

Document Pack



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WEDNESDAY, 31 JANUARY 2018

TO: ALL MEMBERS OF THE POLICY & RESOURCES SCRUTINY COMMITTEE

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **POLICY & RESOURCES SCRUTINY COMMITTEE** WHICH WILL BE HELD IN THE **CHAMBER, COUNTY HALL, CARMARTHEN** AT **10.00 AM ON WEDNESDAY, 7TH FEBRUARY, 2018** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA.

Mark James CBE

CHIEF EXECUTIVE



PLEASE RECYCLE

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Ref:	AD016-001

POLICY & RESOURCES SCRUTINY COMMITTEE

13 MEMBERS

PLAID CYMRU GROUP – 6 MEMBERS

- | | | |
|----|------------|-----------------------------|
| 1. | Councillor | Handel Davies |
| 2. | Councillor | Ken Howell |
| 3. | Ciuncillor | Gareth John |
| 4. | Councillor | Carys Jones |
| 5. | Councillor | Dai Nicholas |
| 6. | Councillor | Elwyn Williams (Vice-Chair) |

LABOUR GROUP – 4 MEMBERS

- | | | |
|----|------------|--------------|
| 1. | Councillor | Fozia Akhtar |
| 2. | Councillor | Colin Evans |
| 3. | Councillor | Kevin Madge |
| 4. | Councillor | John Prosser |

INDEPENDENT GROUP – 3 MEMBERS

- | | | |
|----|------------|----------------------|
| 1. | Councillor | Sue Allen |
| 2. | Councillor | Arwel Davies |
| 3. | Councillor | Giles Morgan (Chair) |

AGENDA

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTEREST.
3. DECLARATION OF PROHIBITED PARTY WHIPS.
4. PUBLIC QUESTIONS (NONE RECEIVED).
5. TREASURY MANAGEMENT POLICY AND STRATEGY 2018-19. 5 - 52
6. QUARTERLY TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2017 TO 31ST DECEMBER 2017. 53 - 70
7. TRANSFORM, INNOVATE & CHANGE (TIC) PROGRAMME ANNUAL REPORT 2016/17 & BUSINESS PLAN 2017/18. 71 - 96
8. CARMARTHENSHIRE WELL-BEING PLAN: THE CARMARTHENSHIRE WE WANT. 97 - 120
9. CARMARTHENSHIRE PUBLIC SERVICES BOARD (PSB) MINUTES - NOVEMBER 2017. 121 - 132
10. FORTHCOMING ITEMS. 133 - 152
11. EXPLANATION FOR NON-SUBMISSION OF SCRUTINY REPORT. 153 - 154
12. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COMMITTEE HELD ON THE 12TH JANUARY 2017. 155 - 158

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POLICY & RESOURCES SCRUTINY COMMITTEE 7th FEBRUARY 2018

Treasury Management Policy and Strategy 2018-19

To consider and comment on the following issues:

- To consider the content of the report, as this information will form the basis of this Committee's role in scrutinising the activity and function during the year.

Reasons:

- To comply with the revised CIPFA Treasury Management Code of Practice and CIPFA Prudential Code 2017.
- To formally approve the Treasury Management Strategy for 2018-19 including the Treasury Management Indicators, Prudential Indicators, the MRP Statement and recommendations therein.

To be referred to the Executive Board / Council for decision: YES

Referred to Executive Board on the 5th February 2018

Referred to Full Council on the 21st February 2018

Executive Board Member Portfolio Holder:

- Cllr. David Jenkins (Resources)

Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Anthony Parnell	Designations: Director of Corporate Services Treasury and Pension Investments Manager	Tel Nos. / E-Mail Addresses: Tel No. 01267 224160; E Mail: CMoore@carmarthenshire.gov.uk Tel No. 01267 224180; E Mail: AParnell@carmarthenshire.gov.uk
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EXECUTIVE SUMMARY
POLICY & RESOURCES SCRUTINY COMMITTEE
7TH FEBRUARY 2018

Treasury Management Policy and Strategy
2018-19

BRIEF SUMMARY OF PURPOSE OF REPORT.

The attached report provides members with a copy of the proposed Treasury Management Policy and Strategy 2018-19.

As per the revised CIPFA Code of Practice on Treasury Management 2017, the Council is required to maintain a Treasury Management Policy which states the policies and objectives of the Authority's treasury management activities and to have its Treasury Management Policy & Strategy approved annually before the start of the financial year.

Section B (1.1 (Clause 4)) in the attached Treasury Management Policy and Strategy 2017-2018 nominates the Policy and Resources Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Section D (9) of the strategy includes a section on member and officer training. This Council has addressed this important issue by:

- Reviewing the treasury management function and ensuring officers are suitably qualified
- Arranging external training for officers
- Arranging on-going training for those members charged with governance of the treasury management function

This strategy was considered by the Executive Board on 5th February 2018 and is brought to this Committee before consideration at County Council on 21st February 2018.

The Treasury Management Policy and Strategy 2018-19 and the appendices are attached.

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 in detail below, there are no other implications associated with this report.

Signed: C Moore **Title** Director of Corporate Services

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

1. Policy, Crime & Disorder and Equalities

Council has adopted the revised CIPFA Code of Practice on Treasury Management 2017, one of the requirements is that an annual Treasury Management Policy and Strategy be approved by Council before the commencement of the year to which it relates.

2. Legal

Under the Local Government Act 2003 and the revised CIPFA Code of Practice on Treasury Management 2017, local authorities must set out their Treasury Management Indicators that relate to the Authority's capital spending and its borrowing.

3. Finance

The Treasury Management Policy and Strategy details the procedures that the Authority adheres to in managing its treasury management function.

Interest paid and earned has a direct impact on the Authority's Revenue Budget. The estimated projections are included in the Budget which is to be presented to Council on 21st February 2018.

CONSULTATIONS

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

Signed: C Moore **Title** Director of Corporate Services

1. Local Member(s) – N/A

2. Community / Town Council – N/A

3. Relevant Partners – N/A

4. 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:

THESE ARE DETAILED BELOW

Title of Document	File Ref No. / Locations that the papers are available for public inspection
CIPFA – Treasury Management in the Public Services – Code of Practice – Revised	Corporate Services Department, County Hall, Carmarthen
The Local Government Act 2003	http://www.legislation.gov.uk/ukpga/2003/26/contents
Guidance issued by the Welsh Assembly	Corporate Services Department, County Hall, Carmarthen
CIPFA – Prudential Code for Capital Finance in Local Authorities – Revised	Corporate Services Department, County Hall, Carmarthen

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POLICY AND RESOURCES SCRUTINY COMMITTEE

DATE: 7th FEBRUARY 2018

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

TREASURY MANAGEMENT POLICY AND STRATEGY 2018-2019

A. INTRODUCTION

This Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

The revised Code identifies three key principles:

1. The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
2. The Council's policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their Council. The Council's appetite for risk should form part of its annual strategy and should ensure that priority is given to security and liquidity when investing funds.
3. The Council should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible Councils to employ in support of their business and service objectives; and that within the context of effective risk management, the Council's treasury management policies and practices should reflect this.

B. CIPFA PRUDENTIAL CODE AND CIPFA TREASURY MANAGEMENT CODE OF PRACTICE

1. This Council has adopted the Revised CIPFA Prudential Code 2017 and the Revised CIPFA Treasury Management Code of Practice 2017.

This Revised CIPFA Treasury Management Code of Practice 2017 stipulates that there should be Member scrutiny of the treasury policies, Member training and awareness and regular reporting.

The objectives of the Revised Prudential Code 2017 are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

The Council has adopted the four clauses shown in 1.1 as part of its financial procedure rules and the Policy and Resources Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council.

The policies and parameters within this report provide an approved framework within which the officers undertake the day to day treasury activities.

1.1 The four clauses adopted are:

- (1) This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
- (2) The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

This Council will therefore receive reports on its treasury management policies, practices and activities, including an annual strategy in advance of the year, a mid year review report and a year end annual report, in the form prescribed in its TMPs. This treasury management policy and strategy report includes the prudential indicators (Appendix D) and the minimum revenue provision (MRP) policy (Appendix E).
- (3) This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices, and the quarter 1 and quarter 3 monitoring reports to the Executive Board, and for the execution and administration of treasury management decisions

to the Director of Corporate Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

- (4) The Council nominates the Policy and Resources Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

1.2 **Treasury Management Practices (TMPs)**

The Schedule of TMPs is shown in Appendix A.

C. TREASURY MANAGEMENT POLICY

1. This Council defines its Treasury Management activities as:

The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions and the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

'Investments' in the definition above covers all the financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under this Revised CIPFA Treasury Management Code of Practice 2017.

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

The key principle of control of risk and optimising returns consistent with the organisation's risk appetite should be applied across all investment activities, including more commercially based investments.

3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

This policy holds indefinitely until circumstances dictate that a change is necessary. Any changes must be done before the beginning of the financial year to which it relates, or in exceptional circumstances within the year if approved by Council.

It is the Director of Corporate Services responsibility to implement and monitor the Treasury Management Policy, revising and re-submitting the Policy for consideration to the Executive Board and the Council if changes are required.

D. TREASURY MANAGEMENT STRATEGY 2018-19

1. INTRODUCTION

- 1.1 The Treasury Management Strategy provides details of the expected activities of the Treasury Management function in the financial year 2018-19.
- 1.2 The Council's financial procedure rules require an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. Further treasury reports will be produced during the year if the strategy needs updating and a year-end annual report on actual activity for the year.
- 1.3 The strategy covers:
- Treasury Indicators and Limits on Activity
 - Prospects for interest rates
 - Borrowing Strategy
 - Investment Strategy
 - Debt Rescheduling and Premature Repayment of Debt
 - Performance Indicators
 - Treasury Management Advisers
 - Member and Officer Training

2. TREASURY INDICATORS AND LIMITS ON ACTIVITY

- 2.1 Under the Local Government Act 2003 and the Prudential Code for Capital Finance in Local Authorities (revised in 2017), local authority capital spending and its borrowing to fund that spending is limited by what is affordable, prudent and sustainable. The Prudential Code sets out a number of indicators that enables the authority to assess affordability and prudence. The Prudential Indicators that related to Treasury Management were reclassified as Treasury Indicators in recent revisions of the Codes and are:

- Upper Limit for Fixed Rate Exposure
- Upper Limit for Variable Rate Exposure
- Limits on the Maturity Structure of Borrowing
- Limits on Total Principal Sums Invested Long Term

In addition the Prudential Code requires that the total external debt does not exceed the Authorised Limit for external debt and only exceeds the Operational Boundary for external debt temporarily on occasions due to variation in cash flow. Full Council when approving the Budget sets the Authorised Limit and the Operational Boundary.

