs per mile travelled of between £0.15 and £0.59 pence per mile. The worst utilised pool cars costs between £0.71 and £2.41 pence per mile. The target is that all pool cars will have a cost per mile no higher than £0.60 pence per mile
- **Staff Travel costs** – In 2014/15 staff travel in their own vehicles was as follows: Out of County travel – 455,267 miles, in County travel – 2,351,483 miles. This costs the Council £1.579m in 2014/15.

The Council needs to ensure that journeys made by staff in their own vehicles are made in the most cost effective manner possible and that all alternative options are considered before making private car trips for work purposes. The target is to reduce the number of miles staff use their own vehicles as follows:

- Reduction in out of county travel by 20% by 2017/18
- Reduction in travel in county by 10% by 2017/18

This will result in a **saving of approximately £500,000 per annum** on current costs

Social Services and Education

It is difficult to predict the level of savings and cost prevention which will be achieved from the establishment of the ITU and Transport Steering Group. However, the following indicative savings targets are proposed:

- **Reduction in EOTAS transport costs** – The EOTAS service (which has been the subject of a separate review) will benefit from a more structured approach to commissioning transport services when requests are referred to an ITU. It is

estimated that EOTAS transport spend will reduce by 15% on current levels. This could generate **annual savings in the order of £60,000**. As EOTAS has been the subject of a separate review recently it is important that identified savings are not duplicated.

- **Education - Home to School Tendering** – As stated earlier in this report significant savings have already been made in the last 5-6 years as a result of procurement efficiencies and tighter cost management. Whilst efforts will continue to drive down costs, big ticket savings will only accrue from significant changes in policy. However it is anticipated that ongoing tendering and route optimisation work will realise **annual savings in the region of £60,000**.
- **Social Services transport** –The Social Services Client Transport budget is approximately £400,000 and it is anticipated that savings in the range of 10% could be achieved through the integration. This leads to **projected annual savings in the range of £40,000**
- **Increased Income from Non-emergency patient transport (NEPT)** – It is predicted that the establishment of an ITU with the subsequent resilience and bolstered capacity will support further engagement with Abertawe Bro Morgannwg University (ABMU) Health Board and the opportunity to undertake more transport journeys on their behalf through a transport brokerage agreement. There are currently a small number of regular NEPT journeys carried out by Social Services Transport but there barely cover their costs. The current income for the NEPT work is £90,000. It is proposed to carry out a full review of this activity to understand the full costs of providing the service. If it is determined that it is a cost effective arrangement, further work will be undertaken to increase the activity to bring in additional surplus income to the Council. There are clear indications from the ABMU that they are interested in

9.0 Priorities for the ITU and Transport Steering Group

There are a number of different work streams and activities which need to be undertaken in order to drive down the costs of the transport for the Council and some of the key activities are as follows;

Education - Mainstream

- Review all discretionary aspects of transport provision including, faith schools, welsh language schools, post 16 transport and the provision of passenger assistants and consult on the changes as required
- Continue to review all contracts and routes for mainstream school transport and review whether alternative arrangements could be implemented
- Review all hazardous routes and determine whether route improvements could be undertaken which would reduce the need for transport to be provided

Education SEN

- Review all current SEN transport demands which are within the 2/3 mile statutory distance - consider whether the transport provision is still appropriate or whether alternative transport arrangements could be introduced
- Develop robust process for evaluating SEN transport needs against eligibility criteria and ensure reviews are undertaken at an appropriate frequency

EOTAS

- Determine the impact of the EOTAS review on the transport needs and provision
- Evaluate the opportunity to reduce external contract costs for EOTAS transport through seeking integration opportunities with existing transport facilities and arrangements

Adult Social Care

- Determine the impact of the adult service review on transport needs and provision
- Develop a policy for transport provision for adult services clients and apply to existing and future clients.
- Consider whether there are opportunities to revise the locations and times of adult day service provision in order to achieve cost reduction in transport

Internal Transport Fleet

- Evaluate the total costs associated with internal transport arrangements
- Review vehicle utilisation and consider how the vehicle fleet could be rationalised or deployed wider to reduce the overall vehicle costs
- Consider whether vehicles could be used to reduce costs of subsidised transport routes or de-minimus contracts
- Explore opportunities to increase collaboration with ABMU for non-emergency patient transport

10.0 Governance and Reporting

The progress of the ITU will be reviewed annually against the objectives, benefits and targets set out in this business case. Targets will be subject to review on a quarterly basis during the 2017/17 and 2017/18 financial years.

