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Mark James LLM, DPA, DCA
Prif Weithredwr,
Chief Executive,
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County Hall, Carmarthen. SA31 1JP

MONDAY, 15TH JANUARY 2018

TO: ALL MEMBERS OF THE EXECUTIVE BOARD

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **EXECUTIVE BOARD** WHICH WILL BE HELD IN THE **CHAMBER, COUNTY HALL, CARMARTHEN AT 10.00 AM, ON MONDAY, 22ND JANUARY, 2018** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Mark James CBE

CHIEF EXECUTIVE



PLEASE RECYCLE

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EXECUTIVE BOARD

MEMBERSHIP - 10 MEMBERS

Councillor	Portfolio
Councillor Emlyn Dole	Leader Corporate Leadership and Strategy; Chair of Executive Board; Represents Council at WLGA; Economic Development Represents the Council on the Swansea Bay City Region; Collaboration; Marketing and Media; Appoints Executive Board Members; Determines EBM Portfolios; Liaises with Chief Executive; Public Service Board
Councillor Mair Stephens	Deputy Leader Council Business Manager; Human Resources; Performance Management; Wales Audit; Training; I.C.T.; T.I.C. (Transformation, Innovation and Change); Strategic Planning
Councillor Cefin Campbell	Communities and Rural Affairs Rural Affairs and Community Engagement; Community Safety; Police; Counter-Terrorism and Security Act 2015; Tackling Poverty; Wellbeing of Future Generations; Third Sector Liaison
Councillor Glynog Davies	Education and Children Schools; Children's Services; Special Education Needs; Safeguarding; Respite Homes; Regional Integrated School; Improvement Service; Adult Community Learning; Youth Services; School Catering Services, Lead Member for Children and Young People; Youth Ambassador
Councillor Hazel Evans	Environment Refuse; Street Cleansing; Highways and Transport Services; Grounds Maintenance; Building Services; Caretaking; Building Cleaning; Emergency Planning; Flooding
Councillor Linda Evans	Housing Housing – Public; Housing – Private, Equalities; Ageing Well
Councillor Peter Hughes Griffiths	Culture, Sport and Tourism Town and Community Councils Ambassador; Development of the Welsh Language; Theatres; Sports; Leisure Centres; Museums; Libraries; Country Parks; Tourism.
Councillor Philip Hughes	Public Protection Trading Standards; Environmental Health. Environmental Enforcement; Planning enforcement; Unlicensed Waste; Parking Services; Bio diversity
Councillor David Jenkins	Resources Finance & Budget; Corporate Efficiencies; Property/Asset Management; Procurement; Housing Benefits; Revenues; Statutory Services (Coroners, Registrars, Electoral, Lord Lieutenancy); Armed Forces Champion Contact Centres and Customer Service Centres
Councillor Jane Tremlett	Social Care & Health Adult Social Services; Residential Care; Home Care; Learning Disabilities; Mental Health; NHS Liaison/Collaboration/ Integration; Care Home Catering Services, Carers' Champion; Dementia Care Champion; Disability Ambassador

AGENDA

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTEREST.
3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 18TH DECEMBER 2017. 5 - 16
4. QUESTIONS ON NOTICE BY MEMBERS.
5. PUBLIC QUESTIONS ON NOTICE
6. COUNCIL'S REVENUE BUDGET MONITORING REPORT. 17 - 40
7. CAPITAL PROGRAMME 2017-18 UPDATE. 41 - 50
8. THE ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY KNOWN AS 'LLESIANT DELTA WELLBEING' FOR CARELINE. 51 - 80
9. ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.
10. EXCLUSION OF THE PUBLIC
THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) (WALES) ORDER 2007. IF, FOLLOWING THE APPLICATION OF THE PUBLIC INTEREST TEST, THE BOARD RESOLVES PURSUANT TO THE ACT TO CONSIDER THESE ITEMS IN PRIVATE, THE PUBLIC WILL BE EXCLUDED FROM THE MEETING DURING SUCH CONSIDERATION.
11. FUTURE WASTE TREATMENT AND DISPOSAL ARRANGEMENTS. 81 - 114

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EXECUTIVE BOARD

Monday, 18 December 2017

PRESENT: Councillor E. Dole (Chair).

Councillors:

H.A.L. Evans, L.D. Evans, D.M. Jenkins, L.M. Stephens, J. Tremlett, P. Hughes-Griffiths, G. Davies and C.A. Campbell.

Present as Observers:

Councillors: D.M. Cundy, J.G. Prosser, E.G. Thomas and S.L. Davies.

The following Officers were in attendance:

M. James, Chief Executive;
J. Morgan, Director of Community Services;
C. Moore, Director of Corporate Services;
G. Morgans, Director of Education & Children's Services;
R. Mullen, Director of Environment;
P.R. Thomas, Assistant Chief Executive (People Management & Performance);
W. Walters, Director of Regeneration & Policy;
L.R. Jones, Head of Administration and Law;
G. Ayres, Corporate Policy and Partnership Manager;
D. Hockenull, Marketing and Media Manager;
S. Davies, Modernisation Services Manager;
I. Jones, Head of Leisure;
L. Quelch, Head of Planning;
J. Owen, Democratic Services Officer.

Chamber, County Hall, Carmarthen – 10:00am - 11:25am

1. APOLOGIES FOR ABSENCE.

An apology for absence was received from Councillor P.M. Hughes.

2. DECLARATIONS OF PERSONAL INTEREST.

Councillor	Minute Number	Nature of Interest
L.D. Evans	<ul style="list-style-type: none">• 12 – Model Teachers Pay Policy• 13 – Model Unattached Teachers Pay Policy 2017/18	Her daughter is a Teacher.
P. Hughes-Griffiths	<ul style="list-style-type: none">• 12 – Model Teachers Pay Policy• 13 – Model Unattached Teachers Pay Policy 2017/18	His daughter is a Teacher.
C.A. Campbell	<ul style="list-style-type: none">• 12 – Model Teachers Pay Policy• 13 – Model Unattached Teachers Pay Policy 2017/18	His brother is a Teacher.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 27TH NOVEMBER 2017

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Executive Board held on the 27th November, 2017 be signed as a correct record.

4. QUESTIONS ON NOTICE BY MEMBERS

4.1. QUESTION BY COUNCILLOR EDWARD THOMAS TO COUNCILLOR EMLYN DOLE, LEADER OF THE COUNCIL

The Executive Board received the following Question on Notice submitted by Councillor E.G. Thomas to Councillor E. Dole, Leader of the Council:-

“The Banks, in particular the recent announcement to close branches in Llandeilo and Ammanford are effecting the social fabric wellbeing of these communities and disadvantaging the Small Medium Enterprises that operate in our rural communities. What can you suggest we do to get them to reverse the decision and also prevent further bank closures?”

Response by Councillor E. Dole, Leader of the Council:-

The consensus I believe, is until the Westminster government strengthens the banking code, they will continue on the same journey and this will then mean that they will ignore the rural needs of our communities. For them this is a good thing to do, to close these banks.

Jonathan Edwards MP and Adam Price AM have asked on many occasions for a meeting regarding this and they have asked the Chief Executive of NatWest for a meeting to discuss the way banks are ignoring the needs of these rural communities.

Cymdeithas yr Iaith have also called on the Welsh Government to set a Bank for Wales in place, so that there is a way through that Bank to support our rural communities here. That of course came as a result of the news that Barclays is closing the last bank in Llandysul at the end of this year, which leaves Llandysul without any banks at all on the main street.

The Chair of Cymdeithas yr Iaith, Bethan Williams, in the context of closing this bank said: "Here we have the last bank in Llandysul announcing that it will close its doors, and the Post Office in the town centre will soon close and move to a supermarket outside Llandysul."

The Chair FUW President Glyn Roberts has also talked out the banks that have closed and the effect on towns and neighbouring rural areas. He makes the point that the tax payers are still in ownership of many of these banks and is asking in that context that there are conditions set for the bail out which will ensure through that ownership that there will be way to ensure a continuation of the service of the rural areas.

The bottom line of the banks is profit and in the face of the kind of profit that they are announcing every year it's shameful that they are so willing to ignore the needs of those people who depend on the services.

I am sure this service will be reviewed in the context of the Rural Forum under the leadership of Cefin and as part of their key work in that area they are saying of course that the tendency is that everybody is moving to work online with the banking but when there is no sufficient broadband within rural Wales, that reason doesn't stand up. So I am sure that is something that will be considered as part of the Rural Forum.

Personally, in my ward, I have seen HSBC closing in Tumble, all Members here in the Chamber, we have a right to respond to that as part of the consultation. I didn't even get a response to the fact that I had sent a letter to them pointing out in the case of HSBC, that I had not once been in that bank at any point in the day without someone else being there as well. That bank was always very busy. But then again it was closed despite the fact that I had responded, other Councillors had responded and also that we as a council can respond to that consultation. That of course is the only thing we can do apart of course that we try to look seriously in the context of the Forum and the need and bring a firm recommendation before us here.

Apologies Edward, that is the only thing I can give to you as a response today, but to still encourage Adam and Jonathan to put pressure on the banks and possibly to look in more detail on the banking code and the needs of people across Wales wherever they do receive their banking services.

5. PUBLIC QUESTIONS ON NOTICE

The Chair advised that no public questions on notice had been received.

6. STRATEGIC EQUALITY PLAN ANNUAL REPORT 2016-17

The Executive Board considered a report on the Strategic Equality Plan Annual Report 2016/17 which provided Members with a comprehensive overview of progress, achievements and future plans. Detailed updates on each equality objective were provided within Appendix 1 appended to the report.

The Board noted that Strategic Equality Plans (SEPs) were important documents that set out how public bodies will consider the needs of groups with 'protected characteristics', as outlined in the Equality Act 2010. This was intended to ensure that all individuals receive just and equitable treatment in respect of service delivery and strategy/policy formulation. Furthermore, the Equality Act 2010, now included a new public sector equality duty which covered all of the protective characteristics. In accordance with the general duty public bodies were required to have due regard to the following three aims:-

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who not.

The aims of the general duty was to ensure that public authorities and those carrying out a public function consider how they can positively contribute to a fairer society through advancing equality and good relations in their day-to-day activities.

The Board gave recognition to the many achievements that had been made over the last year and appreciation was extended to Officers and staff members.

UNANIMOUSLY RESOLVED to receive and approve the Strategic Equality Plan Annual Report 2016-17.

7. ANNUAL REPORT 2016/17 ON THE WELSH LANGUAGE

The Executive Board considered the Annual Report 2016/17 on the Welsh Language necessary in order to comply with the Welsh Language Commissioner's monitoring arrangements. The report included the statutory and local indicators which measure compliance with the Scheme. The Welsh Language Commissioner had given Carmarthenshire County Council a compliance notice regarding the Welsh Language Standards Regulations on 30th September 2015 which required the Council to comply with most of the standards by 31 March 2016.

The Board noted that the Welsh Language Standards meant that the Welsh language must not be treated less favourably than the English language, and must also promote or facilitate the use of the Welsh language. This was in accordance with the two principles that form the basis of the Welsh Language Commissioner's work:

- in Wales, the Welsh language should be treated no less favourably than the English language
- persons in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.

Furthermore, the Executive Board Member for Culture Tourism and Sport highlighted to Members that whilst this report provided detail in relation to the individual Standards, it had been proposed that the Report for 2017-18 would be streamlined to report on the group of Standards rather than the individual areas.

The comprehensive report was commended and appreciation was extended to the Officers and staff involved in the development of the report.

UNANIMOUSLY RESOLVED to receive and approve the Annual Report 2016-17 on the Welsh Language.

8. LOCAL DEVELOPMENT PLAN REVIEW

The Executive Board received the Carmarthenshire Local Development Plan 2006 – 2021 which was had been produced following the resolution of the County Council on the 20th September 2017 wherein consideration was given to the second Local Development Plan (LDP) Annual Monitoring report (AMR) and its recommendations.

The Deputy Leader explained that in accordance with statutory requirements the Council had already prepared and published two Annual Monitoring Reports (AMRs) to date and that the purpose of each AMR was to assess the extent to which the LDPs strategy, policies and development sites were being delivered. In order to ensure that regular and comprehensive assessment of whether an LDP remains up-to-date, Councils were required to undertake a full review of their adopted LDP.

The Board was advised that the Authority was in receipt of a letter from Lesley Griffiths AM which suggested that the Council consider preparing an LDP on a regional basis in future. Members were informed that arguments for not preparing a regional LDP were included on Page 12 of the report.

It was commented with emphasis that this was a '**Local**' Development Plan and should therefore remain local, however, it was acknowledged that consideration would of course be given to Carmarthenshire's adjoining Counties.

Reference was made to a comment from Lesley Griffiths, AM within the content of her letter which referred to the length of time it had taken the Council to produce the LDP. A comment was raised that it had taken Inspectors within the Welsh Government considerable time to ratify the plan which has added to the Councils timescales.

The Leader stated that the additional points raised would be included in response to the letter from Lesley Griffiths AM.

In accordance with CPR 11.1, Councillor D.M. Cundy commented that the LDP was one of the most important set of documents that the Council produce, strategically, tactically and operationally. It is the main document that underpins the relationship between the Welsh Government, the Council, Community Councils throughout Carmarthenshire as well as the interactions and collaborations with other Counties throughout Wales. The plan influences the requirements of a wide range of services and all stakeholders. It was expressed that due to the technical nature of the LDP it was felt Council Members, particularly new Members had little understanding of the LDP and the other documents which linked to the LDP.