2.2 The Treasury Management Indicators for 2018-19 are:

2.2.1 Interest rate exposure limits for 2018-19 are estimated as follows:

Estimated Average Position for 2018-19			
	Fixed Interest Rate	Variable Interest Rate	Total
	£m	£m	£m
Borrowed	+420	+3	+423
Invested	(20)	(30)	(50)
Net Debt	+400	(27)	+373
Proportion of Total Net Debt	+107%	(7%)	+100%

It is recommended that the following exposure limits are adopted:

	Fixed Interest Rate	Variable Interest Rate
Proportion of Total Net Debt	125%	5%

2.2.2 It is recommended that the following exposure limits for 2018-19, 2019-20 and 2020-21 are adopted:

Interest Rate Exposures	2018-19	2019-20	2020-21
	Upper	Upper	Upper
	£m	£m	£m
Limits on fixed interest rates based on net debt	467	472	466
Limits on variable interest rates based on net debt	47	47	47

2.2.3 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

	Upper Limit	Lower Limit
Under 12 months	15%	0%
12 months to 2 years	25%	0%
2 years to 5 years	50%	0%
5 years to 10 years	50%	0%
10 years to 20 years	50%	0%
20 years to 30 years	50%	0%
30 years to 40 years	50%	0%
40 years and above	50%	0%

2.2.4 Maximum principal sums invested longer than 364 days:

	2018-19	2019-20	2020-21
	£m	£m	£m
Maximum principal sums invested longer than 364 days	10	10	10

3. PROSPECTS FOR INTEREST RATES

Based on the average projection from a number of sources we can expect the trend in the Bank Rate, set by the Monetary Policy Committee, over the next three years to be as follows:

	Current	2018-19	2019-20	2020-21
	%	%	%	%
Average Bank Rate	0.50	0.63	0.88	1.19

4. BORROWING STRATEGY 2018-19 – 2020-21

4.1 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will continue to take a cautious approach to its treasury management strategy.

Against this background and the risks within the economic forecast, caution will be adopted with the 2018-19 treasury operations. The Director of Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

The Director of Corporate Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

The option of delaying borrowing and running down investment balances is likely to continue for the time being. However, this will be carefully reviewed to avoid incurring higher borrowing costs in later years due to an overall current trend of falling rates. This strategy reduces counterparty risk and hedges against any expected fall in investment returns.

The Council continues to maintain an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

The timing of any action is important and the Director of Corporate Services and treasury advisers will monitor prevailing rates for any opportunities during the year.

Swansea Bay City Deal – the Council will be borrowing for the three Carmarthenshire led projects within the partnership over the next 5 years, Life Science & Wellbeing Village £40m, Creative Digital Cluster – Yr Egin £5m and Skills and Talent initiative £10m. There is sufficient headroom available for this borrowing within the prudential indicators set in Appendix D.

4.2 The Council's agreed policy is to raise funding only from the following:

Public Works Loan Board (PWLB)
Market Long-Term including European Investment Bank (EIB)
Market Temporary
Local Authorities
Overdraft
Internal Capital Receipts and Revenue Balances
Leasing
Welsh Government and Central Government

4.3 Borrowing in advance of need

The Council has some flexibility to borrow funds in advance of future years.

The Director of Corporate Services may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Director of Corporate Services will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing needed (CFR) over the three year planning period; and
- Not to borrow more than 12 months in advance of need.

Risks associated with any advance borrowing activity will be appraised in advance and subsequently reported through the quarterly reporting mechanism.

5. **INVESTMENT STRATEGY 2018-19 – 2020-21**

5.1 **INTRODUCTION**

5.1.1 The Investment Strategy has been prepared with due regard to:

The Local Government Act 2003

Regulations made under the Local Government Act 2003 (as amended)

2017 Revised Prudential Code for Capital Finance in Local Authorities

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008

Guidance issued by the Welsh Government

2017 Revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes

5.1.2 **Key Objectives**

The Council's investment strategy primary objectives are:

- safeguarding the repayment of the principal and interest of its investments on time
- ensuring adequate liquidity
- the investment return being the final objective

Following the interest rate views above, the current investment climate has counterparty security risk as the over-riding risk consideration. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out. As a result of concerns over Eurozone sovereign debt and the potential negative impact on the banking industry, officers have implemented detailed operational procedures which are included in the treasury management procedure manual. These procedures tighten the controls already in place in the approved investment strategy.

5.1.3 **Risk Benchmarking**

A development in the revised Codes and the WG Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. The approach taken is attached at Appendix B.

5.2 **DEFINITIONS**

- 5.2.1 A credit rating agency is one of the following three companies: Fitch Ratings Limited (Fitch), Moody's Investors Service Limited (Moody's) and Standard and Poors (S&P).
- 5.2.2 An investment is a transaction that relies upon the power in section 12 of the Local Government Act 2003 and is recorded in the balance sheet under the heading of investments within current assets or long-term investments.

5.3 **INVESTMENT COUNTERPARTIES**

The Director of Corporate Services maintains a counterparty list in compliance with the following criteria and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by all three agencies, one meets the Council's criteria, the others do not, the institution will fall outside the lending criteria.

5.3.1 **Investment Counterparty Selection Criteria**

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. To meet this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.3.2 **UK Banks 1 (Upper Limit)** – This Council will use banks which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – AA-, Aa3, AA-

UK Banks 2 & UK Building Societies (Middle Limit) – This Council will use all UK Banks and Building Societies which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – A, A2, A

UK Banks Part Nationalised – Royal Bank of Scotland Group plc (Royal Bank of Scotland and National Westminster Bank). These banks will be included if they continue to be part nationalised or they meet the ratings above.

The UK Government (HM Treasury) holds 72.9% stake within Royal Bank of Scotland Group.

UK part nationalised banks which are significantly owned by the UK Government will be included as investment counterparties, as long as they continue to have appropriate UK Government support. UK Government backing provides a credit quality overlay above that provided by the credit rating agencies. The Royal Bank of Scotland Group plc will be monitored for any material reduction in state ownership or deterioration of the credit rating which suggests a reduction of its use or suspension from the counterparty list.

UK Banks 3 – The Council's banker for transactional purposes if it falls below the above criteria. Balances will be minimised in both monetary size and time.

Money Market Funds – The Council will use AAA rated money market funds (MMFs) that are credit rated by at least two of the three credit rating agencies. These are pooled investment funds whose primary aims are liquidity and security and allow daily access to funds when required. Their operations are strictly regulated by the credit rating agencies and are operated by a financial institution but do not form part of that institutions assets, should the sponsoring institution fail the MMF is entirely separate, effectively owned by the investors. These types of funds invest in a range of instruments and institutions and therefore provide a low risk spread of investments.

The Money Market Fund reforms in Europe coming into force on 21st July 2018 will provide the Council the opportunity to invest into Public Debt Constant Net Asset Value ("CNAV") MMFs and Low Volatility NAV ("LVNAV") MMFs. This is consistent with our current strategic approach.

UK Government (including gilts and the DMADF)

Local Authorities (including Police & Fire Authorities)

5.3.3 Use of additional information other than credit ratings

Under the Revised CIPFA Treasury Management Code of Practice 2017 the Council is still required to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. The market information (for example, negative rating watches/outlooks, individual/viability and support ratings) will be applied to compare the relative security of differing investment counterparties.

The UK Government, like other Western governments, are initiating market regulations which will mean they may not bail out financial institutions in the future. This will not be initiated until corresponding rules and regulations are in place so that institutions are much stronger and less likely to fail. Whilst not an immediate concern, officers will continue to monitor the situation and changes to future investment strategies are likely.

5.3.4 The time and monetary limits for institutions on the Council's Counterparty List are shown below: (Specified and Non-Specified Investments)

	Fitch	Moody's	Standard & Poors	Money Limit	Time Limit
Upper Limit Category - Short Term and Long Term	F1 AA-	P-1 Aa3	A-1 AA-	£10m	3 years
Middle Limit Category - Short Term and Long Term	F1 A	P-1 A2	A-1 A	£7m	1 year
Part Nationalised	-	-	-	£7m	1 year
Council's Banker (not meeting criteria above)	-	-	-	£3m	1 day
Other Institution Limits:					
- Any One Local Authority (including Police & Fire authorities)	-	-	-	£10m	3 years
- Any AAA Rated Money Market Fund CNAV	-	-	-	£5m	Daily Liquidity
- Any AAA Rated Money Market Fund LVNAV	-	-	-	£5m	Daily Liquidity
- Debt Management Account Deposit Facility (DMO)	-	-	-	£40m	6 months (max term specified by DMO)

5.3.5 There are two types of investments – Specified and Non Specified

5.3.5.1 Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

- (1) The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
- (2) A local authority, police authority and fire authority.
- (3) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
- (4) A body that has high credit quality (which may include a high credit rating by a credit rating agency) such as a bank or building society. For this purpose a body with a short term rating of F1, P-1 or A-1 will be considered high quality.

5.3.5.2 Non Specified Investments

These investments are any other type of investment (i.e. not defined as Specified in 5.3.5.1 above).

The maximum sum and time limit for non specified investments is £5m per counterparty with a limit of 3 years.

Non specified investments will only be made in local authorities, bodies with a minimum long-term credit rating of AA– and in AAA rated money market funds.

Note: Barclays Bank plc are the Council's current bankers. If the bank's credit rating falls and it no longer meets the criteria for a specified investment no deposits will be made with the exception of the bank's overnight (Moneymaster) account. The average day to day operational balance on the account will not exceed £3m in these circumstances. See 5.3.4 above.

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded.

5.3.6 The Monitoring of Investment Counterparties

The credit ratings of counterparties are monitored regularly. The officers receive credit rating information (changes, rating watches and rating outlooks) from the treasury management advisers as and when ratings change, and counterparties are checked promptly. Occasionally ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Services, and if required new counterparties which meet the criteria will be added to the list.

The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under exceptional current market conditions the Director of Corporate Services will temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

Further restrictions would be the greater use of the Debt Management Account Deposit Facility (DMADF – an account within the Government Debt Management Office (DMO) which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

The present Schedule of Approved Counterparties for Lending 2018-19 is shown in Appendix C.

5.4 LIQUIDITY OF INVESTMENTS

Investments are made for periods which coincide with the Council's cash flow requirements.

When investing (within the risk criteria mentioned above), the aim is to achieve a level of return greater than would be secured by internal investments. The "7 day LIBID rate" is the recognised rate which the Council aims to improve on when lending money.