From 2017/18 onwards annual business plans for the ITU will be prepared and adopted subject to elected Members approval. The plans will include service standards, targets, dealing with problems and review periods.

The Transport service will be subject to a commissioning review along with all other service areas. This review will consider the options for commissioning the eligibility and delivery of all current transport operations.

11.0 Recommendations

It is recommended that:

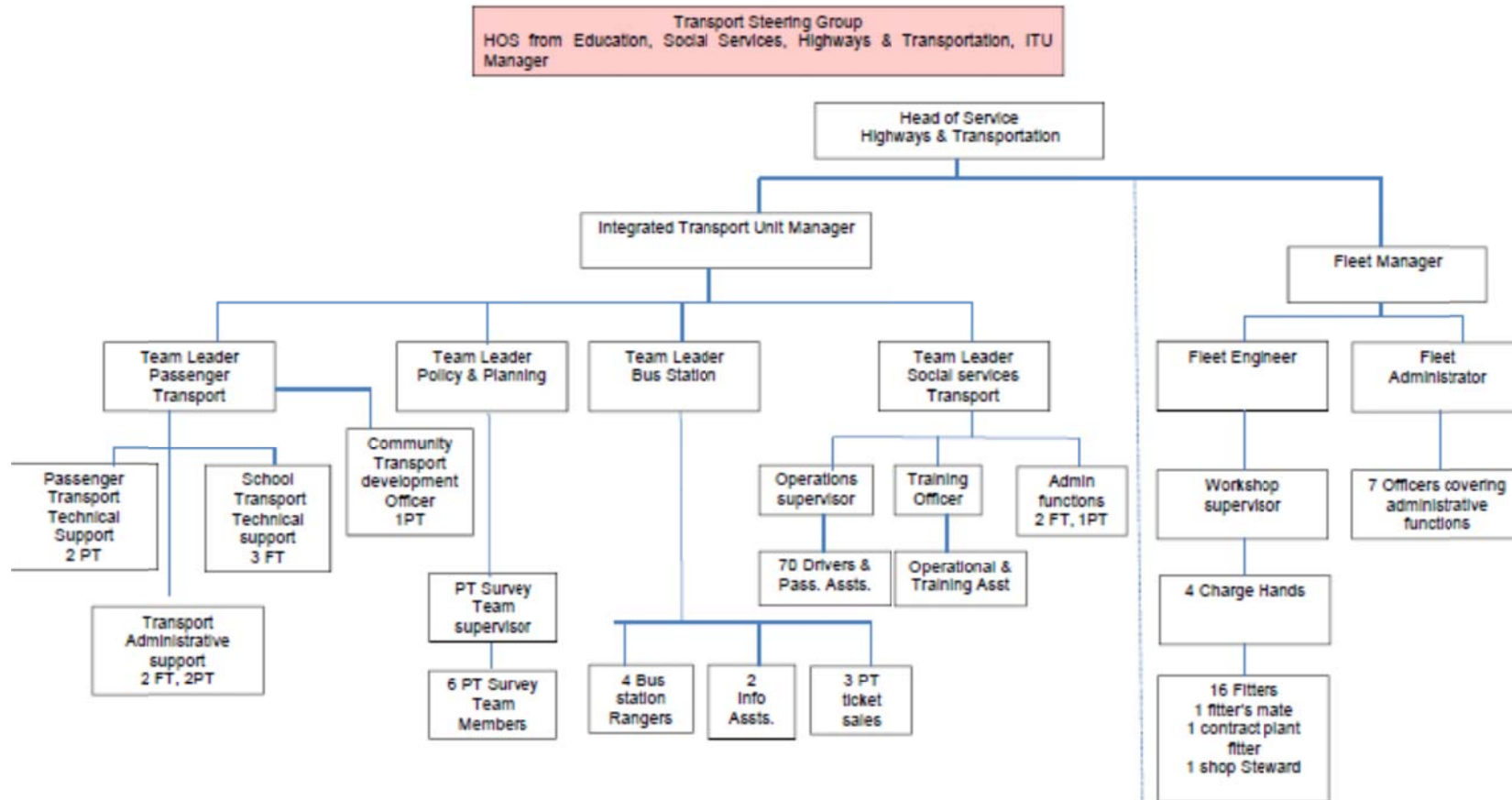
- Approval is given to proceed with establishing an Integrated Transport Unit
- A Transport Steering Group is established to ensure effective integration between transport policy and delivery
- A project is established to review all staff travel
- The transport provision is part of the commissioning review which will be undertaken in Spring 2016