Taking on board the recommendations from the Community Scrutiny held on 14th December 2017, Councillor Cundy asked, if the Executive Board felt it would be advantageous, for a full presentation of the LDP review report and methodologies to be presented as a seminar to full Council? The Deputy Leader agreed with the comments, and took the opportunity to remind Members that in October 2017, each political party had been contacted and offered an opportunity to discuss the plan, which unfortunately, no uptake had been received. Furthermore, it was expressed that an informal workshop approach may prove to be more conducive for discussion and increased interaction. As a way forward, in order for all Members to gain a better understanding of the LDP documents, Members of the Executive Board agreed that it would be advantageous to hold informal workshops within each of the Political Groups.

The Executive Board Member for Culture, Sport and Tourism added that it was intended to arrange for the LDP to be presented to Town and Community Councillors in conjunction with One Voice Wales.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:

- 8.1 to authorise the commencement of work on the preparation of a full revision of the Carmarthenshire Local Development Plan;**
- 8.3 to publish the Carmarthenshire Local Development Plan Review Report;**
- 8.4 to grant officers delegated authority to make typographical or factual amendments as necessary to improve the clarity and accuracy of the Review Report.**

9. LOCAL DEVELOPMENT PLAN DELIVERY AGREEMENT & SITE ASSESSMENT METHODOLOGY

The Executive Board considered the Revised Carmarthenshire Local Development Plan 2018-2033, Draft Delivery Agreement and Draft Site Assessment Methodology report which included a Delivery Agreement containing a timetable of the key stages for preparing the revised LDP and a community involvement scheme. The timetable consisted of information on how and when stake holders and the community are able to engage and contribute during the Plan's preparatory process.

The Deputy Leader urged all stakeholders, interested parties and communities to consider and contribute to the preparation of the revised LDP during the formal consultation period.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:

- 9.1 that the Draft Delivery Agreement for the Revised Carmarthenshire Local Development Plan for a 6 week formal consultation be approved;**
- 9.2 that the commencement of the initial stages of the LDP preparatory process in advance of any agreement on the final Delivery Agreement be approved;**
- 9.3 that the content of the Draft Site Assessment Methodology be approved;**
- 9.4 to grant officers delegated authority to continue preparatory discussions and to make typographical or factual amendments as necessary to improve the clarity and accuracy of the Draft Delivery Agreement and to refine the usability of the Draft Site Assessment Methodology.**

10. COUNCIL TAX BASE 2018-19

The Executive Board considered the report on the Council Tax Base 2018-19. The Board was reminded that the Council was required to determine, on an annual basis, its Council Tax Base and the Council Tax Base of each community within its area, for the purpose of calculating the level of Council Tax for the forthcoming financial year and, under the provisions of Section 84 of the Local Government Act 2003 and the Local Authorities Executive Arrangements (Functions and Responsibilities) (Amendment) (Wales) Regulations 2004, the annual calculation had been delegated to the Executive Board.

The calculation of the Tax Base for the County Council for 2018-19 was detailed in Table 1a and summarised in Table 1b, which were appended to the report. The calculation for individual Town and Community Council areas for 2018-19 was summarised in Table 2 and detailed in Appendix A, which were also appended to the report.

The Board noted that the Tax Base report provided calculations that were Authority-wide as well as broken down into all community and town council areas for their precept purposes and that the Council Tax Base for the financial year 2018-2019 was calculated at £72,153.24.

UNANIMOUSLY RESOLVED that:

- 10.1. the Council Tax Base calculations for the financial year 2018-19, as detailed within Appendix A of the report, be approved;**
- 10.2. a Council Tax Base of 72,153.24, as detailed within tables 1a and 1b of the report, be confirmed in respect of the County Council area;**
- 10.3. the relevant tax bases for the individual community and town council areas, as detailed in table 2 of the report, be confirmed.**

11. MODERNISING EDUCATION PROGRAMME (MEP) STRATEGIC OUTLINE PROGRAMME (SOP) - Band B Update

The Executive Board considered the report on the Modernising Education Programme – Strategic Outline Programme – Band B Update which included the Programme of Projects, Band A progress to date, submission of Programme of Projects for Band B, information regarding funding and Mutual Investment Model (MIM).

The Executive Board Member for Education and Children confirmed that the Authority was in receipt of all of the Band B funding which equated to £129.5m in order to improve the schools throughout the County.

The Executive Board Member for Education and Children explained that the preparations for the national 21st Century Schools Programme commenced in 2010 through an invitation by the Welsh Government to local authorities to submit a Strategic Outline Programme.

Since 2010 the Executive Board had approved an updated MEP three times in 2011, 2013 and 2015 and would continue to be monitored bi-annually. Following the initial submission process Carmarthenshire's Band A programme which was funded 50% by grant from Welsh Government and 50% from the Council's own resources. The work for Band A was due to be completed by 2019.

The Executive Board Member for Education and Children reported that there had been some changes to the document since the production of the report and gave reference to Section 8, Application for Mutual Investment Model (MIM) funding. The Llandeilo and Ammanford Area Schemes have now been replaced with the Ysgol Gwenllian, Hendy and Ysgol Gymraeg Rhydaman projects. The Director of Education and Children further explained that this report had been presented to Welsh Government in July 2017 and confirmed that since then there had been an amendments relating to the offer for Llandeilo and Ammanford Primary Schools. It was confirmed that both schemes would introduce a Welsh medium foundation phase with option at year 3 to choose a Welsh or English stream, subject to consultation.

Reference was made to Section 9 of the report, which provided Band B's priority projects. In response to a query raised regarding the plans to consult with school governors and staff, the Modernisation Services Manager stated that similar to Band A an informal consultation with school governors and staff would commence at the start of the programme and that a formal wider consultation would take place as part of the schools organisation process.

The Chief Executive stated that the programme would be carried out over the next 7 years and as timescales tighten, consultation with local members and the community would take place at specific points of the programme.

The Director of Children and Education offered to organise a workshop for all Councillors to raise awareness of the plans and provide an opportunity for discussion. Members of the Board agreed that a workshop would be beneficial.

RESOLVED:

- 11.1 that the report on Modernising Education Programme – Strategic Outline Programme – Band B Update be received;**
- 11.2 that the recommendations received from Education and Children Scrutiny Committee held on 27th November be noted;**
- 11.3 that subject to the inclusion of the amendments, the updated Strategic Outline Programme (SOP) of the MEP including an updated prioritised programme for investment as part of Band B of the national 21st Century Schools programme be approved;**
- 11.4 that the selection of Band B projects for further exploration under the Mutual Investment Model (MIM) be approved;**
- 11.5 to approve funding arrangements for the Band B submission.**

12. MODEL TEACHERS' PAY POLICY 2017/18

[Note: Councillors C. Campbell, L.D. Evans and P. Hughes-Griffiths declared an interest in this item and left the Chamber.]

The Executive Board received the report on the Model Teachers' Pay Policy 2017/18 which had been revised to reflect legislative changes introduced by the School Teachers Pay and Conditions Document 2017.

The Deputy Leader informed Members that following consultation, the HR Group of the Education Regional Working (ERW) Consortium had updated the current Pay Policy which would be offered to all schools across the region. In addition, teaching associations had agreed the Model Teachers' Pay Policy 2017/18, both regionally and locally.

UNANIMOUSLY RESOLVED to receive and endorse the Model Teachers' Pay Policy 2017/18.

13. MODEL UNATTACHED TEACHERS PAY POLICY 2017/18

[Note: Councillors C. Campbell, L.D. Evans and P. Hughes-Griffiths declared an interest in this item and were not present whilst this item was being considered.]

The Executive Board received the Model Unattached Teachers' Pay Policy 2017/18 which had been updated to reflect legislative changes introduced by the School Teachers Pay and Conditions Document 2017.

Members noted that following consultation, the HR Group of the Education Regional Working (ERW) Consortium had updated the current Pay Policy which would be offered to all schools across the region. In addition, teaching associations had agreed the Model Teachers' Pay Policy 2017/18, both regionally and locally.

UNANIMOUSLY RESOLVED to receive and endorse the Model Unattached Teachers' Pay Policy 2017/18.

14. FIVE YEAR CAPITAL PROGRAMME 2018/19 - 2022/23

The Executive Board considered a report which provided an initial view of the 5 year capital programme from 2018/19 to 2022/23, which would form the basis of the budget consultation process with members and other relevant parties. It was noted that feedback from the consultation process, along with the outcome of the final settlement, would inform the final budget report which would be presented to members for consideration in February, 2018.

The Executive Board Member for Resources stated that this reported followed the approval of the capital programme in February 2017 and that the proposals contained within this report had developed the programme for an additional year and proposed amendments where necessary for changes in service demands and funding.

The main areas of change were outlined within Section 4 Funding of the report which included extra investment in the Pembrey Country Park, Highways and Bridge Maintenance.

In addition, the Modernising Education Programme had also changed for years 2018/19 to 2022/23 with the re-profiling of budgets and the introduction of some new schemes including Kidwelly, Pembrey, Five Roads and Heol Goffa Schools. The Welsh Government had recently announced their approval for the Band B programme running to 2024 which had a scheme value for Carmarthenshire of £129.5m, it was anticipated that these schemes would be funded through Welsh Government Capital Grant and their Mutual Investment Model (MIM).

Members noted that the current programme proposed a capital spend of some £199m over the next 5 years and current funding proposals included external funding of £56m. Furthermore, the programme currently reflected a funding shortfall of £1.6m in year 4.

The Director of Corporate Resources highlighted the Financial Implications section of the report should read 'The updated capital program is projected to have a shortfall of funding of £1.6m'.

UNANIMOUSLY RESOLVED that the provisional capital programme be endorsed for consultation purposes.

16. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following items as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

17. BURRY PORT HARBOUR

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 16 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Executive Board considered a report on the long term lease partnership proposal for Burry Port Harbour.

Members noted that a partnering opportunity had presented itself, which should address the ongoing maintenance and management sustainability challenges associated with the Harbour.

In addition, the proposal would further develop the Harbour as part of the regeneration masterplan for the area. The provider was seeking a long term lease with a financial return to the Authority, whilst creating additional jobs and leveraging in almost half a million pounds worth of investment to the facility.

An additional recommendation was proposed and agreed, for delegated authority to be given to the Chief Executive, the Director of Corporate Services, and the Director of Communities, to negotiate final lease terms with the provider, in consultation with the Executive Board Member (EBM) for Resources, and the EBM for Culture, Sport & Tourism.

UNANIMOUSLY RESOLVED:

17.1 to support and approve the proposal for the long term lease partnership of Burry Port Harbour;

17.2 that delegated authority be given to the Chief Executive, the Director of Corporate Services, and the Director of Communities, to negotiate final lease terms with the provider in consultation with the Executive Board Member (EBM) for Resources, and the EBM for Culture, Sport & Tourism.

18. GUILDHALL, CARMARTHEN

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 16 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Executive Board considered a report which provided information on the proposed leasing arrangements for Guildhall, Carmarthen.

The Executive Board noted that the private sector proposal would give rise to significant regeneration benefits for the town and ensure the long term sustainability and economic viability of the Guildhall.

Members acknowledged that there were significant costs associated with the running and maintenance of the Grade II* Listed Building and that private sector occupation of the main building would relieve the Council of all ongoing financial liability whilst also generating an income and adding vibrancy and footfall to Guildhall Square.

In addition, the investment in the property proposed by the private sector interest would ensure a sustainable long term future for the Guildhall and bring a quality national offer that will add vitality and vibrancy to the Square, whilst also allowing the people of the County to continue to be able to enjoy the building and its heritage.

UNANIMOUSLY RESOLVED to endorse the lease terms with current private sector interest and authorise Officers to proceed with the arrangements accordingly.

19. PURCHASE OF LAND AT NANTGLAS, CROSS HANDS

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 16 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Executive Board considered a report on the purchase of land at Nantglas, Crosshands.

Members noted that the purchase would support the strategic development aims of the Council in the Cross Hands area and would facilitate future development and expansion either at Nantglas or within other strategic sites.

UNANIMOUSLY RESOLVED to endorse the purchase the land at the Nantglas, Crosshands as recommended within the report.

CHAIR

DATE

EXECUTIVE BOARD 22ND JANUARY 2018

Council's Revenue Budget Monitoring Report

Recommendations / key decisions required:

That the Board receives the Budget Monitoring report and considers the budgetary position.

That Chief Officers and Heads of Service critically review their budgetary positions and implement appropriate actions to deliver their services within their allocated budgets.

Reasons:

To provide the Executive Board with an update on the latest budgetary position as at 31st October 2017, in respect of 2017/2018.

Relevant scrutiny committee to be consulted: NA

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Directorate: Corporate Services

Name of Director:
Chris Moore

Report Author:
Chris Moore

Designations:

Director of Corporate Services

Tel No. 01267 224886

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EXECUTIVE SUMMARY
EXECUTIVE BOARD
22ND JANUARY 2018

Council's Revenue Budget Monitoring Report

The revenue budget monitoring reports for the period to 31st October 2017 are attached and indicate that:

COUNCIL FUND REVENUE ACCOUNT(Appendix A)

Overall, the monitoring report forecasts an end of year overspend of £685k on the Authority's net revenue budget with an overspend at departmental level of £2,263k.