5.5 INVESTMENTS THAT ARE NOT PART OF TREASURY MANAGEMENT ACTIVITY

This Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

This Council will ensure that all the organisation's investments are covered in the investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

The council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

Prior to making these investments, appropriate financial review procedures will be undertaken, including Profit and Loss, Balance Sheet and cash flow monitoring, as appropriate.

This Council acknowledges that it is critical that due diligence processes and procedures reflect the additional risk an organisation is taking on. Due diligence procedures should ensure effective scrutiny of proposed investments, identification of risk to both capital and returns, any external underwriting of those risks, and the potential impact on the financial sustainability of the organisation if those risks come to pass. Where necessary independent and expert advice should be sought to ensure due diligence is suitably robust.

6. DEBT RESCHEDULING AND PREMATURE REPAYMENT OF DEBT

As short term borrowing rates are likely to be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Council at the earliest meeting following its action.

7. PERFORMANCE INDICATORS

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators used for the treasury function are:

- Debt (Borrowing) – New borrowing rate to outperform the average PWLB rate for the year
- Debt – Average weighted debt rate movement year on year
- Investments – Return on Investments to outperform the average “7 day LIBID rate”

The results of these indicators will be reported in the Treasury Management Annual Report for 2018-19.

8. TREASURY MANAGEMENT ADVISERS

The Council uses Link Asset Services (formally Capita Asset Services), Treasury solutions as its external treasury management advisors.

Link provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports
- Economic and interest rate analysis
- Debt services which includes advice on the timing of borrowing
- Debt rescheduling advice surrounding the existing portfolio
- Generic investment advice on interest rates, timing and investment instruments
- Credit ratings/market information service comprising the three main credit rating agencies

Under current market rules and the Revised CIPFA Treasury Management Code of Practice 2017 the responsibility for treasury management decisions remains with the Council at all times ensuring that undue reliance is not placed upon the external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9. MEMBER & OFFICER TRAINING

The increased member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for members and officers. This Council has addressed this important issue by:

- Reviewing the treasury management function and ensuring officers are suitably qualified
- Arranging external training for officers
- Arranging training for those members charged with governance of the treasury management function

RECOMMENDATIONS

- 1. That the Policy & Resources Scrutiny Committee considers the Treasury Management Policy and Strategy for 2018-19 and recommendations therein.**
- 2. That the Policy & Resources Scrutiny Committee considers the Treasury Management Indicators, Prudential Indicators, the MRP Statement and recommendations therein.**

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TREASURY MANAGEMENT PRACTICES (TMPs)

TMP1 RISK MANAGEMENT

General Statement

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The Director of Corporate Services or those persons to which delegation has been made will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

1.1 Credit and Counterparty Risk Management

Explanation

The risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Council Action

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the Annual Treasury Management Policy and Strategy Statement. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

A detailed list of counterparties to which the Council will lend is appended to the Annual Treasury Management Policy and Strategy Statement.

Liquidity Risk Management**Explanation**

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional budgeted costs, and that the organisation's business/service objectives will therefore be compromised.

Council Action

The Council through its Treasury Management officers will ensure that at all times there will be a surplus of cash available which can be called upon at a moment's notice. Through its investments the Council holds cash on call account(s) which is available at any time. By the use of an effective projected cash flow exercise the likelihood of cash being not readily available when required would be rare.

Robust daily, weekly, monthly and annual cash flow forecasting is in place. Call accounts and fixed term investments are utilised to their full potential.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Interest Rate Risk Management**Explanation**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Council Action

This Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

1.4 **Exchange Rate Risk Management**

Explanation

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Council Action

Currently the Council only invests in sterling products. Hence, there is no exchange rate risk.

1.5 **Inflation Risk Management**

Explanation

Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Council Action

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole Council's inflation exposures.

1.6 **Refinancing Risk Management**

Explanation

The risk that maturing borrowings, capital project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation or those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Council Action

This Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the

Council as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

1.7

Legal and Regulatory Risk Management

Explanation

The risk that an organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Council Action

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 credit and counterparty risk management it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimize the risk of these impacting adversely on the Council.

1.8

Fraud, Error and Corruption, and Contingency Management

Explanation

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

Council Action

This Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Price Risk Management**Explanation**

The risk that, through adverse market fluctuations in the value of the principal sums the organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Council Action

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2**PERFORMANCE MEASUREMENT****Explanation**

Performance measurement is a process designed to calculate the effectiveness of a portfolio's or manager's investment returns or borrowing costs and the application of the resulting data for the purposes of comparison with the performance of other portfolios or managers, or with recognised industry standards or market indices.

Council Action

This Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope of other potential improvements.

Explanation

It is vital that the treasury management decisions of organisations in the public service should be subjected to prior scrutiny. The treasury management strategy is approved annually by full council and supplemented by the provision of monitoring information and regular review by councillors in both executive and scrutiny functions. In addition all records should be kept of the processes and the rationale behind those decisions. In respect of each decision made the Council should:

- 3.1 ensure that its results are within the limits set in the Prudential Indicators.
- 3.2 be clear about the nature and extent of the risks to which the Council may become exposed.
- 3.3 be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
- 3.4 be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interest, and to deliver good housekeeping.
- 3.5 ensure that third parties are judged satisfactorily in the context of the Council's credit worthiness policies, and that limits have not been exceeded.
- 3.6 be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- 3.7 in respect of borrowing the Council should evaluate the economic and market factors that influence the manner and timing of any decision to fund.
- 3.8 consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- 3.9 consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- 3.10 consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.
- 3.11 in respect of investment decisions, the Council should consider the optimum period, in the light of cash flow availability and prevailing market conditions.

- 3.12 consider the alternative investment products and techniques available, especially the implications of any which may expose the Council to changes in the value of its capital.

Council Action

This Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4

APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Explanation

It is important that the Council is clear about the treasury management instruments, methods and techniques used as one of the main issues to be taken into account when reaching decisions in the need to protect public funds. This treasury management practice requires that the Council is equipped with the skills and experience to evaluate and control the risks and advantages associated with using the instruments available to it before including them in the approved list. Only instruments that the organisation has the skills and experience to evaluate should be included in their approved list, even if they are legally permitted to do so. This principle applies to investment, borrowing and other means of raising capital and project finance, and to the use of one off-market or financial derivative instruments such as interest rate swaps. The consideration of skills and experience is particularly critical where organisations request to be treated as professional clients under MIFID II. Designation under MIFID II should be endorsed by the treasury management strategy and regularly reviewed to ensure that designation remains appropriate.

Council Action

This Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the policy, and within the limits and parameters defined in Treasury Management Practice 1 Risk Management.

This Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

**ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES,
AND DEALING ARRANGEMENTS****Explanation**

It is considered vital that there should be a clear division of responsibilities, included in a written statement of the duties of each post engaged in Treasury Management. It is especially important that staff responsible for negotiating and closing deals are not responsible for recording them, or for maintaining the cash book. This is in order to create a framework for internal check, and reflects both the variety of activities in treasury management and the very often large sums involved.

Council Action

This Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with Treasury Management Practice 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Corporate Services will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.

The Director of Corporate Services will ensure there is a proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Explanation

It is recommended that the Council's treasury management policy statement should specify formal reporting arrangements by the Director of Corporate Services to full Council, to include at a minimum annual reports both before, mid-year and after the year-end.

Council Action

This Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies, on the effects of decisions taken and transactions executed in pursuit of those policies, on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities and on the performance of the treasury management function.

The following reporting process has been agreed by the Council:

6.1 Annual Reporting Requirements before the start of the year:

- Review of the Council's approved clauses, treasury management policy statement and practices
- Strategy report on proposed treasury management activities for the year
- Proposed Treasury Management and Prudential Indicators

6.2 Quarter 1 and Quarter 3 Reporting Requirements during the year which will be presented to both Executive Board and Policy and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices
- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Mid Year Reporting Requirements during the year which will be presented to Council, Executive Board and Policy and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices

- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Annual Reporting Requirements after the year end

- Transactions executed and their revenue (current) effects
- Report on risk implications of decisions taken and transactions executed
- Compliance report on agreed policies/practices, and on statutory/regulatory requirements
- Performance report
- Report on compliance with Revised CIPFA Treasury Management Code of Practice 2017 recommendations
- Performance against Treasury Management and Prudential Indicators

By undertaking the above it will ensure, as a minimum, that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Explanation

It is recommended that the Council brings together for budgeting and management control purposes, all of the costs and revenues associated with the Council's treasury management activities, regardless of how the Council has actually organised the treasury management function. In this context the Council's treasury management budgets and accounts should clearly identify.

- Manpower numbers and related costs
- Premises and other administrative costs
- Interest and other investment income
- Debt and other financing costs (or charges for the use of assets)

- Bank and overdraft charges
- Brokerages, commissions and other transaction-related costs
- External advisers' and consultants' charges

It is normal practice for the external auditor to have access to all papers supporting and explaining the operation and activities of the treasury management function. The auditor will be expected to enquire as to whether the Revised CIPFA Treasury Management Code of Practice 2017 has been adopted, and whether its principles and recommendations have been implemented and adhered to. Any serious breach of the recommendations of the Revised CIPFA Treasury Management Code of Practice 2017 should be brought to the external auditor's attention.

Council Action

The Director of Corporate Services will prepare, and this Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance Measurement, and TMP4 Approved instruments, methods and techniques. The Director of Corporate Services will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The calculation and compliance of Treasury Management and Prudential Indicators will be examined by the Wales Audit Office.

This Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. This Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfillment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

TMP8 CASH AND CASH FLOW MANAGEMENT

Explanation

The preparation of cash flow projections on a regular and timely basis provides a sound framework for effective cash management. Procedures for their preparation and review/modification, the periods to be covered, sources of data etc. should be an integral part of the schedules to the Council's approved treasury management practices.

Council Action

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Corporate Services and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Corporate Services will ensure that these are adequate for the purposes of monitoring compliance with Treasury Management Practice 1 (2) liquidity risk management.

TMP9 MONEY LAUNDERING

Explanation

Money Laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. Also, organisations such as Councils that undertake business under the Financial Services Act, or engage in certain specified activities, are required to set up procedures to comply with Money Laundering Regulations 2007. These require Councils:

- To set up procedures for verifying the identity of clients
- To set up record-keeping procedures for evidence of identity and transactions
- To set up internal reporting procedures for suspicions, including the appointment of a money laundering reporting officer
- To train relevant employees in their legal obligations
- To train those employees in the procedures for recognising and reporting suspicions of money laundering

The Council should establish whether the Money Laundering Regulations 2007 apply to them. And it is for individual organisations to evaluate the prospect of laundered

monies being handled by them, and to determine the appropriate safeguards to be put in place. It is the legal responsibility of every person engaged in treasury management to make themselves aware of their personal responsibilities, but the Revised CIPFA Treasury Management Code of Practice 2017 recommends that Councils bring them to their staff's attention and consider the appointment of a member of staff to whom they can report any suspicions.