Appendix A - Shared Transport Services Options Assessment

No.	Option	Benefits	Disbenefits	Comments and Conclusions
1.	Do nothing. Transport continues to be provided by a number of different teams across the Council.	<ul style="list-style-type: none"> No changes need to be made Users and providers are all familiar with current services No pressure on staff to utilise pool vehicles more and use personal transport less 	<ul style="list-style-type: none"> No resilience in terms of staff and teams is developed Limited potential for securing new savings from integration and better utilisation of vehicles Fragmented provision and management reporting will continue Limited ability to tap further into non-emergency patient transport and generate income 	<p>"If we carry on doing what we have always done, we will always get the same results".</p> <p>The working group was charged with looking at options for bringing together transport services from across the Council and so "do nothing" is not an option – unless it was the best and most cost effective way of planning and providing transport services. The examination by the group clearly indicated that there were benefits to bringing together some aspects of transport provision within an ITU.</p> <p>This option is not recommended.</p>
2.	Bring every aspect of transport planning and provision into one ITU. This would include transport policy, eligibility, planning, provision, monitoring and evaluation. It would include Education, Social Services and the passenger transport Group alongside Fleet, Taxi and Taxi driver Licensing, Procurement and HR/Finance resources (to cover staff travel)	<ul style="list-style-type: none"> All aspects of transport would be working together in a single team There may be economies of scale once all teams are brought together 	<ul style="list-style-type: none"> Transport policy is linked to and derived from other policies (for example school catchment areas) and so cannot be easily separated from the "home" department Officers working on Taxi and Taxi driver licensing are part of Environmental health teams with a much broader remit and could not easily be separated out and transferred Centralised HR and Finance teams provide benefits of scale which would be lost by separating staff out to serve individual teams 	<ul style="list-style-type: none"> It is not appropriate to separate out staff developing transport policies which arise as a result of other departmental decisions (mainly in Education and Social Services) from their "home" department, especially as transport is often a small part of the overall job role No other ITU investigated has included taxi and taxi driver licensing roles within their teams <p>This option is not recommended</p>
3.	Create a co-located ITU comprising those who plan, determine eligibility, commission, deliver and monitor and evaluate transport provision across	<ul style="list-style-type: none"> Bringing all the relevant staff together will create resilience in terms of technical and professional 	<ul style="list-style-type: none"> Accommodation for a co-located team will be required. This should be tied in with the current re-location of Fleet services There will be some IT costs associated with ensuring the ITU has a common 	<p>This option provides the biggest benefits and the disbenefits which are within the remit of the Council to address.</p> <p>It is recommended that this option be pursued.</p>

No.	Option	Benefits	Disbenefits	Comments and Conclusions
3. cont.	the Council	<p>expertise</p> <ul style="list-style-type: none"> • Co-location and single line of management for an ITU will increase the opportunities for more integration and better utilisation of resources • Capacity and resources freed up by improved integration can be utilised to undertake more revenue generating non-emergency patient transport • The ITU capacity can be used to project lead the work into pool car utilisation and staff travel savings 	<p>digital platform to support further integration</p> <ul style="list-style-type: none"> • There will be some inertia with many officers having already been re-located in recent months • Bringing together a number of existing teams may well give rise to some anomalies in terms of grading and pay which require investigation 	
4.	Create a virtual ITU, with a single line of management but where staff remain in current teams	<ul style="list-style-type: none"> • Costs associated with co-locating the ITU will not arise • The single line of management will lead to some integration opportunities 	<ul style="list-style-type: none"> • It is less likely that full integration will take place and so opportunities for taking on more revenue generating transport will not arise • There will be no additional capacity to improve resilience or project lead the pool car and staff travel projects which will lead to savings 	<p>This option has some of the benefits of option 3, but is unlikely to lead to a fully integrated and more commercial approach to transport provision.</p> <p>This option is not recommended.</p>

Appendix B – Draft Structure for the ITU



EOTAS Staff to be included. Structure and number to be determined following consultations