Chief Executive's Department

The Chief Executive Department is anticipating an overspend of £165k for the year.

In relation to the application of Standby and Health & Safety training, proposed savings have yet to be fully achieved £508k. Work is ongoing with the TIC teams in relation to delivering the full efficiencies identified. There is a £26 underspend due to a vacant post in the Chief Executives division.

The Regeneration, Policy and Property Division is anticipating a £67k underspend. This consists of an £81k overspend on a counter terrorism post, £46 overspend on Un Sir Gar due to non achievement of their income target, £31k overspend on a delayed efficiency for 2017-18, a £32k income shortfall in commercial property, a non achievement of income target on both West Wales European Centre and Policy of £31k and 17k respectively. There was also an overspend of £26k on premises maintenance at the Guildhall. This was offset by a £342k underspend due to staff vacancies.

The Admin & Law division is showing a £144k underspend as a result of vacant posts.

The People Management & Performance Division is expected to underspend by £106k as a result of vacant posts during the year.

Department for Communities

The Department for Communities is forecasting an overspend of £874k for the year.

Services supporting Older People / Physical Disabilities are projecting an overspend of £402k; £328k on Residential Care, £105k on Group Homes / Supported Living settings, £82k on Day Services, £77k on Direct payments offset by -£118k on Domiciliary Care The Careline service is showing an overspend of £92k due to a reduction in the number of connections provided to other local authorities.

Learning Disabilities / Mental Health is projecting £473k overspend; £127k on Residential Care, £216k on Supported Living / Group Homes and £149k on Day Services.

Staffing vacancies and miscellaneous underspends are -£184k; mainly in the Reablement Service.

Leisure Services are expecting to break even and Housing & Public Protection Services are also predicting a nil variance.

Corporate Services

The Corporate Services Department is projecting a £334k underspend for the year. This is as a result of staff vacancies of £325k, a £60k reduction in grant audit fees. This is offset by an anticipated £47k charge for costs relating to sales of assets.

Department for Education and Children

The Department for Education and Children is forecasting a net overspend of £913k at year end.

The main adverse budget variations relate to: new school based EVR and redundancy costs £422k; School Modernisation property decommissioning and cost of sales £376k (which includes £254k NNDR); Special guardianship orders to keep children with their families and boarded out allowances £193k; shortfall in the Music Service SLA income from schools £185k, rurality impact on Fostering staff and client travel £54k; increased number of cases entering the Legal system £177k; Out of County Care placements £177k; increased staffing costs at Garreglwyd Residential Unit £62k and Welsh Language Support £54k.

These are partially offset by under-spends across the department in: staff vacancies and secondments -£403k, utilisation of grant income to support core spend -£326k and reduced numbers in Early years non maintained provision -£115k.

Environment

The department is anticipating an overspend of £645k for the year.

The Highways and Transport division is projecting a £248k overspend. This is due to a £285k overspend in car parks as a result of the non achievement of income targets and a £25k overspend on school transport following an initial assessment of demand. This is offset by underspends in Passenger transport of £23k due to tender efficiencies and a £38k underspend in Public rights of way due to vacant posts.

The Property Division, the Waste and Environmental Services division and the Business Support & Performance division are expecting to break even.

The Planning Division is anticipating a £403k overspend. This is due to a decrease in planning applications and the resultant loss of income of £526k which is partly-offset by charging out staff time as a direct cost £40k; release of prior year waste planning report underspend from reserve £16k; a reduction in planning admin expenditure £39k and additional street naming income of £11k

Capital Charges
Reduced borrowing/interest savings

HOUSING REVENUE ACCOUNT (Appendix B)
The HRA is predicting a break even position at year end

Repairs and maintenance is £286k over budget due to additional spend on Minor Works. This is offset by a reduced requirement for DRF -£300k.

Supervision and Management costs are forecasted to be overspent by £81k primarily due to premises related expenses energy costs £87k and increased spend on supplies and services £22k , offset by savings on staffing costs/recharges -£28k due to vacancies.

Predicted increased costs on central recharges will result in £13k overspend on the budget.

Capital financing charges will be £75k greater than budgeted due to a slight increase in interest rates.

Reduction in the provision required for debt write-offs , based on arrears levels and age debt analysis to year end of - £156k

Lists of the main variances are attached to this report.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

1. Finance

Council Fund

Overall, the Authority is forecasting an overspend of £685k.

HRA

The HRA is forecasting that it will break even at year end.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below
Signed: Chris Moore Director of Corporate Services

1. Scrutiny Committee – Not applicable
2. Local Member(s) – Not applicable
3. Community / Town Council – Not applicable
4. Relevant Partners – Not applicable
5. Staff Side Representatives and other Organisations – Not applicable

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2017/18 Budget		Corporate Services Department, County Hall, Carmarthen

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REPORT OF THE DIRECTOR OF CORPORATE SERVICES
PRELIMINARY EXECUTIVE BOARD 18th DECEMBER 2017
COUNCIL'S BUDGET MONITORING REPORT 2017/18 as at 31st October 2017

Director and Designation	Author & Designation	Telephone No	Directorate
C Moore Director of Corporate Services	C Moore, Director of Corporate Services	01267 224120	Corporate Services

Table 1

Forecasted for year to 31st October 2017

Department	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Controllable	Controllable	Net Non	Total	Controllable	Controllable	Net Non	Total		
	Expenditure	Income	Controllable	Net	Expenditure	Income	Controllable	Net		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Chief Executive	24,125	-8,009	-3,192	12,923	24,434	-8,154	-3,192	13,089	165	431
Communities	129,994	-49,813	9,706	89,888	130,703	-49,648	9,706	90,761	874	994
Corporate Services	76,115	-51,067	-1,526	23,522	76,814	-52,100	-1,526	23,188	-334	-221
Education & Children	159,440	-21,291	22,876	161,024	162,164	-23,103	22,876	161,937	913	1,092
Environment	118,568	-78,302	8,808	49,073	113,974	-73,063	8,808	49,718	645	533
Departmental Expenditure	508,241	-208,483	36,672	336,430	508,089	-206,068	36,672	338,693	2,263	2,829
Capital Charges/Interest				-11,517				-12,617	-1,100	-700
Levies and Contributions:										
Brecon Beacons National Park				138				138	0	0
Mid & West Wales Fire & Rescue Authority				9,349				9,349	0	0
Net Expenditure				334,400				335,563	1,163	2,129
Transfer from Balances/Earmarked Reserves				-200				-200	0	0
Transfers to/from Departmental Reserves										
- Corporate Services				0				167	167	110
- Environment				0				-654	-645	-533
Net Budget				334,200				334,876	685	1,706

Chief Executive Department
Budget Monitoring as at 31st October 2017

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Division	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Chief Executive	-280	0	-322	-602	202	0	-322	-120	482	511
People Management	3,714	-1,072	-2,375	267	3,853	-1,317	-2,375	161	-106	-65
ICT	4,479	-826	-3,823	-169	4,499	-845	-3,823	-169	0	0
Admin and Law	3,919	-550	1,094	4,463	3,768	-543	1,094	4,319	-144	-18
Regen, Policy & Property										
Policy	5,331	-1,299	-1,748	2,284	5,106	-1,195	-1,748	2,163	-121	56
Statutory Services	1,107	-2	141	1,246	1,096	-3	141	1,235	-11	-16
Property	1,111	-1,269	157	-0	1,151	-1,264	157	44	44	17
Major Projects	101	-76	0	25	401	-376	0	25	0	0
Regeneration	4,643	-2,917	3,683	5,409	4,359	-2,611	3,683	5,431	22	-54
GRAND TOTAL	24,125	-8,009	-3,192	12,923	24,434	-8,154	-3,192	13,089	165	431

Chief Executive Department - Budget Monitoring as at 31st October 2017

Main Variances

Division	Working Budget		Forecasted		Oct 17 Variance for Year £'000	Notes	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Chief Executive							
Chief Executive-Chief Officer	300	0	274	0	-26	Part year vacant post and reduction in supplies and services	1
Corporate Savings Target	-580	0	-72	0	508	Efficiency proposals not yet delivered (Standby £224k and Health & Safety £285k)	509
People Management & Performance							
Employee Well-being	808	-352	808	-447	-96	Part year vacant posts	-65
ICT							
Information Technology	3,426	-455	3,525	-515	40	Reduction in Fire SLA	40
Central Telephone Network	1,053	-370	974	-331	-40	Savings on supplies & services	-40
Admin and Law							
Land Charges Administration	81	-282	81	-270	12	Inflation increase applied to budget but fees are set therefore income target not achievable	12
Corporate Serv-Democratic	504	0	405	0	-98	Part year vacant posts	-34
Corporate Serv-Legal	1,522	-268	1,471	-273	-55	Part year vacant posts	-17
Regeneration, Policy & Property							
Policy							
Marketing & Media	689	-352	594	-226	31	Delay in staffing efficiencies being delivered	-3
Corporate Serv-Translation	501	-15	387	-10	-109	Part year vacant posts	-0
Performance Management	566	-50	508	-20	-27	Vacant Post	-32
Chief Executive-Policy	527	-63	500	-19	17	Income target not achievable	46
Corporate Serv-Administration	484	-33	425	-2	-29	Vacant posts	-7
Customer Services Centres	1,093	-294	977	-295	-116	Vacant posts	-63
Safeguarding & Counter-Terrorism	0	0	81	0	81	Unfunded post	85
UN Sir Gar	166	-126	145	-59	46	Projected non-achievement of income target	45
Statutory Services							
Electoral Services - Staff	265	0	253	0	-11	Vacant post	-15

Chief Executive Department - Budget Monitoring as at 31st October 2017
Main Variances

Division	Working Budget		Forecasted		Oct 17	Notes	Aug 17
	Expenditure	Income	Expenditure	Income	Variance for Year		Forecasted Variance for Year
	£'000	£'000	£'000	£'000	£'000		£'000
Property							
Commercial Property - Chief Executives	29	-404	42	-385	32	Slight shortfall in income	16
Provision Markets	534	-611	524	-592	10	Improvements required	-3
Regeneration							
West Wales European Centre	425	-315	287	-145	31	Projected non-achievement of income target	26
The Guildhall Carmarthen	0	0	26	0	26	CCC has recently purchased the building, but no budget has been allocated to cover any costs. Significant premises maintenance costs incurred have therefore resulted in this projected overspend	1
Parc Amanwy Ammanford	71	-47	54	-42	-11	NNDR revaluation has resulted in a rebate	0
Amman Gwendraeth Community	99	0	90	-8	-17	Mainly due to staff vacancies	0
The Beacon	134	-130	162	-143	15	Mainly due to additional cleaning costs	-2
Business Services	314	0	281	0	-33	Staff vacancies	-33
Other Variances					-16		-38
Grand Total					165		431

Department for Communities
Budget Monitoring as at 31st October 2017

Division	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Adult Services										
Older People	51,421	-17,952	2,216	35,685	51,742	-17,901	2,216	36,058	373	337
Physical Disabilities	6,085	-732	74	5,427	6,123	-741	74	5,456	28	40
Learning Disabilities	30,716	-8,502	1,199	23,412	31,074	-8,421	1,199	23,852	440	612
Mental Health	9,355	-3,463	125	6,016	9,363	-3,438	125	6,050	33	0
Support	5,651	-2,461	799	3,989	5,632	-2,443	799	3,988	-0	4
Public Protection & CF Housing										
Public Protection	2,968	-712	535	2,792	2,944	-694	535	2,785	-7	-7
Council Fund Housing	8,881	-8,074	294	1,101	9,028	-8,214	294	1,108	7	7
Leisure & Recreation										
Leisure & Recreation	14,917	-7,916	4,464	11,465	14,796	-7,796	4,464	11,465	-0	-0
GRAND TOTAL	129,994	-49,813	9,706	89,888	130,703	-49,648	9,706	90,761	874	994

Department for Communities - Budget Monitoring as at 31st October 2017
Main Variances

Division	Working Budget		Forecasted		Oct 17	Notes	Aug 17
	Expenditure	Income	Expenditure	Income	Variance for Year		Forecasted Variance for Year
	£'000	£'000	£'000	£'000	£'000		£'000
Adult Services							
Older People							
Older People - Commissioning	2,858	0	2,820	0	-38	Staff vacancies	-0
Older People - Private/ Vol Homes	19,022	-8,851	19,402	-8,830	400	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	77
Older People - LA Home Care	5,533	0	5,356	0	-177	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall	-0
Older People - Direct Payments	614	0	720	0	107	Direct Payments increasing across all client group linked to promoting independence	-0
Older People - Private Home Care	9,210	-2,201	9,269	-2,201	59	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	90
Older People - Careline	1,125	-1,394	1,216	-1,393	92	additional staffing costs in respect of new Information, Advice & Assistance requirement of SSWBA; reduction in income due to other local authorities reducing support in this area	168
Older People - Enablement	2,458	-800	2,274	-800	-183	Staff vacancies - recruitment issues being addressed.	-0
Older People - Day Services	1,073	-65	1,143	-69	67	Additional packages in private day services.	0
Physical Disabilities							
Phys Dis - Commissioning & OT Services	606	-80	579	-80	-27	Staff vacancies	-0
Phys Dis - Private/Vol Homes	575	-114	478	-105	-88	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	-0
Phys Dis - Group Homes/Supported Living	1,379	-118	1,484	-118	105	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall	41
Phys Dis - Community Support	90	0	154	0	63	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall	-0
Phys Dis - Direct Payments	1,875	0	1,845	0	-30	Client led demand	0
Learning Disabilities							