Council's Action

This Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

TMP10 TRAINING AND QUALIFICATIONS

Explanation

All Councils should be aware of the growing complexity of treasury management. Modern treasury management demands appropriate skills, including a knowledge of money and capital market operations, an awareness of available sources of funds and investment opportunities, an ability to assess and control risk, and an appreciation of the implications of legal and regulatory requirements.

Every Council should provide the necessary training, having assessed the professional competence of both those involved in the treasury management function, and those with a policy, management or supervisory role. If necessary, they should ensure that access exists to the necessary expertise and skills from external sources. Arrangements to ensure the availability of suitable skills and resources should recognize the prospect that staff absences may, at times, demand that others step in who do not normally have involvement on a day-to-day basis with the treasury management function.

When feasible in the context of the size of a particular organisation and its treasury management function, career progression opportunities should be provided and succession issues should be properly addressed. Secondments of senior management to the treasury management function for appropriate periods may benefit the effectiveness of the function as a whole.

Council Action

This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The

Director of Corporate Services will recommend and implement the necessary arrangements.

The Director of Corporate Services will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 USE OF EXTERNAL SERVICE PROVIDERS

There are a number of service providers available to support the treasury management activities of public service organisations.

Perhaps the most active and long-standing of these have been the money-broking companies, whose role it is to act as intermediaries, making introductions between the prospective parties to transactions.

It is not the role of brokers to provide advice on the creditworthiness of those organisations to which public service organisations may lend. They may provide information already in the public domain, but may not interpret it. The use of brokers is a matter for local decision. But it is considered good practice, if their services are used, to ensure that business is spread between a reasonable number of them, and certainly no fewer than two. And it is not uncommon for their services to be the subject of a competitive tendering process every few years.

Direct dealing with principals is a not uncommon feature of treasury management in the public services which, if nothing else, can provide a useful check on brokers' performance.

An issue that causes some debate is whether it is necessary or desirable for public service organisations to tape conversations with brokers and principals. This is a matter for local discretion, particularly in the context of the costs involved, but is generally to be recommended.

Most public service organisations require the services of clearing bankers, and a growing number make use of the services of a wider group of banks, particularly to meet their need for private finance and partnership funding. The principles of competition need to be recognised here, too. Certainly, it is highly desirable to subject clearing banking services to competition, perhaps as frequently as every three or four years.

There has also been a growing tendency for public service organisations to employ external advisers and consultants, often for the purposes of a general treasury management advisory service, but also for specific purposes, such as the securing and structuring of funding and for partnership arrangements. These, too, should be the subject of regular competitive tendering.

Further, many public service organisations employ the services of external investment managers to help manage their surplus cash and, where relevant, their pension fund, trust fund or endowment fund assets.

CIPFA advises all organisations using the services of external service providers to document comprehensively the arrangements made with them.

Council Action

The Council recognises that responsibility for treasury management decisions remain with the Council at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Corporate Services.

TMP12 CORPORATE GOVERNANCE

The Revised CIPFA Treasury Management Code of Practice 2017 recommends that public service organisations state their commitment to embracing the principles of corporate governance in their treasury management activities, notably openness and transparency.

It is CIPFA's view that:

- adoption of the principles and policies promoted in the Revised CIPFA Treasury Management Code of Practice 2017 and in these guidance notes will in itself deliver the framework for demonstrating openness and transparency in an organisation's treasury management function
- publication of and free access to information about an organisation's treasury management transactions and other public documents connected with its treasury management activities will further assist in achieving this end
- establishing clear treasury management policies, the separation of roles in treasury management and the proper management of relationships both within and outside the organisation will establish the integrity of the function
- robust treasury management organisational structures, together with well-defined treasury management responsibilities and job specifications, will enhance accountability

- equality in treasury management dealings, absence of business favouritism and the creation of keen competition in treasury management will lay the groundwork for fairness.

The following paragraphs further emphasise the practices that CIPFA believes an organisation should employ to ensure the principles of corporate governance are successfully implemented.

Procedural responses

The policies, strategies of treasury management should link clearly to the organisation's other key policies and strategies. In the management of risk, in particular, treasury risk management should be an integral part of its overall risk management processes, culminating in a well-defined, organisation-wide strategy for the control of risk and contingency planning.

The management and administration of treasury management should be robust, rigorous and disciplined. Over the years, some of the most significant examples of treasury mismanagement, in both the public services and the private sector, have resulted from procedural indiscipline. This has frequently been as a result of a failure to apply otherwise well-documented management and administration systems, or through failures in transmission, documentation or deal recording processes.

Reporting arrangements should be applied so as to ensure that those charged with responsibility for the treasury management policy have all the information necessary to enable them to fulfil openly their obligations; and that all stakeholders are fully appraised of and consulted on the organisation's treasury management activities on a regular basis.

The procedures for monitoring treasury management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change.

The application and interpretation of performance data should be clear, concise and relevant to the organisation's treasury management activities.

Stewardship responsibilities

The Director of Corporate Services should ensure that systems exist to deliver proper financial administration and control, and a framework for overseeing and reviewing the treasury management function.

As regards a control framework, an organisation's formal policy documents should define clearly procedures for monitoring, control and internal check.

With regard to delegation it is vitally important that those involved in the implementation of treasury management policies and the execution of transactions are unambiguously empowered to undertake their tasks, and that reporting lines are well-defined.

An organisation's adoption of and adherence to the Revised CIPFA Treasury Management Code of Practice 2017 should be widely broadcast, as should the principles of the Revised CIPFA Treasury Management Code of Practice 2017 and the method of its application in the organisation.

The organisation's procedures for reviewing the value of the treasury management function, and the implementation of opportunities for improvement, should be both continuous and open to examination.

The governance of others

In respect of the organisation's dealings with counterparties, external service providers and other interested parties, clear procedures should exist to enable the organisation, as far as is practicable, to monitor their adherence to the legal or regulatory regimes under which they operate.

Council Action

This Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

In respect of external service providers appropriate financial review procedures will be undertaken, including Profit and Loss, Balance Sheet and cash flow monitoring, as appropriate.

This Council has adopted and has implemented the key recommendations of the Revised CIPFA Treasury Management Code of Practice 2017. This is considered vital to the achievement of proper corporate governance in treasury management, and the Director of Corporate Services will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

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SECURITY, LIQUIDITY AND YIELD BENCHMARKING

Member reporting on the consideration and approval of security and liquidity benchmarks will continue. These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Management Report.

1. Security

In context of benchmarking, assessing security is a subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

The table below shows average defaults for differing periods of investment grade products for each Fitch/Moody's and Standard & Poor's long term rating category.

Long term rating	1 year	2 years	3 years
AAA	0.04%	0.10%	0.18%
AA (includes AA- and AA+)	0.02%	0.04%	0.10%
A	0.06%	0.16%	0.29%
BBB	0.17%	0.47%	0.81%
BB	0.74%	2.08%	3.59%
B	3.03%	7.20%	10.87%
CCC	19.62%	27.53%	33.20%

The Council's minimum long term rating criteria is currently "AA-" for any investment greater than one year and "A" for any investment up to one year. The average expectation of default for a one, two or three year investment in a counterparty with a "AA-" long term rating would be 0.05% of the total investment and the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.06% of the total investment. This is only an average, any specific counterparty loss is likely to be higher, but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- **0.18% historic risk of default when compared to the whole portfolio.**

In addition, the security benchmark for each individual year is:

	1 year	2 years	3 years
Maximum	0.06%	0.10%	0.18%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Annual Treasury Management Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

2. **Liquidity**

This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (Revised CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft facility - £0.5m
- Liquid short term deposits of at least £10m available immediately on call

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:

- **WAL benchmark is expected to be 0.5 years, with a maximum of 1 year.**

3. **Yield**

Benchmarks are currently widely used to assess investment performance. The local measure of the yield benchmark is:

- Investments – Return on Investments to outperform the average 7 day LIBID rate

Security and liquidity benchmarks are intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Proposed benchmarks for the cash type investments are shown above and form the basis of reporting in this area.

Schedule of Approved Counterparties for Lending 2018-2019
(as at 5th January 2018)

	<u>Fitch</u>		<u>Moody's</u>		<u>Standard and Poors</u>		<u>Money</u>	<u>Time</u>
	<u>Short</u>	<u>Long</u>	<u>Short</u>	<u>Long</u>	<u>Short</u>	<u>Long</u>	<u>Limit</u>	<u>Limit</u>
	<u>Term</u>	<u>Term</u>	<u>Term</u>	<u>Term</u>	<u>Term</u>	<u>Term</u>	<u>£'m</u>	<u>years</u>
<u>Upper Limit</u>	<u>F1</u>	<u>AA-</u>	<u>P-1</u>	<u>Aa3</u>	<u>A-1</u>	<u>AA-</u>	<u>10</u>	<u>3</u>
UK Banks								
HSBC Bank Plc	F1+	AA-	P-1	Aa3	A-1+	AA-	10	3
<u>Middle Limit</u>	<u>F1</u>	<u>A</u>	<u>P-1</u>	<u>A2</u>	<u>A-1</u>	<u>A</u>	<u>7</u>	<u>1</u>
UK Banks								
Banco Santander Central Hispano Group								
- Santander UK Plc	F1	A	P-1	Aa3	A-1	A	7	1
Barclays Bank	F1	A	P-1	A1	A-1	A	7	1
Lloyds Banking Group								
- Bank of Scotland Plc	F1	A+	P-1	Aa3	A-1	A	7	1
- Lloyds Bank	F1	A+	P-1	Aa3	A-1	A	7	1
UK Building Societies								
Nationwide	F1	A+	P-1	Aa3	A-1	A	7	1
<u>UK Banks Part Nationalised</u>								
Royal Bank of Scotland Group								
- National Westminster Bank Plc							7	1
- Royal Bank of Scotland Plc							7	1
<u>Council's Banker</u>							3	1 day
<u>Other Institution Limits</u>								
Local Authorities								
Any One Local Authority (including police and fire authority)							10	3
Money Market Funds								
Any AAA Rated Money Market Fund CNAV							5	1
Money Market Funds								
Any AAA Rated Money Market Fund LVNAV							5	1
Debt Management Office							40	6 months (max term specified by DMO)

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1. THE PRUDENTIAL INDICATORS

The following indicators are based on the figures put forward within the Capital and Revenue Plans set out in this report.