Appendix C - ITU project timeline

Timescale	Activity	Lead
Dec 2015 – Mar 2016	<ul style="list-style-type: none"> • Secure political approval to proceed with ITU proposals • Finalise Unit structure and reporting lines • Departmental discussions on staff/revenue budget transfers into ITU • Undertake consultations with staff/unions • Investigate common digital platform for Social Services and Transport Team in first instance • Examine accommodation options for 2016/17 financial year • Appoint/confirm Group leader for ITU • Establish Transport Steering Group • Start review of staff travel and pool car policy 	SD SD/HR Directors SD/HR IT SD/Facilities SD SD HR and SD
Apr – Dec 2016	<ul style="list-style-type: none"> • Undertake union consultation on changes to staff travel policy • Secure political approval for next phase of ITU development • ITU commences with Transport Team and Social Services and EOTAS transport merged into a single line of management through ITU Group Leader • Common digital platform developed and brought into service • Introduce revised staff travel and pool car policy • Transport brokerage options with ABMU examined • New premises for Fleet secured, ITU moves to new Fleet premises • Commence reporting on targets 	HR SD SD IT HR GL ITU SD, GL ITU GL ITU
Jan - March 2017	<ul style="list-style-type: none"> • ITU complete • Develop brokerage for non-emergency patient transport • Evaluation of the ITU development and Closing Report to BPRG • Ongoing monitoring and review process developed 	GL ITU SD G L ITU

Appendix D – ITU Risk Register

Risk Scoring

Likelihood of risk		Impact of Risk	
Unlikely	1-3	Low	1-3
Likely	4-6	Medium	4-6
Very Likely	7-9	High	7-9

Risk Categorisation

		Probability		
		Unlikely	Likely	Very Likely
Impact	High	Amber	Red	Red
	Medium	Green	Amber	Red
	Low	Green	Green	Amber

Risks Identified

Description	Consequence	Mitigation	Impact Rating	Probability Rating	Risk Score	Review Date	Risk Owner
Strategic Risk							
Political approval not secured	Creation of the ITU will be stalled	Ensure that Members are kept informed of progress and have regular opportunities to confirm ongoing support for the ITU	9	2	18	04/01/16	SD
Programme Risk							
Delayed start to ITU development	Work on achieving outline savings targeted will be delayed	Regular review of progress through HoS Group allowing early identification of key barriers to progress	6	3	18	31/01/16	SD
ICT - Development of a common ICT database for the ITU is delayed	The projected savings which may accrue through better utilisation of resources and the increase in incomes which may accrue through more NEPT services will take longer to achieve	Early engagement with IT to ensure they are engaged and fully aware of what is needed by when and can allocated resources accordingly	4	3	12	31/01/16	SM

Description	Consequence	Mitigation	Impact Rating	Probability Rating	Risk Score	Review Date	Risk Owner
HR/Staffing issues – (1) Consultation on transferring staff into the ITU is delayed	(1) The ITU will exist in name and line management only. No joint working on vehicle utilisation, no progress on savings	(1) HR are engaged in process from the start and allocate sufficient resources	3	4	12	31/01/16	SM
(2) Union consultation on changes to staff travel fail/falter	(2) Predicted savings on staff travel will not accrue or will take longer to accrue	(2) Early engagement through HR and trade unions on reason for and impact of changes	6	2	12		
(3) Work to ensure consistency of ITU post grading is delayed	(3) Lack of commitment by officers, failure to gel workstreams and slow or non-achievement of targets	(3) HR are engaged in process from the start and allocate sufficient resources	3	4	12		
Accommodation for the ITU is not secured or is likely to take >12 months	There may be delays to integration and thus to projected targets and savings.	Liaise with Depot Rationalisation project officers and with Facilities and services to ensure that good progress on ITU accommodation is made	4	4	16	31/06/16	SM
Organisational Risk							
Resources – The establishment of an ITU is accompanied by a reduction in the level of staffing to support the unit functions.	The integration of different teams will stall as there is insufficient staff to manage day to day work and develop better ways of working for the future.	Ensure that the functions and capacity of work involved in the ITU are well understood and supported by BPRG. Ensure that staff are fully engaged in the ITU development	6	2	12	31/04/16	SM

Description	Consequence	Mitigation	Impact Rating	Probability Rating	Risk Score	Review Date	Risk Owner
Other ongoing Reviews – are taking place in isolation and proposals, targets and savings may be directly opposed to each other, or being double counted	This will result in the perceived failure of the work of sustainable Swansea and will discredit the work by all those concerned in improving services and achieving cost reductions and service improvements	Ensure that as regular reports on review progress is circulated to BPRG, Executive Board, Corporate Management Team and to the (to be formed) Transport Group/Board	7	4	28	31/03/16	SD