Department for Communities - Budget Monitoring as at 31st October 2017

Main Variances

Division	Working Budget		Forecasted		Oct 17 Variance for Year £'000	Notes	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Learn Dis - Employment & Training	2,412	-846	2,279	-602	111	Reduction in Department for Work and Pensions grant for Workchoice programme due to changes in terms and conditions of funding.	-0
Learn Dis - Private/Vol Homes	9,828	-3,232	10,102	-3,380	127	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	223
Learn Dis - Direct Payments	1,306	0	1,343	-0	37	Direct Payments increasing across all client group linked to promoting independence	0
Learn Dis - Group Homes/Supported Living	5,945	-1,007	6,161	-1,007	216	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	227
Learn Dis - Home Care Service	145	0	180	0	36	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	0
Learn Dis - Day Services	3,105	-270	3,142	-269	38	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	161
Learn Dis - Transition Service	509	0	431	0	-78	Staff vacancies	-0
Mental Health							
M Health - Community Support	698	-110	742	-110	44	Work continuing to promote independent living and reduce cost of care packages accordingly. Performance data shows downward trend overall, however the efficiency target will be met slower than anticipated whilst being largely offset by other savings.	-0
Other Variances - Adult Services							
					-3		8

Department for Communities - Budget Monitoring as at 31st October 2017

Main Variances

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Division	Working Budget		Forecasted		Oct 17	Notes	Aug 17
	Expenditure	Income	Expenditure	Income	Variance for Year		Forecasted Variance for Year
	£'000	£'000	£'000	£'000	£'000		£'000
Public Protection							
Air Pollution	97	-33	97	-20	12	Underachievement of licence fee income due to changes in legislation/businesses and validation of fees	0
Animal Welfare	71	-76	71	-49	27	Underachievement of licence fee income	0
Trading Standards Services Management	117	-48	126	-42	15	Overspend in Legal fees covered by underspends elsewhere in Trading Standards	2
Food & Agricultural Standards & Licensing	119	-38	109	-38	-10	Underspend in salary costs due to reduced hours worked	-7
Fair Trading	137	-14	133	-28	-18	Overachievement of income - court fees	-13
Other Variances - Public Protection					-34		12
Council Fund Housing							
Home Improvement (Non HRA)	475	-301	447	-233	41	Underachievement of licence fee income due to changes in licencing laws	22
Benefit Reforms	12	-10	57	-66	-12	Repairs work being carried out under a grant awarded in the year - Landlord Incentive scheme	-0
Homelessness	161	-64	130	-60	-27	Underspend in Homelessness prevention payments covering the underachievement of licence fee income in Home Improvement	-19
Other Variances - Council Fund Housing					5		4
Leisure & Recreation							
Pendine Outdoor Education Centre	469	-319	480	-310	20	Underachieving Board / Accommodation income	9
Pembrey Ski Slope	291	-253	339	-343	-42	Overachieving income re: new catering outlet	-41
Carmarthen Leisure Centre	1,212	-1,209	1,188	-1,163	21	Underachieving income	31
Amman Valley Leisure Centre	695	-554	693	-623	-71	Increased income forecast from Gym/Swim	-76
Sport & Leisure General	825	-59	913	-71	75	Planned delivery of play and spin projects at Carmarthen Leisure Centre	25
Other Variance - Leisure & Recreation					-4		51
Grand Total					874		994

Corporate Services Department
Budget Monitoring as at 31st October 2017

Division	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Financial Services	7,871	-3,751	-3,524	596	7,451	-3,555	-3,524	372	-224	-92
Audit Risk & Procurement	1,257	-28	-1,049	179	1,153	-18	-1,049	86	-93	-88
Performance & Development	136	0	-256	-120	136	-1	-256	-120	-0	2
Other Services	66,851	-47,288	3,303	22,866	68,074	-48,527	3,303	22,850	-16	-42
GRAND TOTAL	76,115	-51,067	-1,526	23,522	76,814	-52,100	-1,526	23,188	-334	-221

Corporate Services Department - Budget Monitoring as at 31st October 2017
Main Variances

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Division	Working Budget		Forecasted		Oct 17	Notes	Aug 17
	Expenditure	Income	Expenditure	Income	Variance for Year		Forecasted Variance for Year
	£'000	£'000	£'000	£'000	£'000		£'000
Financial Services							
Chief Officer	334	-43	323	-43	-11	Part year vacant post	-0
Accountancy	1,665	-302	1,656	-352	-60	Vacant Posts	-63
Local Taxation	881	-720	826	-690	-25	Vacant Posts	-12
Housing Benefits Admin	1,416	-749	1,361	-746	-51	Vacant Posts	-0
Revenues	850	-144	790	-144	-60	Vacant Posts	-0
Payments	486	-83	471	-83	-15	Part year vacant post	-13
Audit Risk & Procurement							
Audit	610	-21	496	-11	-105	Part year vacant posts	-101
Risk Management	132	-2	143	-2	11	Maternity cover	14
Other Services							
Audit Fees	373	-86	319	-84	-52	Reduction in grant audit fees	-60
Bank Charges	63	0	52	0	-11	Savings in bank tender in 2013/14	-11
Miscellaneous Services	3,869	-112	3,854	-51	47	Projected overspend due to cost of sales of assets being a charge to revenue	29
Other Variances					-4		-2
Grand Total					-334		-221

Department for Education & Children
Budget Monitoring as at 31st October 2017

Division	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Director & Strategic Management	888	0	-148	739	750	0	-148	601	-138	-25
Education Services Division	117,447	-1,701	19,152	134,898	118,326	-1,899	19,152	135,580	681	637
Strategic Development	9,199	-7,431	881	2,649	9,124	-7,367	880	2,637	-11	26
School Improvement	4,143	-1,842	504	2,805	5,060	-2,722	504	2,842	37	2
Learner Programmes	4,973	-3,867	384	1,490	5,251	-4,066	384	1,569	79	147
Children's Services	22,790	-6,451	2,103	18,443	23,653	-7,048	2,103	18,708	266	305
GRAND TOTAL	159,440	-21,291	22,876	161,024	162,164	-23,103	22,876	161,937	913	1,092

Department for Education & Children - Budget Monitoring as at 31st October 2017

Main Variances

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Division	Working Budget		Forecasted		Oct 17 Variance for Year £'000	Notes	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Director & Strategic Management							
Director & Management Team	888	0	750	0	-138	Part year vacant post. Increased budget (£100k) relating to transfers from other areas of the department in readiness to meet a departmental efficiency proposal in 2018-19.	-25
Education Services Division							
School Redundancy & EVR	1,838	0	2,259	0	422	Budget utilised on existing commitments. Schools are supported and challenged on staffing structure proposals.	258
School Modernisation	93	-5	493	-29	376	Maintenance and other premises costs relating to closed schools £336k, of which £254k relates to NNDR. Transport recharges outside of Transport Policy for former pupils of closed schools £40k	330
Early Years Non-Maintained Provision	469	0	354	0	-115	Reduced take-up of 10 hours per week free entitlement for 3 year olds in non-maintained settings.	-73
Special Educational Needs	2,908	-1,484	2,971	-1,518	29	Statementing costs £18k, cost of hydrotherapy pool SLA and maintenance £22k. Utilisation of grants to offset additional salary costs -£11k.	166
Sensory Impairment	362	0	345	0	-17	Part year vacant posts	-16
Educational Psychology	898	0	919	-51	-29	Part year vacant posts	-34
Strategic Development							
Business Support	448	0	424	0	-24	Part year vacant posts	-29
School Meals & Primary Free Breakfast Services	7,968	-7,151	7,849	-7,005	28	Sales lower than projected April - October, possibly due to price increase.	68
School Improvement							
National Model for School Improvement	1,154	-56	1,254	-177	-21	Challenge advisor part year vacancy	0
Welsh Language Support	459	-176	507	-170	54	Contingency of £65k relating to potential repayment to Swansea University relating to previous year which has been referred to Legal Services.	0

Department for Education & Children - Budget Monitoring as at 31st October 2017

Main Variances

Division	Working Budget		Forecasted		Oct 17 Variance for Year £'000	Notes	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Learner Programmes							
Music Services for Schools	1,083	-984	1,271	-986	185	Reduced take-up of school Service Level Agreements (SLA), due to school budgetary pressures.	200
Behaviour Management	141	0	85	0	-56	Part year vacant post for Behaviour and Wellbeing manager	-53
Youth Offending & Prevention Service	1,625	-785	1,614	-821	-47	Proceeds from sale of vehicles and additional staffing recharge to Youth Justice Board grant	0
Children's Services							
Commissioning and Social Work	6,444	-20	6,600	-266	-90	High Legal costs projected due to a high number of cases £177k. This is offset by secondment and part year vacancy savings -£116k and utilisation of additional grant and recharge income to support other pressures -£151k.	-25
Fostering Services & Support	3,696	0	3,874	-30	147	The taxi's budget faces ongoing pressure £54k due to the high number of placement moves, some away from school areas. The Fostering Support Team have increased transport costs, boarding out payments and residence orders (even though CCC current rates are set at the minimum allowed by Welsh Government) £193k. This is offset by part year vacancies in the Fostering Team -£70k and additional grant -£30k	178
Out of County Placements	739	-54	916	-54	177	More use of independent fostering agencies that are more expensive to use due to a lack of in house foster placements including two young people being accommodated out of county due to their complex needs requiring 24 hour support.	136
Residential and Respite Units	937	-55	916	0	34	Additional staffing levels required to meet the needs of young people at the units	-2
Children's/Family Centres and Playgroups	160	-4	199	-29	15	Lower referrals than anticipated which reduces grant funding	3
Flying Start Grant	3,606	-3,601	3,621	-3,604	11	Ineligible costs such as audit fees	12
Aids & Adaptions	13	0	25	0	12	Additional demand for appliances	7
Family Aide Services	212	0	180	0	-32	Part year vacancies	-70
Other Family Services incl Young Carers and ASD	422	-229	442	-296	-47	Utilising grant enabling core budget to support other pressures	0
Garreglwyd Residential Unit	541	-159	666	-222	62	Additional staffing costs to cover periods of sickness and a young person being moved in which reduces the out of county placement costs.	60
Education Welfare	409	0	451	-82	-40	Utilising grant enabling core budget to support other pressures	12
Other Variances					16		-11
Grand Total					913		1,092

Environment Department
Budget Monitoring as at 31st October 2017

Page 36

Division	Working Budget				Forecasted				Oct 17 Forecasted Variance for Year £'000	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Buisness Support & Performance	2,304	-35	36	2,305	2,301	-32	36	2,305	-0	-0
Waste & Environmental Services	24,096	-7,797	1,608	17,907	24,086	-7,793	1,608	17,902	-5	0
Highways & Transportation	50,593	-32,630	8,328	26,291	45,809	-27,598	8,328	26,539	248	238
Property	37,839	-35,532	-1,595	712	38,132	-35,825	-1,595	712	-0	-98
Planning	3,736	-2,308	429	1,858	3,646	-1,815	429	2,261	403	392
GRAND TOTAL	118,568	-78,302	8,808	49,073	113,974	-73,063	8,808	49,718	645	533

Environment Department - Budget Monitoring as at 31st October 2017

Main Variances

Division	Working Budget		Forecasted		Oct 17 Variance for Year £'000	Notes	Aug 17 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Waste & Environmental Services							
Green Waste Collection	0	0	133	-101	32	The green waste collection service is not yet self-financing.	27
Closed Landfill Sites Nantycaws	144	0	128	0	-16	Reduced licence fee premiums from NRW and reduced operational activity that reflects the reduction in environmental risks associated with leachate control and treatment as a result of the sustained success of the new leachate treatment plant.	-15
Closed Landfill Sites Wernddu	87	0	73	0	-14	As per estimated works to be conducted on site this year – budget review to be undertaken.	-15
Highways & Transportation							
Passenger Transport	4,355	-2,957	5,003	-3,628	-23	Tender and service efficiencies.	-41
School Transport	10,392	-1,077	10,324	-984	25	Estimated overspend based on an initial assessment of demand.	41
Car Parks	1,772	-3,311	1,790	-3,045	285	Unachievable income target as the income target is increased every year but parking fees have not been increased. £36k Change in John/St Peters short/long delayed due to major works affecting the car park in 2016/17. PCN income also lower than anticipated.	274
Public Rights Of Way	237	-11	199	-11	-38	Underspend due to vacant posts, recruitment process underway	-38
Property							
Building Maintenance Operational	22,765	-24,459	23,102	-24,715	80	On-going review of Building maintenance cost recovery, with a view to breakeven by year end.	0
Strategic Asset Management Business Unit	580	-80	578	-116	-38	Vacant posts	-39
Industrial Premises	368	-1,290	325	-1,291	-44	Based on high occupancy levels which could vary throughout the year	-30

Environment Department - Budget Monitoring as at 31st October 2017
Main Variances