1.1. Affordability**1.1.1. Estimates of ratio of financing costs to net revenue stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Non-HRA	5.15%	5.44%	5.87%
HRA (inclusive of settlement figure)	34.39%	32.89%	30.04%

The estimates of financing costs include current commitments and the proposals in this budget report.

The indicators show the proportion of income taken up by capital financing costs. Indicative Aggregate External Finance (AEF) for 2019/2020 is a 1% decrease on 2018/2019 and for 2020/21 a 2% estimated decrease on 2019/2020.

1.2. Prudence**1.2.1. The Capital Financing Requirement (CFR)**

This prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

£m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Non-HRA	271	277	272
HRA	142	142	143
HRAS	74	73	71
TOTAL	487	492	486

1.2.2. The Gross Borrowing and Capital Financing Requirement indicator

The control mechanism to limit external debt.

Estimated gross borrowing for the four years starting with the last full year (2016/17) must not exceed the CFR in the medium term, but can in the short term due to cash flows.

Ensures borrowing is only for approved capital purposes.

The Director of Corporate Services reports that the authority complied with this requirement in 2016/17 and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Details of Gross Borrowing:

£m	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Debt at 1 st April	376	388	413	431	456
Expected Change in Debt	12	25	18	25	7
Gross debt at 31st March	388	413	431	456	463
CFR	471	491	487	492	486
Under / (Over) borrowing	83	78	56	36	23

1.2.3. External Debt

The Authorised Limit and the Operational Boundary:

The Authorised Limit prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

£m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	535.5	540.5	534.5
Other Long-Term Liabilities	0.5	0.5	0.5
Total	536.0	541.0	535.0

The Operational Boundary for external debt is based on the same estimates as the authorised limit, but without the additional headroom for unusual and unexpected cash movements, and equates to the level of projected external debt. This is clearly subject to the timing of borrowing decisions.

£m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	486.9	491.9	485.9
Other Long-Term Liabilities	0.1	0.1	0.1
Total	487.0	492.0	486.0

The Council is asked to approve both the Authorised Limit and the Operational Boundary shown above.

1.2.4. Actual External Debt

The Council's actual external debt at 31st March 2017 was £388m. The actual external debt is not directly comparable to the authorised limit and operational boundary because the actual external debt reflects the position at a point in time.

It is recommended that the above Prudential Indicators are adopted and that the Director of Corporate Services is given delegated authority by Council to change the balance between borrowing and other long-term liabilities.

Other long-term liabilities are other credit arrangements, which are, in the main, finance leases.

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MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP).

Welsh Government regulations were issued with effect from 1st April 2010 which require the full Council to approve a Minimum Revenue Provision (MRP) Statement in advance each year. A variety of options were provided to councils to replace the existing Regulations, as long as there is a prudent provision.

Council have already approved the following approaches for calculating MRP:

Supported Borrowing and Capital Expenditure

Based on CFR

The calculation is based on 4% of the opening Capital Financing Requirement (CFR) each year.

Supported borrowing and expenditure incurred before 1st April 2008, as at 31st March 2016 - to be charged to revenue over 40 years (2.5 % straight line basis).

Unsupported Borrowing

Asset Life Method

The future borrowing value of unsupported borrowing is to be charged to revenue over 40 years or by the estimated economic life of the asset if shorter, please see below.

Capital Expenditure on the Modernising Education Programme (MEP) and Local Government Borrowing Initiative (LGBI) 21st Century Schools is classed as Unsupported Borrowing. It is estimated that asset lives within these programmes are 30 years and this is the period that will be used to determine the MRP.

Asset lives within the Fleet Programme range from 1 to 10 years, these are the periods that will be used to determine the MRP.

Local Government Borrowing Initiative (LGBI) Highways. It is estimated that asset lives within this programme are 20 years and this is the period that will be used to determine the MRP.

Housing Revenue Account

The calculation is based on 2% of the opening Capital Financing Requirement (CFR) each year.

Council is recommended to approve the following MRP Statement for 2018/2019:

For Supported and Unsupported Capital Expenditure, the MRP policy will continue to follow the approaches above.

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POLICY & RESOURCES SCRUTINY COMMITTEE 7th FEBRUARY 2018

Quarterly Treasury Management and Prudential Indicator Report 1st April 2017 to 31st December 2017

To consider and comment on the following issues:

- Members are requested to satisfy themselves that the activities undertaken in the attached report are consistent with the requirements of the Treasury Management Policy and Strategy approved by Full Council on the 22nd February 2017.

Reasons:

- Scrutiny Committee has a key role to play in scrutinising the Treasury Management function within the Authority.

To be referred to the Executive Board / Council for decision: YES

Referred to Executive Board 26th February 2018.

Executive Board Member Portfolio Holder:

- Cllr. David Jenkins (Resources)

Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Anthony Parnell	Designations: Director of Corporate Services Treasury and Pensions Investment Manager	Tel Nos. / E-Mail Addresses: Tel No. 01267 224120; E Mail: CMoore@carmarthenshire.gov.uk Tel No. 01267 224180; E Mail: AParnell@carmarthenshire.gov.uk
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EXECUTIVE SUMMARY

POLICY & RESOURCES SCRUTINY COMMITTEE

7TH FEBRUARY 2018

Quarterly Treasury Management and Prudential Indicator Report 1st April 2017 to 31st December 2017

BRIEF SUMMARY OF PURPOSE OF REPORT.

To inform Members of the activities within the Treasury Management Function for the period 1st April 2017 to 31st December 2017.

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 in detail below, there are no other implications associated with this report.

Signed: C Moore

Title Director of Corporate Services

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

1. Policy, Crime & Disorder and Equalities

Policy: Within the requirements of the Treasury Management Policy and Strategy report 2017-2018.

3. Finance

The authority's investments during the period returned an average return of 0.35%, exceeding the 7 day LIBID rate.

Gross interest earned on investments for the period amounted to £0.184m and interest paid on loans was £9.90m.

The Authority did not breach any of its Prudential Indicators during the period.

At the period end the investments included £0.58m of KSF investments.

85.5% of the claim submitted has now been received.

The administration of KSF is expected to continue for some time again and further updates will be provided in future reports.

CONSULTATIONS

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

Signed: C Moore **Title** Director of Corporate Services

1. Local Member(s) – N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. 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:

THESE ARE DETAILED BELOW

Title of Document	File Ref No. / Locations that the papers are available for public inspection
CIPFA – Treasury Management in the Public Services – Code of Practice – Revised	Corporate Services Department, County Hall, Carmarthen

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QUARTERLY TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT

1st April 2017 – 31st December 2017

A QUARTERLY TREASURY MANAGEMENT REPORT

1. Introduction

The Treasury Management Policy and Strategy for 2017-2018 was approved by Council on 22nd February 2017. Section B 1.1(2) stated that Treasury Management activity reports would be made during the year. This report outlines the Treasury Management activities in the period 1st April 2017 to 31st December 2017 and satisfies the reporting requirement stated above.

2. Investments

One of the primary activities of the Treasury Management operation is the investment of surplus cash for which the Authority is responsible. As well as the Authority's own cash the County Council invests School Trust Funds and other Funds, with any interest derived from these investments being passed over to the relevant Fund.

All surplus money is invested daily on the London Money Markets. The security of the investments is the main priority. Appropriate liquidity should be maintained and return on investments the final consideration. It continues to be difficult to invest these funds as the market continues to be insecure and as a consequence appropriate counterparties are limited.

The total investments at 1st April 2017 to 31st December 2017 analysed between Banks, Building Societies, Local Authorities and Money Market Funds, are shown in the following table:

Investments	1.4.17				31.12.17			
	Call and notice	Fixed Term	Total		Call and notice	Fixed Term	Total	
	£m	£m	£m	%	£m	£m	£m	%
Banks and 100% wholly owned Subsidiaries	15.00	5.63	20.63	51	20.00	5.58	25.58	53
Building Societies	0.00	0.00	0.00	0	0.00	7.00	7.00	15
Money Market Fund	15.00	0.00	15.00	37	5.50	0.00	5.50	11
Local Authorities	0.00	5.00	5.00	12	0.00	10.00	10.00	21
TOTAL	30.00	10.63	40.63	100	25.50	22.58	48.08	100

Investments on call are available immediately on demand.
Fixed term investments are fixed to a maturity date.

The £48.08m includes £0.58m (14.5% of original claim) invested in Kaupthing Singer and Friedlander which has been reduced from the original £4.0m by distributions.

During the period the total investments made by the Council and repaid to the Council (the turnover) amounted to £959.75m. This averaged approximately £24.43m per week or £3.49m per day. A summary of turnover is shown below:

	£m
Total Investments 1st April 2017	40.63
Investments made during the period	483.60
Sub Total	524.23
Investments Repaid during the period	(476.15)
Total Investments at 31st December 2017	48.08

The main aims of the Treasury Management Strategy is to appropriately manage the cash flows of the Council, the required short term and longer term market transactions and the risks associated with this activity. Lending on the money market secures an optimum rate of return and also allows for diversification of investments and hence reduction of risk, which is of paramount importance in today's financial markets.

period under review the average “7 day LIBID rate” was 0.17% whereas the actual rate the Council earned was 0.35%, an out performance of 0.18%.

This outperformance can be quantified to £98k additional interest earned compared to the “7 day LIBID rate”.

The gross interest earned on investments for the period amounted to £0.184m.

The income from investments is used by the Authority to reduce the net overall costs to the Council taxpayer.

3. Update on the investments with Kaupthing Singer & Friedlander (KSF)

A sixteenth dividend was received from the Administrators in December 2017. This equated to 0.35p in the £ and amounted to £14k principal.

As at 31st December 2017 the sum of £3.42m principal and £210k interest had been received from the Administrators, which equates to 85.5% of the claim submitted. A further dividend is expected to be paid in 2018-2019. The Administrators have upgraded their estimate of total dividends to non-preferential creditors to a minimum of 86.25%.

4. Security, Liquidity and Yield (SLY)

Within the Treasury Management Strategy Statement for 2017-2018, the Council's investment priorities are:

- Security of Capital
- Liquidity and
- Yield

The Council aims to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions.

Attached in Appendix 1 is the Investment Summary and Top 10 Counterparty Holdings (excluding the £0.58m in KSF) as at 31st December 2017.

5. Borrowing

One of the methods used to fund capital expenditure is long term borrowing. The principal lender for Local Authorities is the Public Works Loan Board (PWLb).