Highways and Transportation Commissioning Review

Savings Agreed and Taken From Budgets 2017/18

Ref.	Proposal	Value	Year	Explanation
CTU18	Parts Saving in Fleet Maintenance	50,000	17/18	Reduced costs due to parts tender. Actual saving unknown until tender has been let.
CTU3	Replace 'spot hired' vehicles with fleet vehicle provision	50,000	17/18	Replace spot hired vehicles that have a long term requirement with fleet vehicles
CTU4	Reduce vehicle fuel usage	17,000	17/18	Improve fuel efficiency through monitoring, governance and introduction of supportive technologies. Subject to rollout of 'trackers'. 1% reduction = £17,000
CTU6	Increased income generation	20,000	17/18	Reduce third party spend on non-specialised sub-contractors and replacing spot hired vehicles
CTU7	Increased income generation	10,000	17/18	Schools' minibus maintenance currently provided by third parties.
HE14	Flexible Retirement of Asset Management Officer	12,000	17/18	Reduction in staffing structure
HE15	Delete Lighting Inspector Post	32,000	17/18	Reduction in staffing structure
HE2	Provision of Red Diesel for Clydach depot	5,000	17/18	Capital investment of £7k Confidence in delivery is high
HE9	Deletion of Lighting Inspector Post	35,000	17/18	staffing restructure in 2017/18
HM1	Increase in Coring Programme works.	25,000	17/18	Confidence is high Provides an income stream and drives up the quality of the highway repairs by utility companies.
HM2	Reduction in Winter Gritting Routes resulting from Thermal Mapping works.	10,000	17/18	Political decision required. This is more efficient and targeted use of resources resulting in a saving which can be should be deliverable without any perceived loss of service
HM3	Reduction of Private Streets and Un-adopted Areas budget (Stopping Emergency Strips)	35,000	17/18	Political decision required. Reduction in budget will impact on ability to repair non adopted council owned land.

Ref.	Proposal	Value	Year	Explanation
HM5	Licensing Charges increase of 3%	2,000	17/18	Appropriate review and increase in charges
MAR3	Increase large boat mooring fees in the Marina	5,000	17/18	A small increase may be absorbed by the market, generating an addition £5k p/a
MAR5	Increased Income Marina	25,000	17/18	
MAR6	Move to electronic management and issue of contracts	1,000	17/18	Could save circa £1k p/a and also improve the service to the customer
TRF10	Prioritise 1/2 of one fte within telematics to work on capital projects as a fee earner.	10,000	17/18	Medium confidence in delivery.
TRF11	Deliver operational efficiencies within Parking operations	60,000	17/18	Reorganisation releases £60k of revenue funding and increased productivity. Medium confidence in delivery.
TRF13	Withdraw funding for bespoke Park & Ride services and divert existing commercial local bus services via the Park & ride sites	200,000	18/19	Local bus services may have insufficient capacity and may be less desirable for users. Risk in a reduction in use making the service less viable/cost effective. This would involve reaching agreement with transport operators.
TRF14	Capitalising staff within Highway improvements	60,000	17/18	Staff switch to fee earning and are only available to advise or assist internal services on a fee based arrangement.
TRF15	Systems Thinking review of the 'Charging for Waivers' process.	15,000	17/18	This would involve charging firms for waivers to park in restricted areas for business purposes
TRF18	New Technology Spend to save investment in cashless parking	20,000	17/18	Introduction of cashless parking technology within car parks will reduce manual reconciliation costs.
TRF20	Remove budget for implementing residents parking schemes	80,000	17/18	Residents parking schemes would have to be funded through community budgets or other funding sources
TRF21	Park & Ride cost reductions	200,000	17/18	This saving can be offered up following the review and subsequent closure of Fforestfach park and ride site
TRF4	Amendment of second line telematics maintenance contract	10,000	17/18	Capital investment required High confidence in delivery

Ref.	Proposal	Value	Year	Explanation
TRF9	Increased sale of traffic telematics services to neighbouring authorities	10,000	17/18	Medium confidence in delivery. NPTCBC already engaged, ongoing discussions with Carmarthenshire. Income would be at risk if other Councils cut budgets.
TRN18	Re-tender local bus services	2,000	17/18	Re-tender of services produced modest saving
TRN4	Bus Station - Departure Charges	60,000	17/18	Increase in Income High confidence in delivery.
TRN5	Bus Station – IT Hardware & Software Maintenance savings via collaboration with NPT	4,000	17/18	Collaboration with NPT on software licence. High Confidence.
TRN6	Budget review: Bus Station – Premises Maintenance	30,000	17/18	Budget review enables a £30k per annum saving, subject to reserves being available should the budget be exceeded.
DIR	Staffing Saving realised by re-structure	10,000	17/18	

Agenda Item 19.