Division	Working Budget		Forecasted		Oct 17	Notes	Aug 17
	Expenditure	Income	Expenditure	Income	Variance for Year		Forecasted Variance for Year
	£'000	£'000	£'000	£'000	£'000		£'000
Planning							
Planning Admin Account	327	-3	407	-132	-50	Reduced expenditure £39k to partly offset under-achievement of Planning Application Fee income. Also projected over-achievement of Street naming and numbering income £11k.	-39
Minerals	259	-122	276	-179	-40	Underspend mainly due to charging out of staff to projects as a 'direct cost'.	-24
Development Management	1,392	-1,251	1,312	-645	526	Ongoing shortfall in income	482
Waste planning monitoring report (E)	25	-25	25	-41	-16	2016/17 underspend was held in reserves, pending WG confirmation that specific outcomes have been achieved and that there will be no clawback of grant. This has now been confirmed, so surplus released back into revenue account.	-16
Other Variances					-23		-34
Grand Total					645		533

Housing Revenue Account - Budget Monitoring as at 31st October 2017

	Working Budget	Forecasted Actual	Oct 2017	Notes	Aug 2017
	£'000	£'000	Variance for Year £'000		Previous period forecasted variance for Year £'000
Expenditure					
Repairs & Maintenance					
Responsive	1,720	1,720	0		18
Minor Works	2,749	3,048	299		0
Voids	2,297	2,307	10		0
Servicing	1,575	1,550	-25	Anticipated expenditure based on profiled spend to date. Additional spend on Minor Works funded by reduced requirement for DRF.	0
Drains & Sewers	125	126	1		0
Grounds	715	715	0		0
Unadopted Roads	100	100	0		0
Supervision & Management					
Employee	3,959	3,925	-34	Underspend mainly due to vacant posts not being filled in the first few months of the year	-32
Premises	1,327	1,416	89	Overspend in utilities £41k mainly as a result of transferring from British Gas (Elec) and Corona Gas. Plus overspends in Rent payments £29k and in adhoc premises costs £19k	104
Transport	67	65	-2		-10
Supplies	1,431	1,453	22	Overspend in legal costs £37k, misc payments £37k and other £3k netted off underspends in admin, office & operational consumables -£36k and compensation payments -£19k	17
Recharges	1,127	1,133	6		5
	0				
Provision for Bad Debt	472	316	-156	Provision for bad debt adjustment includes an estimate for write offs based on current data available	-248
Capital Financing Cost	13,940	14,015	75	The interest rate on borrowing was budgeted at 4.57% whereas the actual rate is currently 4.61%. Also reduction in borrowing due to underspend on Capital programme.	137
Central Support Charges	1,560	1,573	13	Budget to be adjusted to accommodate the 1% increase in Central Recharges	13
Subsidy	0	0	0		
DRF	3,793	3,493	-300	Reduce DRF to accommodate additional revenue R&M required in Minor Works	0
Total Expenditure	36,957	36,954	-3		4

Housing Revenue Account - Budget Monitoring as at 31st October 2017

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	Working Budget £'000	Forecasted Actual £'000	Oct 2017 Variance for Year £'000	Notes	Aug 2017 Previous period forecasted variance for Year £'000
Income					
Rents	-37,739	-37,774	-35	Void loss prediction at budget setting of 2.1% currently forecast at 2.05%	-44
Service Charges	-739	-706	33	Forecast small underachievement of service charge income	21
Supporting People	-135	-135	0		0
Mortgage Interest	-3	-3	0		0
Interest on Cash Balances	-46	-46	0		0
			0		
Grants	0	0	0		0
Insurance	0	0	0		0
Other Income	-584	-580	4		-2
Total Income	-39,245	-39,243	3		-25
Net Expenditure	-2,288	-2,288	-0		-21

HRA Reserve	£'000
Balance b/f 1/4/17	14,011
Budgeted movement in year	2,288
Variance for the year	0
Balance c/f 31/3/18	16,299

Executive Board 22ND JANUARY 2018

CAPITAL PROGRAMME 2017-18 UPDATE

Purpose: To report the proposed virements and variances within the capital programme

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

That the capital programme update report is received.

REASONS:

To provide an update of the latest budgetary position for the 2017/18 capital programme as at the 31st October 2017.

Relevant scrutiny committees to be consulted N/A

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER: Cllr David Jenkins

<p>Directorate: Corporate Services Name of Director of Corporate Services: Chris Moore Report Author: Chris Moore</p>	<p>Designation: Director of Corporate Services</p>	<p>Tel No. 01267 224120 E Mail Address: CMoore@carmarthenshire.gov.uk</p>
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EXECUTIVE SUMMARY

Executive Board

22ND JANUARY 2018

This report provides members with an update on the Capital programme spend against budget for 2017/18 as at the 31st October 2017.

MEMBER APPROVED VIREMENTS – for information, specific report approves the funding.

ENVIRONMENT

Land at Nantglas, Cross Hands £300k – purchase of land at Cross Hands to be funded from an under-spend within the capital programme.

Variances

Appendix A which is shown departmentally, shows a forecasted net spend of £49,154k compared with a working net budget of £53,249k giving a **£-4,095k** variance. The variance will be slipped into future years, as the funding will be required to ensure that the schemes are completed.

Appendix B details the main variances within each department.

DETAILED REPORT ATTACHED

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to below, there are no other implications associated with this report:

Signed: C. Moore

Director of Corporate Resources

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	YES

Finance

The capital programme shows an in year under spend of **£-4,095k** for 2017/18 which will be incorporated into future years of the programme.

Physical Assets

The capital programme will have an impact on the physical assets of the Authority.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C. Moore

Director of Corporate Services

1. Scrutiny Committee

Relevant Scrutiny Committees will be consulted.

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2017-18 Capital Programme		Corporate Services Dept., County Hall, Carmarthen

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Capital Programme 2017/18							
Capital Budget Monitoring - Report for October 2017							
	Working Budget			Forecasted			
DEPARTMENT	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	Variance for Year £'000
COMMUNITIES							
- Public Housing	21,087	-6,170	14,917	19,375	-6,215	13,160	-1,757
- Private Housing	2,930	-273	2,657	3,333	-676	2,657	0
- Social Care	2,664	-1,887	777	2,495	-1,896	599	-178
- Leisure	4,315	-1,405	2,910	2,039	-150	1,889	-1,021
ENVIRONMENT	16,852	-5,201	11,651	15,137	-4,155	10,982	-669
EDUCATION & CHILDREN	24,975	-10,559	14,416	24,099	-9,989	14,110	-306
CHIEF EXECUTIVE	1,894	0	1,894	1,894	0	1,894	0
REGENERATION	4,059	-32	4,027	5,448	-1,585	3,863	-164
TOTAL	78,776	-25,527	53,249	73,820	-24,666	49,154	-4,095

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Capital Programme 2017/18

Capital Budget Monitoring - Report for October 2017 - Main Variances

DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000	Comment
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000		
COMMUNITIES								
- Public Housing	21,087	-6,170	14,917	19,375	-6,215	13,160	-1,757	
Sheltered Housing Investment	173	0	173	3	0	3	-170	Reduced number of boilers scheduled for replacement in 17/18. Funding to be utilised in 18/19 as committed for further sheltered homes boiler replacements.
Housing Minor Works (HMO)	603	0	603	703	0	703	100	Additional pressures identified during year.
Adaptations and DDA Works (Building Services)	900	0	900	1,299	0	1,299	399	Increase in demand and additional large scale adaptations.
Stock Condition Survey 2017/18 - Cost Certainty Gaps and Verification	150	0	150	0	0	0	-150	Work has commenced on identifying the gaps in information that require a stock condition survey to complete the cost certainty exercise for the 30 year Business Plan. Work has also commenced on developing a joint approach between Housing and Property to data storage which needs to be in place prior to commencing a whole scale stock condition survey. Slippage in expenditure is anticipated for 2017/18. However, this will be required for funding the 2018/19 and future stock condition survey(s).
Housing Development Programme (New builds & Stock Increase Programme)	11,337	0	11,337	9,394	0	9,394	-1,943	Housing Development Programme being re-profiled to take account of slight slippage in council new build programme due to unforeseen circumstances. Stock increase programme being brought forward allowing affordable home target (225 during 2017/18) to be delivered. By end of 2017/18 (year 2 of delivery programme) nearly 400 additional affordable homes will have been delivered. New build will form greater percentage of programme in Years 3, 4 and 5 as we look to deliver 1000 homes over the five year period.
Other Projects with Minor Variances	7,924	-6,170	1,754	7,976	-6,215	1,761	7	
- Private Housing	2,930	-273	2,657	3,333	-676	2,657	0	No major variances
- Social Care	2,664	-1,887	777	2,495	-1,896	599	-178	
Learning Disabilities Developments	228	0	228	50	0	50	-178	Options being considered for the modernisation of Learning Disability service provision in response to the Social Services and Wellbeing Act.
Other Projects with Minor Variances	2,436	-1,887	549	2,445	-1,896	549	0	
- Leisure	4,315	-1,405	2,910	2,039	-150	1,889	-1,021	
Rights of Way Bridge Strengthening Programme	622	-200	422	250	0	250	-172	£150k to slip to 18/19 to ensure priority works are completed. Remaining budget being considered for other priority schemes within department.
Strategic Open Spaces - Site Development & Linkages	800	-400	400	0	0	0	-400	Budget being considered for other priority schemes within department.
Closed Circuit Track	499	0	499	50	0	50	-449	Delay due to the need for additional surveys. Works to be completed in early 18/19
Other Projects with Minor Variances	2,394	-805	1,589	1,739	-150	1,589	0	

Capital Programme 2017/18

Capital Budget Monitoring - Report for October 2017 - Main Variances

Page 4 DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000	Comment
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000		
ENVIRONMENT	16,852	-5,201	11,651	15,137	-4,155	10,982	-669	
Coastal Protection Works	407	0	407	207	0	207	-200	Scheme delayed due to change in contract specification. Budget required for future years.
Murray Street Car Park, Llanelli - Exp	198	0	198	98	0	98	-100	Expenditure profile being planned in accordance with whole of life care plan. Funding required for future year maintenance.
Property maintenance	3,295	0	3,295	3,108	0	3,108	-187	One particular scheme delayed due to ecological issue.
East Gate Development	241	0	241	119	0	119	-122	Savings on scheme due to external funding secured.
Other Projects with Minor Variances	12,711	-5,201	7,510	11,605	-4,155	7,450	-60	
EDUCATION & CHILDREN	24,975	-10,559	14,416	24,099	-9,989	14,110	-306	
Dinefwr Project - Dyffryn Aman	131	0	131	280	0	280	149	Issues with playing fields being discussed with contractor .
Llangadog - Major Redevelopment	1,955	0	1,955	250	0	250	-1,705	Delay with planning permission, therefore delayed start on site.
Ysgol Trimsaran - New School Building	1,813	0	1,813	3,200	0	3,200	1,387	Ahead of schedule, re-profile required - no overall overspend
Llandeilo Primary - New School	203	0	203	50	0	50	-153	Timeline slipped - re-profile required.
Ammanford Primary - New School	173	0	173	50	0	50	-123	Timeline slipped - re-profile required.
Llanelli Vocational Village	132	0	132	47	0	47	-85	Scheme saving
Rhydygors - Refurbishment/Re-configuration	568	0	568	20	0	20	-548	Scheme development delayed pending outcome of Behavioural Services Review
Laugharne VCP Works	283	0	283	20	0	20	-263	Scheme delayed pending resolution of land issues
Pontyberem CP - Refurbishment/Re-configuration	1,088	0	1,088	1,388	0	1,388	300	Ahead of schedule, re-profile required - no overall overspend
Carmarthen West New School - Phase 1	570	-570	0	570	0	570	570	Purchase of school site to be funded from future S106 payments
Rhys Prichard Relocation	505	0	505	50	0	50	-455	Delay due to scheme development issues
MEP - Future Projects	329	0	329	1,001	0	1,001	672	Accelerated scheme - No overall overspend projected
Other Projects with Minor Variances	17,225	-9,989	7,236	17,173	-9,989	7,184	-52	

Capital Programme 2017/18

Capital Budget Monitoring - Report for October 2017 - Main Variances

DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000	Comment
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000		
CHIEF EXECUTIVE	1,894	0	1,894	1,894	0	1,894	0	No major variances
REGENERATION	4,059	-32	4,027	5,448	-1,585	3,863	-164	
Laugharne Car park	208	0	208	0	0	0	-208	Discussion are ongoing with the developer regarding the remedial works for the proposed development.
Other Projects with Minor Variances	3,851	-32	3,819	5,448	-1,585	3,863	44	
TOTAL	78,776	-25,527	53,249	73,820	-24,666	49,154	-4,095	

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EXECUTIVE BOARD 22nd January 2018

SUBJECT:

**THE ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY KNOWN AS
'LLESIANT DELTA WELLBEING' FOR CARELINE**

Recommendations / key decisions required:

1. That a Local Authority Trading Company (LATC) for Careline known as 'Llesiant Delta Wellbeing' is established to generate additional income for the Authority and safeguard the existing service.
2. Give the Director of Community Services and Director of Corporate Services the delegated authority to establish the LATC, its governance structures and develop a detailed business plan.
3. That the Company is incorporated as a limited company with the Council as the sole shareholder.
4. That the Company's Business Plan is prepared and agreed by the Board of the Company and submitted for formal approval to the Executive Board of the Authority prior to its implementation.
5. That the set up costs of the Company (on agreement by Executive Board to form company) be recovered by way of loan arrangements at a commercial rate of interest to be approved by Full Council, with the duration to be agreed within the detailed business plan. In the event that the Company is not established, then the costs of implementation will be met from reserves.
6. That agreement is sought from Full Council to guarantee the pension liabilities of staff employed by the Company

Reasons:

1. To ensure the long term financial sustainability of the Careline service by developing new sources of income
2. To safeguard existing jobs and create new employment opportunities
3. To improve availability and access to new forms of Technology Enabled Care (TEC) that enable the residents of Carmarthenshire to live independently in their own homes for longer
4. To become a centre of excellence for TEC across Wales
5. To support wider Council objectives in terms of health and well-being.