Under the Treasury Management Strategy it was agreed to borrow when interest rates are at their most advantageous.

The total loans at 1st April 2017 and 31st December 2017 are shown in the following table:

Loans	Balance at 01.04.17 £m	Balance at 31.12.17 £m	Net Increase/ (Net Decrease) £m
Public Works Loan Board (PWLB)	380.82	392.11	11.29
Market Loan	3.00	3.00	0.00
Salix, Invest to Save, HILS & TCL	4.15	3.85	(0.30)
TOTAL	387.97	398.96	10.99

The Salix interest free loans have been provided by an independent publicly funded company dedicated to providing the public sector with loans for energy efficiency projects.

The interest free 'Invest-2-Save' funding is to assist in the conversion of traditional street lighting to LED, which will help deliver a legacy of reduced energy costs and associated carbon taxes.

The Home Improvement Loan Scheme (HILS) repayable funding is provided by the Welsh Government to help individual home owners, small portfolio landlords, developers and charities to improve homes and increase housing supply.

The Town Centre Loan (TCL) repayable funding is provided by the Welsh Government to provide loans to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services.

5.1 New Borrowing

The following loans were borrowed during the period to fund the capital programme:

Loan Reference	Amount (£m)	Interest Rate	Start Date	Period	Maturity Date
506262	2.00	2.38%	14th August 2017	46yrs	28th March 2063
506263	2.00	2.38%	14th August 2017	47yrs	28th March 2064
506264	2.00	2.38%	14th August 2017	48yrs	28th March 2065
506265	2.00	2.38%	14th August 2017	49yrs	28th March 2066
506266	2.00	2.38%	14th August 2017	50yrs	28th March 2067
506570	5.00	2.36%	10th November 2017	50yrs	28th September 2067
Total	15.00				

5.2 Interest Paid

Interest paid on loans in the period was:

PWLB Interest Paid £m	Market Loan Interest Paid £m	Total Interest Paid £m
9.76	0.14	9.90

6. Rescheduling and Premature Loan Repayments

No rescheduling opportunities arose during the period and there were no premature repayments of debt.

7. Leasing

No leases were negotiated in the period ended 31st December 2017.

8. Training

Treasury Management training was delivered to members by the Council's treasury management consultants (Link Asset Services) and council officers on 4th December 2017.

9. Conclusion

The Treasury Management function for the period ended 31st December 2017 has been carried out within the policy and guidelines set in the Treasury Management Policy and Strategy 2017-2018.

B. QUARTERLY PRUDENTIAL INDICATOR REPORT

1. Introduction

As part of the 2017-2018 Budget and the Treasury Management Policy and Strategy 2017-2018 Council adopted a number of Prudential Indicators. These Indicators are designed to ensure that any borrowing or other long-term liabilities entered into for capital purposes were affordable, sustainable and prudent.

The Indicators are required by the Local Government Act 2003 and the Revised Prudential Code of Practice in order to control Capital Finance. The Prudential Code also required that those Prudential Indicators that were forward looking should be monitored and reported. Some of the indicators are monitored by officers monthly, and are only reported if they are likely to be breached, others are to be monitored quarterly by the Executive Board.

2. The Monitored Prudential Indicators

2.1 Affordability Prudential Indicator

2.1.1 Ratio of Financing Costs to Net Revenue Stream

The indicator set for 2017-2018 in the Budget was:

	2017-2018 %
Non –HRA	5.98
HRA	34.98

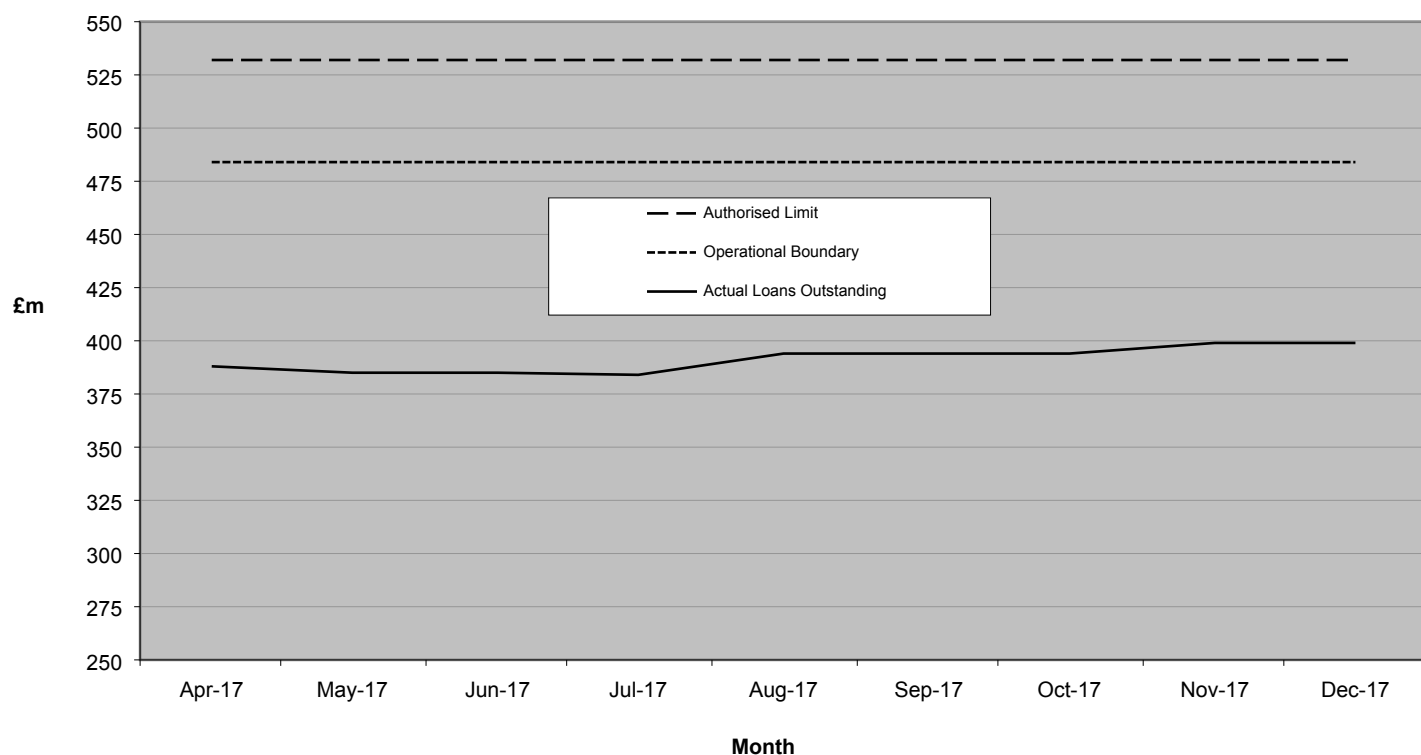
An examination of the assumptions made in calculating this indicator concluded that there have been no changes in the period.

2.2 Prudence Prudential Indicators

2.2.1 The Gross Borrowing and Capital Finance Requirement (CFR) indicator

The indicator set by the Budget for Gross Borrowing and CFR was that the Director of Corporate Services envisaged no difficulty in meeting the requirement of the Gross Borrowing being less than the accumulated CFR for 2017-2018. An examination of assumptions made when calculating the Prudential Indicator show that there have been no material changes.

The actual value of loans outstanding must not exceed the Authorised Limit. In normal activity actual loans outstanding should be close but less than the Operational Boundary. The Operational Boundary can be breached in the short term due to adverse cash flows.



	Apr-17 £m	Jun-17 £m	Sep-17 £m	Dec-17 £m
Authorised Limit	532	532	532	532
Operational Boundary	484	484	484	484
Loans Outstanding	388	385	394	399

Neither the Authorised Limit nor the Operational Boundary have been breached.

2.3.1 Interest Rate Exposure

Position as at 31st December 2017:

	Fixed Interest Rate £m	Variable Interest Rate £m	TOTAL £m
Borrowed	395.96	3.00	398.96
Invested	(28.08)	(20.00)	(48.08)
Net	367.88	(17.00)	350.88
Limit	444.00	20.00	
Proportion of Net Borrowing Actual	104.84%	(4.84)%	100.00%
Limit	150.00%	10.00%	

The authority is within limits set by the 2017-2018 indicators.

2.3.2 Maturity Structure Of Borrowing

	Structure at 31.12.17 %	Upper Limit %	Lower Limit %
Under 12 months	3.20	15	0
12 months to 2 years	1.32	25	0
2 years to 5 years	6.98	50	0
5 years to 10 years	10.27	50	0
10 years to 20 years	17.32	50	0
20 years to 30 years	20.15	50	0
30 years to 40 years	24.54	50	0
40 years and above	16.22	50	0

The authority is within the limits set by the 2017-2018 indicators.

	2017-2018 £m
Limit	10
Actual as at 31 st December 2017	NIL

3. Conclusion

For the period 1st April 2017 to 31st December 2017 the actual Prudential Indicators to be monitored by the Executive Board are within the limits set by the Budget 2017-2018 and the Treasury Management Policy and Strategy 2017-2018.