Report of the Head of Legal, Democratic Services & Business Intelligence

Cabinet – 15 February 2018

Exclusion of the Public

Purpose:	To consider whether the Public should be excluded from the following items of business.	
Policy Framework:	None.	
Consultation:	Legal.	
Recommendation(s):	It is recommended that:	
1)	The public be excluded from the meeting during consideration of the following item(s) of business on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs listed below of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 subject to the Public Interest Test (where appropriate) being applied.	
	Item No's.	Relevant Paragraphs in Schedule 12A
	20	14
Report Author:	Democratic Services	
Finance Officer:	Not Applicable	
Legal Officer:	Tracey Meredith – Head of Legal, Democratic Services & Business Intelligence(Monitoring Officer)	

1. Introduction

- 1.1 Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, allows a Principal Council to pass a resolution excluding the public from a meeting during an item of business.
- 1.2 Such a resolution is dependant on whether it is likely, in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present during that item there would be disclosure to them of exempt information, as defined in section 100I of the Local Government Act 1972.

2. Exclusion of the Public / Public Interest Test

- 2.1 In order to comply with the above mentioned legislation, Cabinet will be requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Exclusion Paragraphs of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

- 2.2 Information which falls within paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended is exempt information if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.3 The specific Exclusion Paragraphs and the Public Interest Tests to be applied are listed in **Appendix A**.
- 2.4 Where paragraph 16 of the Schedule 12A applies there is no public interest test. Councillors are able to consider whether they wish to waive their legal privilege in the information, however, given that this may place the Council in a position of risk, it is not something that should be done as a matter of routine.

3. Financial Implications

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

4. Legal Implications

- 4.1 The legislative provisions are set out in the report.
- 4.2 Councillors must consider with regard to each item of business set out in paragraph 2 of this report the following matters:
 - 4.2.1 Whether in relation to that item of business the information is capable of being exempt information, because it falls into one of the paragraphs set out in Schedule 12A of the Local Government Act 1972 as amended and reproduced in Appendix A to this report.
 - 4.2.2 If the information does fall within one or more of paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended, the public interest test as set out in paragraph 2.2 of this report.
 - 4.2.3 If the information falls within paragraph 16 of Schedule 12A of the Local Government Act 1972 in considering whether to exclude the public members are not required to apply the public interest test but must consider whether they wish to waive their privilege in relation to that item for any reason.

Background Papers: None.

Appendices: Appendix A – Public Interest Test.

Public Interest Test

No.	Relevant Paragraphs in Schedule 12A
12	Information relating to a particular individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 12 should apply. Their view on the public interest test was that to make this information public would disclose personal data relating to an individual in contravention of the principles of the Data Protection Act. Because of this and since there did not appear to be an overwhelming public interest in requiring the disclosure of personal data they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
13	Information which is likely to reveal the identity of an individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 13 should apply. Their view on the public interest test was that the individual involved was entitled to privacy and that there was no overriding public interest which required the disclosure of the individual's identity. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
14	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 14 should apply. Their view on the public interest test was that:</p> <p>a) Whilst they were mindful of the need to ensure the transparency and accountability of public authority for decisions taken by them in relation to the spending of public money, the right of a third party to the privacy of their financial / business affairs outweighed the need for that information to be made public; or</p> <p>b) Disclosure of the information would give an unfair advantage to tenderers for commercial contracts.</p> <p>This information is not affected by any other statutory provision which requires the information to be publicly registered.</p> <p>On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>

No.	Relevant Paragraphs in Schedule 12A
15	<p>Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 15 should apply. Their view on the public interest test was that whilst they are mindful of the need to ensure that transparency and accountability of public authority for decisions taken by them they were satisfied that in this case disclosure of the information would prejudice the discussion in relation to labour relations to the disadvantage of the authority and inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
16	<p>Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p>
	<p>No public interest test.</p>
17	<p>Information which reveals that the authority proposes: (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) To make an order or direction under any enactment.</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 17 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by the public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
18	<p>Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 18 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>

Agenda Item 20.

Yn rhinwedd paragraff(au) 14 Atodlen 12A
o Ddeddf Llywodraeth Leol 1972
fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at
Wybodaeth) (Amrywiad) (Cymru) 2007.

Document is Restricted

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