**Relevant scrutiny committee to be consulted: YES – Social Care & Health –
23rd November, 2017**

Members of the Social Care & Health Scrutiny Committee received a presentation on the proposals and were given the opportunity to comment.

Exec Board Decision Required YES 22nd January 2018

Council Decision Required YES 14th February 2018

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

Cllr Jane Tremlett- Social Care & Health Portfolio Holder

Directorate: Communities	Designations:	Tel Nos.
Name of Head of Service: Rhian Dawson	Head of Integrated Services	01267 228900 Rhian.Dawson@carmarthenshire.gov.uk
Report Authors: Gareth Miller	Business Transformation and Programmes Manager	01554 899300 GAMiller@carmarthenshire.gov.uk
Samantha Watkins	Information, Advice and Assistance Manager	01554 899748 SJWatkins@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
EXECUTIVE BOARD
22ND JANUARY 2018

SUBJECT:

**THE ESTABLISHMENT OF A LOCAL AUTHORITY TRADING
COMPANY CALLED 'LLESIANT DELTA WELLBEING LTD' FOR
CARELINE**

The Purpose

1. This Executive Summary sets out the reasoning behind, and practicalities of, setting up a wholly owned Local Authority Trading Company (LATC) for Careline known as 'Llesiant Delta Wellbeing Ltd'. The summary report can be found in Appendix 1.

The Context

2. Careline, based within the Communities Department, is the Authority's established 24/7 response service for vulnerable and elderly residents across Carmarthenshire. In addition to this, it also forms a single point of access for the public and professionals for all matters in relation to social care and delivers the Authority's out of hours call handling and lone working services. The Careline service has a whole time equivalent staffing complement of 49 staff.
3. Whilst being a prominent in-house service it also contracts with numerous other corporate customers including other Local Authorities, Housing Associations, Swansea University, Pembrokeshire National Park and Welsh Government. The result being that work outside of the Authority equates to approximately **86%** of its business.
4. The service's current business model is facing significant challenges. This is due to changes in strategic direction by corporate customers and restrictions on the Authority's ability to expand its client base through trading with private individuals and organisations. Some Local Authorities we contract with are decommissioning their current Technology Enabled Care services and moving towards a direct payment route for service users rather than providing these services in-house. Our current business model does not allow us to deal with residents of other counties directly.
5. The service currently provides telecare services to 27,000 homes across 8 Local Authority areas. Carmarthenshire represents 3,853 homes, with numbers on the decline. With the whole Hywel Dda region equating to 6,776 homes. As a general rule a monitoring centre of this type would require a minimum of 10,000 connections to be viable. Whilst the service currently comfortably meets this threshold a number of the contracts are due to expire in March 2019 and will need to be re-tendered. If we are not able to change the business model, we anticipate that next year the service will reduce by a minimum of 5 staff.

Development of a Local Authority Trading Company

6. To address this challenge, the service has developed a detailed business case for a Local Authority Trading Company (LATC). This would essentially mean that a company would be set up that is wholly owned by the Local Authority but would have the ability to access far wider markets and income streams than the current Careline service is able to do. (Appendix 1)
7. The business case outlines what the drivers for change are and what alternative service delivery models have been considered before deciding on the LATC option.
8. Specifically the rationale for the development of an LATC was on the basis that it could be 100% owned and controlled by the Local Authority with any surpluses generated being reinvested into Social Care services. The Council will also be responsible for managing any financial liabilities that the LATC incurs.

Teckal Compliance*

There are legal implications in relation to the development of a Local Authority Trading Company. These are in relation to the ability to trade and 'Teckal' compliance which grants the LATC exemption from competitive tendering as long as it delivers the same service and has at least 80% of its income generated from the provision of its services to the Council.

This exemption enables a public body (typically a Council) to award a contract to provide services directly to another legal entity without any need for a formal procurement process - provided the new body is 'Teckal compliant'. To be 'Teckal compliant', that other legal entity must be subject to a level of control by the Council (similar to the control the Council holds over its own departments) and the entity must also derive at least 80% of its work streams from the Council.

If Careline is transformed into a single Company, therefore, the Council will be able to award contracts directly to that body without any formal procurement process - provided it is formed to be, and remains, 'Teckal compliant'. Put simply, this means the body will be subject to significant degree of control by the Council, but will be a separate legal entity. Importantly, the Company will be free to trade externally - securing up to 20% of its income from external sources.

The Company (Llesiant Delta Wellbeing Ltd) would:

- Employ all the TUPE'd staff
- Have a contract with the Council for the delivery of services
- Be controlled by the Council through the Llesiant Delta Wellbeing Governance Group (see Figure 1 below)

* 'Teckal' is a piece of European Union law allowing Councils to deliver services through externally managed entities without having to follow competitive tendering rules and procedures. To qualify for "Teckal exemption" two conditions must be met:

- the control condition - the local authorities must control the entity, and;
- The economic dependence condition - case law has stated the condition is met if the activities of the entity are devoted principally to the local authority with any other activities being only of 'marginal significance' which means the Company must have at least 80% of its income derived from the provision of services to the Council.

Governance arrangements

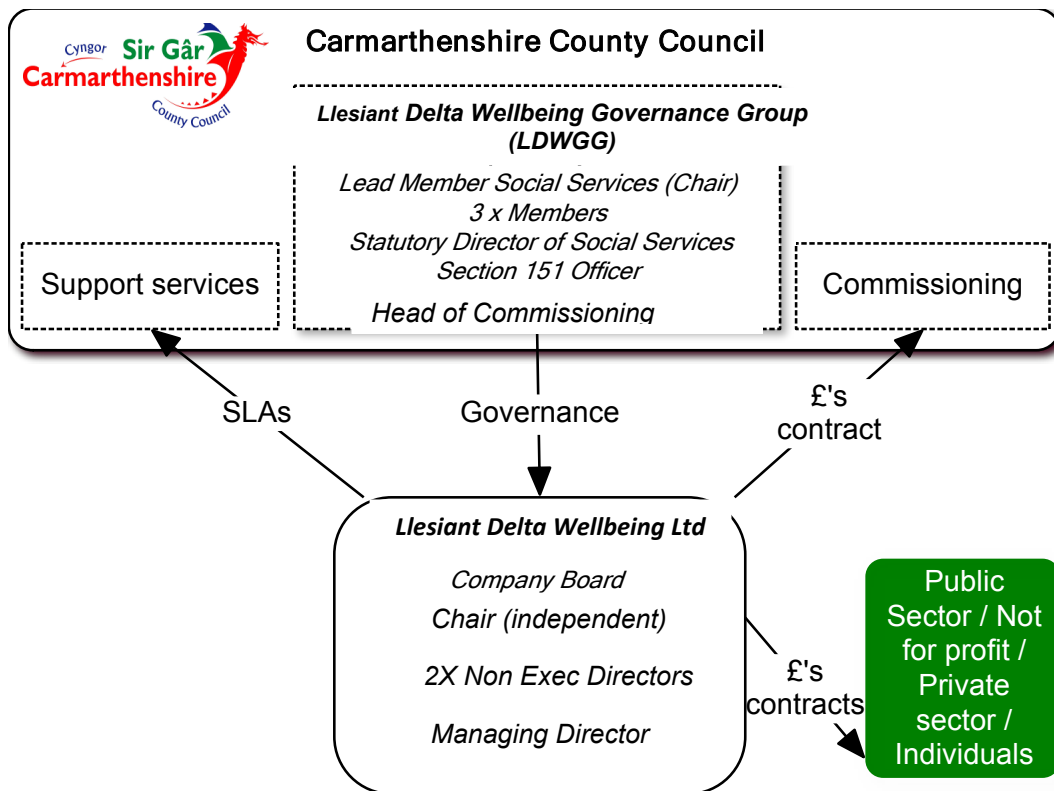
9. The structure of 'Llesiant Delta Wellbeing' LATC will reflect a number of key relationships, governance and contractual arrangements for the Council and the new company. There are four main relationships that the Council will have with the Company:

- As the 100% owner with monitoring arrangements via the Llesiant Delta Wellbeing Governance Group (LDWGG)
- As the commissioner with a contract for service delivery by Llesiant Delta Wellbeing Ltd
- As an operational partner with Llesiant Delta Wellbeing Ltd in the delivery of strategically important services that form part of the Council's access pathway
- As a contract holder for delivering business support services to the company

10. The LATC would include a governance structure to meet legal and financial compliance. (see Figure 1 LATC Structure below) The structure would be overseen by a 'Llesiant Delta Wellbeing' Governance Group (LDWGG), which would be chaired by the Executive Board Member (EBM) for Social Care and include 3 elected members, the Statutory Director for Social Services, Section 151 Officer and Head of Commissioning.

11. The LDWGG has the responsibility for setting out the expectations and ambitions of the Council as owners of 'Llesiant Delta Wellbeing Ltd' at a strategic level e.g., for ensuring performance is in line with the agreed business plan for the company and that the provisions of the Shareholder's Agreement are observed by the LATC.

Figure 1 (LATC Structure)



12. The Shareholder/Membership Agreement is a legal document allowing the shareholder/owner, in this instance the Council, to restrict what shareholders/owners and Directors can do on behalf of 'Llesiant Delta Wellbeing Ltd.' As there is only one shareholder/owner, the aims of this agreement are to restrict the abilities and

authorities of the Company Directors, so that the Council and Members are satisfied that the assets and employees of the Company are adequately protected.

13. There is the opportunity in this agreement to add further “Restricted Matters” that prevent Directors from making and implementing specific decisions or policies, without the explicit consent of the LDWGG. For example:
 - Directors cannot give themselves any form of payment or benefit outside that agreed in the ratified Business Plans
 - Directors cannot commit the Company to any form of loan or credit agreement without express approval from the LDWGG
14. The summary business case (Appendix 1) sets out the boundaries of decision making for the company and when it should defer to the Council.
15. The ‘Llesiant Delta Wellbeing Ltd’ LATC is managed by a Company Board which is made up of an Independent Chair, a Managing Director and 2 Non-Executive Directors. This Board is the executive board of the company and responsible for:
 - a. Day to day management of the business
 - b. Making strategic and operational decisions
 - c. Ensuring that the company meets its statutory obligations

Staffing Implications

16. The setting up of the Company will involve the transfer of the existing 49 staff into the new organisation under Transfer of Undertakings (Protection of Employment) TUPE regulations with all existing terms and conditions being maintained and protected at transfer. These terms and conditions will include:
 - Pay
 - Sickness
 - Holiday entitlement
 - Other time off provision
 - Continuity of employment
 - Pension
 - Grievance
 - Disciplinary
 - Behavioural Standards
 - Code of Conduct etc.,
17. The company will be applying for admitted body status into the Local Government Pension Scheme and will also recognise trade unions. The company will not operate a two-tier system and new staff employees taken on by the company will be on the same terms and conditions as the former Carmarthenshire County Council staff in the company (including pensions) which are listed above.
18. The company, will have its registered office address as County Hall to keep costs down and utilise existing council support (although over time the company could choose to procure support services from elsewhere)

Financial Implications

19. The company’s initial start-up costs will be funded via a loan from the Authority, which will be repaid over an agreed timeframe with appropriate interest charges.

20. It is anticipated that the Llesiant Delta Wellbeing Ltd LATC will generate a trading surplus over a 5 year period.

21. A detailed 5-year business plan will be completed and agreed by the LDWGG group and then receive formal approval from the Council's Executive Board before the new company is formed.

Consultation

A consultation programme is underway with service users and staff. This is included in the project plan (Appendix 2) attached with this report.

Preliminary feedback from the service user consultation indicated that the majority of service users agreed with the option to create a company wholly owned and controlled by the Council (LATC).

Initial feedback from the ongoing dialogue from staff indicate that they accept the need to change the current business model in order to further develop future business opportunities.

Next steps

A project plan outlining the next steps in the establishment of the 'Llesiant Delta Wellbeing Ltd' LATC has been attached for information. (Appendix 2).

Recommendations

That a Local Authority Trading Company for Careline called 'Llesiant Delta Wellbeing Ltd' be established.

DETAILED REPORT ATTACHED?

Yes. A summary business case is attached at Appendix 1 together with a Project Plan at Appendix 2

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Rhian Dawson

Head of Integrated Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	YES	YES	YES	YES

1. Policy, Crime & Disorder and Equalities

A full Equalities Impact Assessment (EIA) has been developed which outlines the potential impact of the LATC on the protected characteristics. Risk levels identified remain low and there is no negative impact identified that would adversely affect the service delivered to clients.