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Investment Summary as at 31st December 2017

Carmarthenshire County Council

Totals		
Total	£47,500,000	
Calls & MMFs	£25,500,000	54%
Fixed Deposits	£22,000,000	46%
Specified	£47,500,000	100%

Weighted Average		
Yield		0.49%
Maturity (Days)		
Total Portfolio	Total Portfolio	39.61
Long Term		
AAA	-	1.00
AA	F1	99.47
A	F1	1.00
BBB	F2	33.00
CCC	C	0.00

Risk Factors		
< 1 year	£1,868	0.004%
1 - 2 years	£0	0.000%
2 - 3 years	£0	0.000%
3 - 4 years	£0	0.000%
4 - 5 years	£0	0.000%
Total Portfolio	£1,868	0.004%

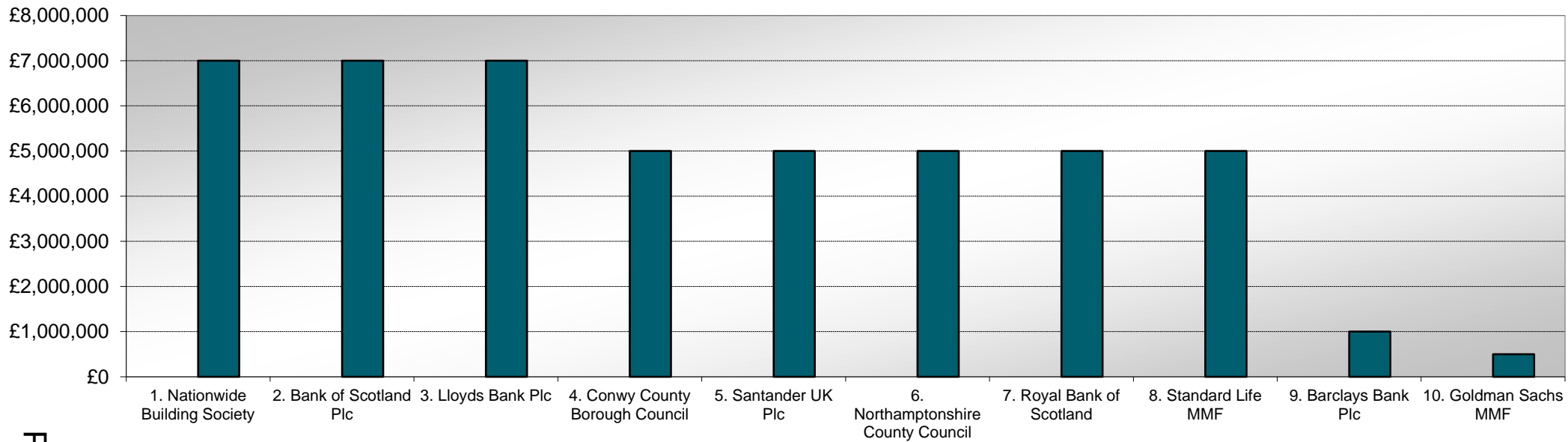
Maturity Structure		
< 1 Week	£25,500,000	54%
< 1 Month	£0	0%
2 - 3 Months	£12,000,000	25%
3 - 6 Months	£10,000,000	21%
6 - 9 Months	£0	0%
9 - 12 Months	£0	0%
12 Months+	£0	0%
Total	£47,500,000	100%

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Top 10 Counterparty Holdings

Carmarthenshire County Council

Counterparty	Principal	% of Total Holding	WAM (Days)	WAYield	WADefault
1. Nationwide Building Society	£7,000,000	14.74%	57	0.45%	0.003%
2. Bank of Scotland Plc	£7,000,000	14.74%	1	0.40%	0.000%
3. Lloyds Bank Plc	£7,000,000	14.74%	1	0.70%	0.000%
4. Conwy County Borough Council	£5,000,000	10.53%	106	0.40%	0.005%
5. Santander UK Plc	£5,000,000	10.53%	1	0.45%	0.000%
6. Northamptonshire County Council	£5,000,000	10.53%	152	0.55%	0.007%
7. Royal Bank of Scotland	£5,000,000	10.53%	33	0.65%	0.021%
8. Standard Life MMF	£5,000,000	10.53%	1	0.35%	0.000%
9. Barclays Bank Plc	£1,000,000	2.11%	1	0.30%	0.000%
10. Goldman Sachs MMF	£500,000	1.05%	1	0.30%	0.000%



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POLICY AND RESOURCES SCRUTINY COMMITTEE 07/02/2017

TRANSFORM, INNOVATE & CHANGE (TIC) PROGRAMME ANNUAL REPORT 2016/17 & BUSINESS PLAN 2017/18

RECOMMENDATIONS / KEY DECISIONS REQUIRED

- To consider and comment on the TIC Annual Report for 2016/17 & Business Plan 2017/18.
- To receive a presentation on the TIC Programme which will include a case study on a current TIC project.

Reasons:

- This Annual Report provides an opportunity to reflect on the work of the TIC Programme over the last year and to report on outcomes achieved thus far.
- It also provides an opportunity to look ahead to the programme's work for the coming year.

To be referred to the Executive Board / Council for decision: NO

<p>Directorate: Chief Executive's</p> <p>Name of Head of Service: Wendy Walters</p> <p>Report Author: Jon Owen</p>	<p>Designations:</p> <p>Director of Regeneration and Policy</p> <p>TIC Programme Manager</p>	<p>Tel Nos. / E-Mail Addresses:</p> <p>01267 224112 wswalters@sirgar.gov.uk</p> <p>01267 224522 JOwen@carmarthenshire.gov.uk</p>
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EXECUTIVE SUMMARY
POLICY AND RESOURCES SCRUTINY COMMITTEE
07/02/2017

TRANSFORM, INNOVATE & CHANGE (TIC) PROGRAMME
ANNUAL REPORT 2016/17 & BUSINESS PLAN 2017/18

- The 'Transform, Innovate and Change' programme was launched in response to the significant financial challenges being faced by the Council. A dedicated team has been established to support a programme of radical and transformational change across the Council, and to seek opportunities to drive out waste and inefficiency by delivering more purposeful services;
- This Annual Report provides an opportunity to reflect on the work of the TIC Programme over the last year and to report on outcomes achieved thus far. It also provides an opportunity to look ahead to the programme's work for the coming year;
- The benefits of the TIC approach are being realised as many of the projects have started to deliver significant improvements in terms of service quality, customer experience and financial efficiencies. To date, the TIC approach has assisted in identifying or is helping to deliver approximately £11.5 of efficiency savings.

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 in detail below, there are no other implications associated with this report.

Signed: Wendy Walters Director of Regeneration and Policy

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

Finance

The benefits of the TIC approach are being realised as many of the projects have started to deliver significant improvements in terms of service quality, customer experience and financial efficiencies. To date, the TIC approach has assisted in identifying, or is helping to deliver, approximately £11.5m of efficiency savings.

CONSULTATIONS

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

Signed: Wendy Walters – Director of Regeneration and Policy

1. Local Member(s) – N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. Staff Side Representatives and other Organisations – N/A

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

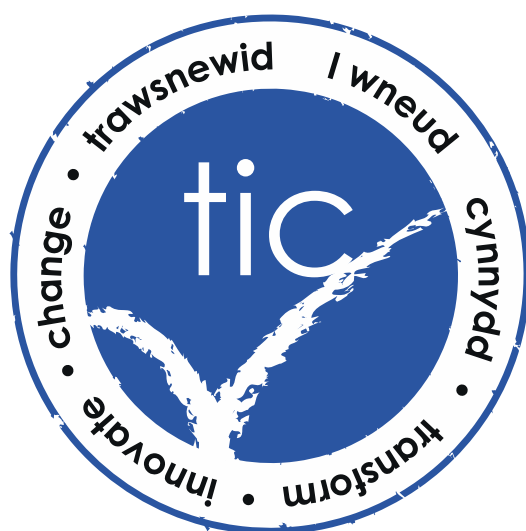
List of Background Papers used in the preparation of this report:

NONE



Transform, Innovate and Change (TIC) Programme

Annual Report 2016/2017
& Business Plan 2017/2018



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www.sirgar.llyw.cymru

YOUR COUNCIL **doitonline**
www.carmarthenshire.gov.wales

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Foreword

I am really pleased to be able to present yet another Transform, Innovate and Change (TIC) annual report and business plan. Over the past few years TIC has worked with all directorates to help with their improvement projects and enable the ideas and changes to come to fruition. This brings the TIC ethos to a wider community of staff which is to be welcomed.

In my role I have the privilege of meeting many members of staff who tell me they have been "TIC-ed", others who want to be "TIC-ed" and even more who are happy and proud to take on the TIC ethos and investigate different ways of working in their own teams themselves. Even small changes can make a difference to the way our customers see the service they are receiving. While we are primarily concentrating on our external customers, there are also many internal customers who can benefit from a collaborative and cross departmental review.

There are many challenges still ahead of us as more and more financial restraints are placed on the Council but I am confident that all our staff have the ability to embrace change and that they have a part in it's shaping. Do continue to be innovative in your workplace environment and keep up the good work. With everybody's help, we will do our best to meet those challenges head on and with confidence.

Please read this report and celebrate the changes and savings that have been achieved by your work. Diolch yn fawr, thank you all.



Cllr Mair Stephens, Deputy Leader -
Council Business Manager, T.I.C. (Transformation, Innovation and Change), Human Resources, Performance Management, Wales Audit, Training, I.C.T. and Strategic Planning.

Introduction

This combined Annual Report and Business Plan provides an opportunity to reflect on the work of the TIC Programme over the last year. It also provides an opportunity to look ahead to the programme's work for the coming year and sets out some key objectives to support our longer terms of achieving sustainable change and improvement.

Section 1 - What is TIC and what are our objectives?

- The TIC programme was established in response to the severest of financial challenges, set against a backdrop of rising public expectations, increasing service demands and 'getting better at what we do for less'. Hence the purpose of the team is to help us "achieve a sustainable financial future through transformation, innovation and change".
- The Programme aims to support the delivery of the Council's Corporate Strategy by 'improving its use and management of resources to deliver more efficient and effective services'.
- TIC also has a key role in supporting the three themes of the People Strategy namely:
 - Engage – Employee Engagement and Wellbeing
 - Lead – Leadership and Management
 - Support – Supporting Transformation and Change
- The focus of the programme is on supporting cultural and behavioural change by thinking differently, acting differently and therefore delivering differently (i.e. not because 'we have always done it this way'). The natural and intended consequence of delivering against these principles is eliminating waste and doing more with less.
- The Programme is focussed on delivering the following objectives:
 - Putting customers first
 - Improving and re-designing services
 - Challenging existing ways of working
 - Reducing waste
 - Delivering efficiencies
 - Facilitating and driving organisational change
 - Sharing learning and knowledge
 - Seeking and exploiting opportunities for collaboration



Governance arrangements

TIC Programme Board

The programme is underpinned by clear and robust governance arrangements, with political accountability operating through the Executive Board member for HR & Efficiencies, Cllr Mair Stephens, and a cross departmental project board, chaired by the Chief Executive.

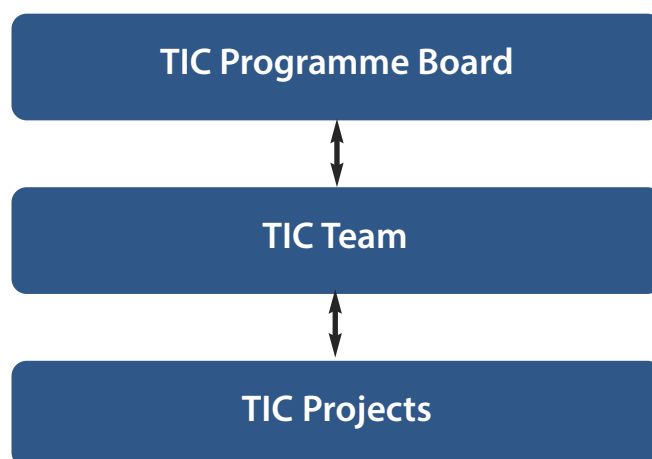
The project board meets on a bi-monthly basis and is responsible for providing strategic direction, agreeing a work programme, monitoring progress and project outcomes and identifying and over-coming barriers to change.