2. Legal

There are legal implications in relation to the development of a Local Authority Trading Company. These are in relation to the ability to trade and “Teckal” compliance which grants the LATC exemption from competitive tendering as long as it delivers the same service and has at least 80% of its income generated from the provision of its services to the Council. There are also “contractual” issues that will need to be considered in relation to the support services provided to the company on behalf of the Council. These are covered in the business case and legal services have been involved in the development of the document.

It should be noted, however, that Teckal companies may offer different models of delivery and governance arrangements to reflect the key drivers in setting up and establishing the company.

3. Finance

The company will require a loan facility from the Authority of up to £250k to meet initial cash flow requirements and setup costs. The loan will be at a commercial rate of interest to be approved by Full Council, with the duration to be agreed within the detailed business plan. In the event that the Company is not established, then the costs of implementation will be met from reserves.

The current pension liabilities for staff employed by the company will be underwritten by the Authority.

The Council will provide a guarantee to the Dyfed Pension Fund that it will meet any outstanding pension scheme liabilities should it be liabilities will not revert to the fund.

The five year financial model contained within the business plan has been developed in conjunction with the consultants, and current projections indicate that the LATC will realise a net surplus of £824,754 over the first 5 years. This surplus will be returned to the Council in the form of a rebate or a reduced contract price, thus leaving the Company with no retained reserves.

4. ICT

There are ICT implications in relation to the development of an LATC. The company would be provided with ICT support by the Council in the same way that this is currently provided

to departments across the authority now. The company would have access to the same hardware which would be replaced as per the Council's refresh programme. The company would also have access to its own website which would be hosted by the Council as well as existing software file directories.

5. Risk Management Issues

The business case has identified risks associated with its development as well as those in relation to implementation and trading. Each risk has been categorised as being either high, medium or low and all have mitigating action identified in order to control and where appropriate reduce the risk. These risks will be monitored throughout the project and will be reported to Project Board.

6. Staffing Implications

There are staffing implications in relation to staff that would TUPE across to the LATC from the Council. There would be an estimated 49 FTE's (full time equivalent) staff who would transfer across. Assurances have been included in the business case to guarantee that in accordance with TUPE regulations, staff terms and conditions will be protected at transfer, and that the company will be applying for admitted body status for into the Local Government Pension Scheme. The company will also recognise trade unions and new staff employees taken on by the company will be on the same terms and conditions as the former CCC staff in the company (including pensions). These issues are covered in the business case and HR advice has been sought in the development of the document.

7. Physical Assets

Llesiant Delta Wellbeing Ltd will continue to utilise the office accommodation currently utilised, with the future arrangements being formalised by Property Services. There should not be any additional costs incurred in this arrangement.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Rhian Dawson

Head of Integrated Services

1. Scrutiny Committee

Social Care & Health – 23rd November, 2017 - Members of Scrutiny Committee received a presentation on the proposals and were given the opportunity to comment.

2. Local Member(s) N/A at present time, but will be consulted as part of the political approval process

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations

Discussions have taken place at the Departmental Trade Union representatives on 9th October 2017 and with staff and their Trade Union representatives on 10th October 2017. “Drop-in” sessions have been held with staff, HR and Trade Unions on 17th & 19th October and 5th and 6th December 2017. A meeting has been held with the unions for initial feedback on the business case on 27th November and a further meeting has been arranged for 26th January. Further dialogue with staff and trades union will continue throughout the implementation process should political approval be granted to establish an LATC.

Formal consultation on the business case with stakeholders has taken place and was concluded at the beginning of January 2018.

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

A copy of the following documentation can be obtained from the Project and Programmes Team in 3 Spilman Street:

- Full Business Case
- Service User Feedback Report
- Staff Feedback Report
- Equality Impact Assessment



Carmarthenshire County Council

‘Llesiant Delta Wellbeing Ltd Local Authority Trading Company’

Summary Business Case January 2018

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1. Background

Like all other Councils, Carmarthenshire County Council faces considerable financial challenges. As adult social care is often one of the biggest budget spend areas, year on year efficiency savings fall heavily in this area. In response, the Council wished to explore the opportunities offered by new delivery models, with the expressed intention of ensuring quality, cost effectiveness and the ability to respond to current and future demand.

There is recognition that new service models for individuals, communities and partners have the potential to deliver benefits and improve outcomes for citizens, and this need for new service models is magnified by the continual government drive towards increasing take up of direct payments.

2. Drivers for change

The list of drivers below outlines the need for change that the Council is facing in this area of Social Care. The increasing age profile of the population as reflected in local demographics is putting a greater demand for services and care from a sector that is facing year on year savings demands from central and local government. Added to this the Technology Enabled Care (TEC) agenda is gaining prominence.

The principal drivers for change are:

- Demographic growth
- Quality (e.g. Choice/Legislative requirements/partnerships/outcomes)
- Service
- Income (e.g. Savings/Income/Growth)
- Governance and flexibility (e.g. accommodate new services/respond quickly to market changes)
- Acceptability to stakeholders (e.g. service users, carers, staff, partners and Members)
- Ability to transform services
- Technology
- Employment

3. Options Appraisal

An Options Appraisal for Careline was completed with the remit to:

“Explore the opportunities offered by new delivery models, with the expressed intention of ensuring quality, cost effectiveness and the ability to respond to current and future demand”.

The options appraisal compared 4 principal options and then marked them against a set of agreed criteria. These options were:

- **Remain in-house** - Retain current in-house provision
- **Outsource** - Outsource to the independent sector
- **LATC** - Develop a Local Authority Trading Company (LATC)
- **CIC** - Develop a Community Interest Company (CIC)

The summary results of the scoring were:

Max Score	How well does the new model satisfy the following requirements	Remain In-house	Outsource	LATC	CIC
180	Quality	131	73	155	128
120	Cost	72	55	102	56
90	Governance and Flexibility	66	25	69	43
120	Acceptability to Stakeholders	86	30	93	64
60	Ability to Transform Services	39	29	53	41
	Overall Rating	394	212	472	332

The result of the appraisal was that the LATC met more of the criteria than the other models, and the recommendation was that a Full Business Case should be developed to fully explore and evaluate the costs and benefits of establishing an LATC.

4. The new organisation

4.1 Vision for Llesiant Delta Wellbeing Ltd

The vision for the new Llesiant Delta Wellbeing Ltd is to set it up as a commercial enterprise in a Carmarthenshire owned Local Authority Trading Company. This will allow Llesiant Delta Wellbeing Ltd to sell its services to:

- Local Authorities
- Not for profit organisations
- Commercial businesses
- Private individuals

It will be able to make a profit and plough this back as investment in additional services, or pass back to the Council as dividend/contract rebate to be used to support other social care services.

4.2 Brand

Llesiant Delta Wellbeing Ltd will set themselves up as:

Professional experts in technology related care and support, helping people to maintain their independence and quality of life and will deliver

High quality, reliable, multi-lingual response services.

4.3 Benefits

The key benefits for Carmarthenshire in the development of a larger, commercial, Llesiant Delta Wellbeing Ltd operating through a Local Authority Trading Company are that it will offer to the residents of Carmarthenshire greatly enhanced:

- **Service**
With a wider customer base, Llesiant Delta Wellbeing Ltd will be a larger organisation and have more resilience in its teams as a result. It will be able to afford to employ people with wider skills (such as Occupational Therapist's) over longer periods of time, that will be available to Carmarthenshire residents as an enhanced offer
- **Employment**
Developing the business in Carmarthenshire will create a larger workforce, which will have a positive impact for all staff, providing greater opportunities for professional development in a larger organisation. In addition, recruitment and retention should be easier through offering good career opportunities and progression to existing and potential staff
- **Income**
Growing the business will allow for greater efficiencies, for example spreading management overheads across more customers. It will also enable the Council to generate profits which can be reinvested into Llesiant Delta Wellbeing Ltd or passed back to the Council as dividends to be used to support other social care services.

4.4 Customers

The focus for Llesiant Delta Wellbeing Ltd will be on the following customer groups:

Public Sector:

- Councils, Universities, Welsh Government, NHS

Not for profit:

- Housing associations, Registered Social Landlords (RSLs)

Private sector:

- Housing developments, Retirement developments, Care homes, Childrens Homes, Secure institutions, LD semi-independent organisations

Individuals:

- Direct purchase by individuals

4.5 Services

The core services that Llesiant Delta Wellbeing Ltd will offer are:

- **Alarm monitoring:**
 - 24 hours a day, 365 days a year
- **Information advice and assistance (IAA):**
 - The front door for Social Care and Health services for the Council 24 hours a day, 365 days a year
 - Integrated with related service eg Social Workers, Occupational Therapist's, Nurses and safeguarding officers
- **Out of hours response:**
 - Operating a call handling system for various organisations out of normal working hours

Offering intelligent routing/action of contacts

- **Equipment and technology:**

Supply and installation of equipment and technology:

- **Consultancy:**
 - Advice on the planning of technology related care and support to organisations

4.6 Unique Selling Points

- Llesiant Delta Wellbeing Ltd's unique selling points will be:
- **Local authority owned and operated:**
 - Public sector brand with associated values such as quality and trust
- **Social Care DNA:**
 - Embedded knowledge, skills and experience in all aspects of social care with access to other Social Care and Health services
- **Welsh-speaking:**
 - The ability to offer Welsh-speaking services, 24 hours a day, 365 days a year

5. What is a Local Authority Trading Company?

A Local Authority Trading Company (LATC) is a limited company 100% owned by a local Authority, hence the name. It is registered with Companies House and must follow all the statutory obligations of a limited company.

A company can be "limited by shares" or can be "limited by guarantee", the Council establishing their company can choose which type of company it should create.

The recommendation is that the LATC is owned by Carmarthenshire County Council and will be "limited by shares". This recommendation has been given because the Council recognises the need for creating a LATC and this ownership is simpler to manage through share ownership.

One of the reasons for this recommendation is the Members' and Officers' view that the long-term future of the LATC will always be as a company owned by the Council.

The company has objectives other than making money. These other objectives are:

- Providing services to the benefit of residents of Carmarthenshire
- Increasing the provision of existing services without necessarily increasing the cost of that provision
- Diversifying its services to meet changing demand from service users

6. Llesiant Delta Wellbeing Ltd LATC characteristics

The proposed new Llesiant Delta Wellbeing Ltd LATC for Carmarthenshire will have the following key characteristics:

6.1 Ability to trade

Llesiant Delta Wellbeing Ltd will be able to trade in the open market and charge for those services that currently, as an in-house provider, it cannot do. This ability will allow Llesiant Delta Wellbeing Ltd to market and sell its services to customers, including Direct Payment holders, and private payers. Llesiant Delta Wellbeing Ltd will also be able to sell services to residents of other Authorities and other public bodies including neighbouring authorities, the NHS and Clinical Commissioning Groups etc. On top of this, Llesiant Delta Wellbeing Ltd will be able to trade with private organisations. In all its activities Llesiant Delta Wellbeing Ltd will also be legally allowed to make a surplus.

6.2 Rebate surpluses and benefits back to the council

As 100% shareholder, the Council has total control over the treatment and destination of all surpluses generated by Llesiant Delta Wellbeing Ltd. This could mean deciding to invest in additional new Llesiant Delta Wellbeing Ltd services, or rebating the surpluses back to the Council for redistribution within Social Care related services.

6.3 A contractual / commercial relationship with the Council for the provision of services

In order to protect the Council's current high-level of quality in service delivery, it will establish and enforce a supply contract with Llesiant Delta Wellbeing Ltd for all the social care and other services that the company will provide. This contract will have quality requirements and Key Performance Indicators (KPIs) that will need to be achieved on a monthly basis. This contract could have financial penalties included to ensure that the Council does receive best value for the services it commissions.

6.4 Use of the Council's current corporate services

This includes services such as ICT, HR and Financial Transactions processing. Llesiant Delta Wellbeing Ltd will need to maintain the support services that it currently enjoys, to ensure that services are provided as they are now. There will need to be a service contract between the Council and Llesiant Delta Wellbeing Ltd, where Llesiant Delta Wellbeing Ltd agrees and defines the range of services and service levels that the Council's corporate services should deliver. Just as in the service contract described above, this

contract should allow Llesiant Delta Wellbeing Ltd to receive good value for money and high quality services.

7. Property and Finance

7.1 Property

Llesiant Delta Wellbeing Ltd will continue to utilise the office accommodation currently utilised, with the future arrangements being formalised by Property Services. There should not be any additional costs incurred in this arrangement.

7.2 Finances

The Council will be transferring all operating budgets that relate to the Llesiant Delta Wellbeing Ltd operation. This will include both income and expenditure.

As with all expanding businesses, there can be a period when the investment in new functions and resources does not immediately deliver financial benefit or increased turnover.

7.2.1 Financial benefits

The summary table below shows that Llesiant Delta Wellbeing Ltd could generate new additional turnover and surpluses over the first five years.

Llesiant Delta Wellbeing Ltd					
Five Year Profit and Loss Account with additional income					
Llesiant Delta Wellbeing Ltd	Year 1	Year 2	Year 3	Year 4	Year 5
Income	£	£	£	£	£
Existing Income	1,669,678	1,669,678	1,669,678	1,669,678	1,669,678
Total Additional Income	359,308	836,373	1,319,218	1,494,545	1,639,629
Total Income	2,028,986	2,506,051	2,988,896	3,164,223	3,309,307
Total Expenditure	2,090,505	2,455,773	2,803,679	2,882,788	2,939,964
Interest on Loan	(13,500)	(10,500)	(7,500)	(4,500)	(1,500)
Profit/(Loss in year)	(75,019)	39,778	177,717	276,935	367,844

The above surpluses could be used to develop new services or could be allocated back to the Council to be used to support other social care services.

The company will be supported by a commercial loan from the Council. This loan has been included in the financial forecast at £250k and will be provided by the Council over five years at a commercial interest rate. The loan is designed to fund all implementation costs and short term cash flow requirements in the first year.

Llesiant Delta Wellbeing Ltd does not provide any regulated social care services, so it follows the standard VAT regime. This means that the company can claim all its VAT input and will charge output VAT on all its invoices to customers. There is no financial implication or cost as a result of the transfer from the Council.

8. How will Llesiant Delta Wellbeing Ltd operate internally?

8.1 Llesiant Delta Wellbeing Ltd internal governance

It is recommended that the Company will be managed internally by one Board:

- The Company Board:
 - The formal, statutory, Company Board, legally responsible for the day to day management of the Company

The governance mechanisms that are recommended for the Council to adopt in managing Llesiant Delta Wellbeing Ltd through the DWGG can be found in a later section.

8.2 The Company Board

This Board is designed to manage and control the operational and financial performance of the company. The size of the organisation in the early years (49.06) staff, does not warrant a fully formed company board and so Llesiant Delta Wellbeing Ltd would be managed by the following positions:

- **Independent Chair** – Appointed by the Council
- **Non Exec Directors** x 2 – externally recruited selected with appropriate backgrounds to provide a creative contribution to the Board by providing independent oversight and constructive challenge to the Executive Directors
- **Managing Director** – the current senior service manager for Careline would TUPE into this role

Operational matters will be dealt with by the MD and HR resource will be provided by the Council's corporate services, as they are now.

The Company Board would meet officially once every month and would deal with all aspects of the management of the company.

The Management team would be expected to meet on a very regular basis, as one of the significant advantages for this type of organisation is its small size relative to the Council. This enables the Managers to be based in the same building and so working together formally and informally on a daily basis. The key areas of responsibility for each Management post includes the following:

- **Managing Director** – operational efficiency, business strategy and planning; culture change, including transformation; interface and reporting with management board and with Llesiant Delta Wellbeing Ltd Governance Group
- **Finance Manager** – (bought in from the Council) Financial reporting, cashflow management; I.T.; Property; Procurement; commercial contracts

- **Business Development Manager** – overall responsibility for the delivery of new business and customers in line with the strategic goals of the shareholder

The proposed Company Management Team structure and reporting lines on transfer are set out in the diagram below:

Staff structure



9. Governance

Effective governance is an essential component in creating Llesiant Delta Wellbeing Ltd in order to ensure that the requirements of the Teckal Exemption are satisfied. For example, the need for the Council to exert control and influence over the company.

It is anticipated that the company will have a structure and relationship to the Council as set out in the following sections:

9.1 Teckal Compliance

This exemption enables the Council to award a contract to provide services directly to another legal entity without any need for a formal procurement process - provided the new body is “Teckal compliant”. To be Teckal compliant, that other legal entity must be subject to a level of control by the Council (similar to the control the Council holds over its own departments) and the entity must also derive at least 80% of its work streams from the Council.

If Llesiant Delta Wellbeing Ltd is transformed into a single Company, therefore, the Council will be able to award contracts directly to that body without any formal procurement process - provided it is formed to be, and remains, Teckal compliant. Put simply, this means the body will be subject to significant degree of control by the Council, but will be a separate legal entity. Importantly, the Company will be free to trade externally - securing up to 20% of its income from external sources.

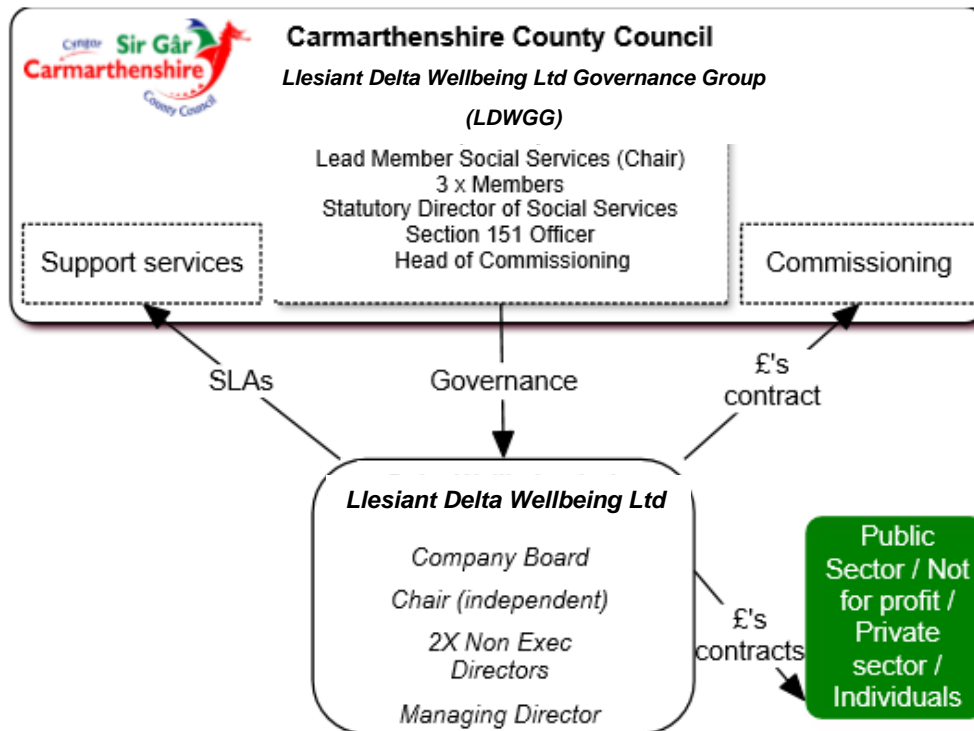
9.2 The Llesiant Delta Wellbeing Ltd Group Governance structure

The structure of Llesiant Delta Wellbeing Ltd will reflect a number of key relationships, governance and contractual arrangements for the Council and the new company.

There are four main relationships that the Council will have with the Company:

- As the 100% owner with monitoring arrangements via the Llesiant Delta Wellbeing Ltd Governance Group (LDWGG)
- As the commissioner with a contract for service delivery by Llesiant Delta Wellbeing Ltd
- As an operational partner with Llesiant Delta Wellbeing Ltd in the delivery of strategically important services that form part of the Council's access pathway
- As a contract holder for delivering business support services to the Company

It is recommended that the Company has a structure and relationship to the Council as set out in the diagram below:



Some of the key responsibilities of the boards are:

- **Llesiant Delta Wellbeing Ltd Governance Group**
The Board has the responsibility for setting out the expectations and ambitions of the Council as owners of Llesiant Delta Wellbeing Ltd at a strategic level and ensuring that the provisions of the Shareholder's Agreement are observed by Llesiant Delta Wellbeing Ltd
- **Llesiant Delta Wellbeing Ltd, Company Board**
This Board is the executive board of the company and responsible for:
 - Day to day management of the business
 - Making strategic and operational decisions
 - Ensuring that the company meets its statutory obligations

9.3 Council relationship with Llesiant Delta Wellbeing Ltd

This business case recommends the Council exert control and influence through the Llesiant Delta Wellbeing Ltd Governance Group (LDWGG). In the

diagram above it can be seen that the DWGG sits in the middle of the Carmarthenshire County Council area representing its central role in the Council – Llesiant Delta Wellbeing Ltd relationship.

The purpose of the DWGG is to act on behalf of the Council (shareholder) to scrutinise Llesiant Delta Wellbeing Ltd performance against its service contract and Business Plan, and to review investment plans and risks.

The Llesiant Delta Wellbeing Ltd Governance Group will typically have the following membership:

- Lead Member for Social Services (Chair)
- Three other Members (politically balanced)
- Statutory Director of Social Services
- Section 151 Officer
- Head of Commissioning

Selecting Members with business experience and commercial acumen on the DWGG will help to provide scrutiny and constructive challenge to the Company Board. It is suggested that the DWGG meets every quarter with the Llesiant Delta Wellbeing Ltd Company Board reporting on the following:

- Financial performance – matched against the latest Business Plan
- Service and Quality performance – matched against contractually agreed service levels, using Key Performance Indicators (KPIs) as a summary guide
- New and additional income returns and plans
- Annual presentation in November/December of the next year's Business Plan and strategic direction of Llesiant Delta Wellbeing Ltd

One of these quarterly meetings will act as the Annual General Meeting (AGM).

9.4 Contractual relationships between the Council and Llesiant Delta Wellbeing Ltd

In the structure diagram, there are two other boxes on the Carmarthenshire County Council side that represent contractual relationships with the Company:

1. The Commissioner

This is where Council commissioners of adult services monitor on a monthly basis contractual performance of the Company. This allows continual scrutiny of service delivery levels and gives commissioners significant ability to fully understand their commissioned services and the factors that affect performance

2. The Council Support Services

This is where the Council is the provider of business support services to the Company, including:

- a. HR providing transactional processing, payroll and advice
- b. Business Administration Support

- c. ICT providing all hardware, networks and software on an on-going basis including daily support
- d. Financial transaction processing providing systems and processing for purchase orders, purchase invoices, payments, sales invoicing and receipts

The contractual relationship between the Council and Llesiant Delta Wellbeing Ltd will also be supported by the following legal documents;

9.5 Articles of association

Both a **Memorandum of Association** and **Articles of Association** are required for a company formed in the UK under the Companies Act 2006 and previous Companies Acts. The **Memorandum of Association** is the document that sets up the company and the **Articles of Association** set out how the company is run, governed and owned.

The **Articles of Association** is a document that defines and records clearly the purpose of the company as well as the duties and responsibilities of its members. It is an important document which needs to be filed with the Registrar of Companies.

9.6 Shareholder Agreement

The Shareholder/Membership Agreement is a legal document allowing the shareholder/owner, in this instance the Council, to restrict what shareholders/owners and Directors can do on behalf of Llesiant Delta Wellbeing Ltd. As there is only one shareholder/owner, the aims of this agreement are to restrict the abilities and authorities of the Company Directors, so that the Council and Members are satisfied that the assets and employees of the Company are adequately protected.

10. Risks

A number of potential medium level risks have been identified as part of the Business Case. These could occur if the Company goes live. Should approval to progress the LATC be given, mitigating actions will be developed to manage and reduce the risks.

Potential risks identified are as follows;

- Delayed income generation due to service disruption
- Not achieving targeted savings and benefits
- Llesiant Delta Wellbeing Ltd is uncompetitive due to the cost of its workforce
- New entrants move into market more quickly than Llesiant Delta Wellbeing Ltd anticipated and offer competitive rates
- Llesiant Delta Wellbeing Ltd will not have the staff or resources to develop and sell new services

10.1 Failure of Llesiant Delta Wellbeing Ltd to deliver the proposed business plan

In the event of business failure or poor performance, the Council would need to consider alternative arrangements. This would only be considered after the company had been given the necessary time that any new venture needs to find its feet. There are three solutions:

- Replace the senior management team. This would typically involve replacing the directors after consistent underperformance and after the failure of their response initiatives to the initial poor service or financial performance
- *Bringing the services back into the Council.* This would be a relative quick and inexpensive solution. Whilst it would be a retrograde step it may provide confidence to customers, staff and unions and help to manage risk
- *Move services to the independent sector.* Alternatively, the Council could look to the market to take on these services although this would take some time to achieve and incur significant procurement costs. The reasons for the potential failure of the Company as a business may also have an impact on the interest and response of the market and push up the costs. Therefore, an analysis of the costs of either bolstering the services or the Board versus making them attractive to independent providers would need to be undertaken

The level of scrutiny of the performance of a Council owned independent organisation is much greater than that of any other independent provider and as partner the Council would have plenty of warning if the Company is not achieving its planned performance or is likely to become unviable. There will therefore be an opportunity to implement an improvement plan to bring the performance back in to line or if it is felt that this is unlikely, to look at the other alternatives discussed above

10.2 Breaching the conditions of the Teckal Exemption

Should Llesiant Delta Wellbeing Ltd begin to generate significant income from private sector customers, it may be necessary to review the business model, to mitigate the risk of breaking the Teckal exemption.

It is unlikely that the Council would breach the other main condition of the Teckal exemption, i.e. it is unable to demonstrate that it has effective control of the organisation.

11. Conclusion

There is a net financial and service benefit to the Council establishing and running Llesiant Delta Wellbeing Ltd as a wholly owned Company limited by shares over a five-year period.

12. Recommendation

The Council proceeds with the appropriate level of Public Consultation and takes the necessary decisions to incorporate and to establish Llesiant Delta Wellbeing Ltd as Local Authority Trading Company.

13. Implementation

Subject to approval from the Council, the establishment of the new Llesiant Delta Wellbeing Ltd LATC would go-live on April 1st 2018.

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Agenda Item 11

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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