TIC Programme Board - membership

Mark James - Chief Executive	Cllr Mair Stephens*
Robin Staines – TIC Head of Service strategic lead	Alison Wood – HR Advisor
Chris Moore – Director of Corporate Resources	Deina Hockenhull – Communications Advisor
Gareth Morgans – Chair of Heads of Service Group	Noelwyn Daniel – IT Advisor
Wendy Walters – Regeneration and Policy Department	Jon Owen – TIC Programme Manager
Steve Pilliner – Environment Department	Bernadette Dolan – Senior TIC Officer
David Astins – Education and Children’s Department	

* Deputy Leader - Council Business Manager, T.I.C. (Transformation, Innovation and Change), Human Resources, Performance Management, Wales Audit, Training, I.C.T. and Strategic Planning.

TIC Programme Governance Framework



The TIC Team

- One of the initial drivers for establishing the TIC team in September 2012 was the recognition of the need to provide full time support and capacity to drive forward a new approach to the efficiency agenda.
- Core Team Structure – April 2017

Jon Owen	TIC Programme Manager
Bernadette Dolan	Senior TIC Officer
Simon Williams	TIC Officer
Linda Thomas	TIC Officer (secondment)

- Colleagues from Finance, IT, PM, Communications and departments also support the core TIC team.

TIC Approach and methodology

Selection of projects

- The TIC programme to date has been made up a range of corporate and service based projects. Proposals for projects can emerge from a number of sources, including elected members, CMT, departments or individual members of staff.
- The prioritisation and selection of projects for inclusion in the TIC Programme is then undertaken by the TIC Programme Board, taking into account factors such as its potential to deliver financial efficiencies, service improvement or provide opportunities to work collaboratively with other public sector partners
- However, due to the increasing scale of the financial challenges that lay ahead of the Council, the TIC Programme Board agreed that the work of the TIC team should also be focussed on larger scale, transformational projects where there would be the potential to deliver greater efficiency savings. This objective was then reflected in the team's business plan for 2015, where projects such as Income and Charging, Back Office, and Mobile and Agile Working projects were added to the programme.

TIC Methodology

The TIC way of working is underpinned by a flexible and pragmatic approach, and makes use of a range of methods and techniques depending on the nature of the project. Our aim is to work flexibly and collaboratively with teams to help them get to the right results, achieve the buy-in and momentum to support teams to create change that lasts.

- **Flexibility**

We recognise the different teams have different needs and look for different types of input, depending on their own capabilities. Using the experience and versatility available, we tailor our support to the particular circumstances – we focus on what is right and will work best for the team's particular circumstances.

- **Collaboration**

Whatever the approach, our style is to work collaboratively involving the staff doing the duties on a day-to-day basis through to other key stakeholders. We work with teams to identify who are the stakeholders and what role do they play, and they are fully engaged throughout the change management journey.

- **Right Results**

Our approach is about working with teams to improve the internal and external customer experience, which includes looking at the moments that matter, processes, technologies, roles, responsibilities and any other aspect that impacts on the customer experience.

- **Change that lasts**

Our focus is about supporting teams to make change happen and make it stick! We believe it's the people who will make all the difference and that is why, from the outset, we work with the leaders to ensure they are prepared to back the change and be involved from inception through to completion. Delivering change successfully requires a lot of effort and sensitivity and we support teams to ensure they are given every opportunity to explore and make choices for themselves. This way, they feel strong ownership of the direction set and underlying thinking behind the changes.

Our Change Management Framework

We think it's important to have a framework to help teams manage change – recognising that it's a journey for all involved. Many of the projects adopt traditional project management techniques, and are underpinned by robust governance structures and utilise a variety of methodologies based around data analysis and process review work to identify the potential to deliver cost/efficiency savings.

The length and depth of a TIC change management project will vary depending on the overall objective and complexity of service area. Projects can range from a half day re-check through to a 6-day full Vanguard/systems thinking review.

The Vanguard/systems thinking method involves reviewing and re-designing services around customer demands, which helps lower costs as service, revenue and morale improve. The approach also promotes a cultural change within these services as staff are provided with a greater clarity of purpose based around the needs of the customer, and will also now have the means to improve the service.

The Vanguard/systems thinking method requires managers and their teams to undergo a normative experience, and in particular, to experience the service from a customer perspective. This is an important stage in the process, as it helps staff to understand the need for change, so that they are then in a better position to develop and implement new ways of working.

One key feature of the TIC approach, is that as well as helping supporting services to identify the potential for change, it will actually provide capacity and support to make change happen, often through re-designing working practices and developing new models of service delivery.

Section 3 – What did we achieve during 2016/17?

Work Programme 2016/17

- One of our principal objectives for 2016/17 was *‘to maintain a balanced work programme to ensure that TIC can support and promote longer term, sustainable change and improvement, whilst also recognising the need to focus on meeting the financial challenges in the short term/medium term’*.
- This has been achieved by supporting more systems thinking and process review projects as well as longer term change projects such as Digital Transformation and Procurement. The TIC team helped support 17 projects and reviews over the course of the last year, some of which were new projects while others were on-going projects from previous years.

Work programme

- In total, the team has now helped support over 33 projects since the TIC Programme was launched back in 2012.
- Appendix 1 shows the current work programme and approach taken across the range of TIC projects.

Efficiency and Cost Savings

During the last financial year, TIC projects helped deliver more than £2m financial savings. In total, the TIC Programme has helped identify nearly £11.5m savings since it was first established in 2012 (See appendix 2).

Efficiencies delivered in 2016/17

Project	Savings 16/17	Nature of savings
Income and Charging	£850k	Increase in debt collection as a result of additional resources for legal and debtors teams via an ‘invest to save bid’. Potential to invest further to recover more debt in future years.
Fleet Management	£201k	Savings achieved through rationalisation of fleet/ more efficient fleet and £400k saving on staff travel over 2 years (£152k last year). Project has helped deliver over £1.4m of savings in total since 2013.
Mail and Printing	£366k	Reductions in volume of mail and rationalisation of franking machines from 17 to 7 Also, impact of secure printing arrangement. Project is now complete and has saved over £655k in total.
Back Office at PDS	£40k	Staff reductions linked to severance following process reviews.
Procurement	£532k	IT consumables/photocopiers in schools (£50K), Supply cover in schools NPS New Directions agency savings (£52k), MHLD Accommodation efficiencies (£430k).
SEN/LAC	£20k	Use of more cost effective travel options
Standby	£98k	Changes to standby arrangements in Environment department during the year (£86k) and Housing HRA (£12k)
Total	£2.107m	

Invest to Save

One of the key principles that has underpinned the delivery of the TIC Programme since the outset was the need to develop a more sustainable approach to the financial challenges facing the Council. Council has demonstrated its willingness to invest in services or initiatives if it can clearly demonstrate that it will deliver additional financial benefits in the medium to long term.

For example, the Council has invested over £150k in additional resources for the procurement service in order to help support the move to category spend to procurement which is hoped can deliver £2m over the course of the next 3 years.

Over £150k has also been invested in the Council's debt recovery services and as a direct result of this investment, over £850k of additional debt has been recovered in the last year.

The Council has set aside over £200k to be invested in supporting projects as part of the Digital Transformation Programme and priority areas for the coming year include automating the housing repairs reporting process, automating staff recruitment processes, online school meal payments and mobile working.

Future Savings Targets

Project	Targeted Savings
Agile Working	£2.5m
Procurement	£2.0m
Stand-by	£314k
SEN/LAC	£260k
Libraries Procurement	£90k
Total	£5.164m

Summary of TIC Savings since 2012

	£
Savings achieved in 2016/17	£2.107m
Savings achieved in previous years	£4.178m
Targeted savings in future years	£5.164m
Total	£11.449m

Case Studies

Case Study – Learning Disabilities, Mental Health Community Inclusion Services

The TIC Team was asked to support a systems thinking review of Learning Disabilities, Mental Health Community Inclusion Services which are a diverse range of day services within the Communities Department. A team of 25 staff carried out the “check” phase over a period of 6 days at the end of January/ beginning of February consulting with service users, parents and carers, advocates, staff and other colleagues.



6 DAYS
40 PEOPLE
300 + QUESTIONNAIRES
“ONE TEAM”

From the feedback that, whilst in general service users, parents and carers valued and liked the services, they were fragmented and tended to work in pockets without a clear vision embedded in the services as a whole.

The team formulated a new Promise and our Purpose: “Supporting adults to grow, develop and feel safe, belonging to their community!” Their new operating principles committed to being:

- ✓ person centred
- ✓ one service/one team
- ✓ positive
- ✓ consistent
- ✓ focused on outcomes and people
- ✓ honest and trusting
- ✓ open to change



The team agreed their value steps were to promote, engage and build relationships inside and outside the service, engage with others to predict future demand and evolve their services as well as understand what matters and agree a way forward. The team also agreed they would keep checking that they’re on the right track and do something about it if they’re not, make the most of what they’ve got and try new things and build on what works.

The team identified some quick wins to be implemented immediately i.e.; to create one point of access, a minimum standard for referral paperwork, 1 page profiles for all service users and staff, review all forms, timetabling /activities and switch off personal care forms.

The service set up a project group to oversee 4 workstreams to drive improvements in service development, communication, workforce and performance management.

Going forward the group has started to embed a performance management framework and develop a Logic model for all outcomes, formulate a project plan identifying redesign objectives and is also planning to hold regional roadshows to share findings, aspirations and increase engagement.

Case Study - Digital Transformation

This is a key strategic project which is bringing together and aligning existing TIC projects, such as Agile Working, Channel Shift and the various work streams emerging from the Back Office reviews, into a very ambitious and wide-reaching programme which has the potential to generate significant change and transformation across the organisation.

The project will aim to support staff to adopt smarter ways of working and will seek opportunities to rationalise and automate processes which hopefully result in more efficient and effective service delivery and put the Authority in a better position to meet the needs and expectations of our residents.

In terms of Agile Working, the Corporate Management Team has now agreed a clear vision and business case to support the roll out of agile initiatives across the authority which means there is now a very clear direction to support the further implementation of the project over the short, medium and longer term.

The Agile Delivery Group has now been tasked with developing a phased implementation plan which will then be used to inform the Authority's Accommodation Strategy for the next 5 years and to help support the organisation move to a workforce profile of 80% flex/field workers as identified in the initial high level business case.

The Channel Shift element of the project is looking to improve the way that external customers can conveniently access council services and encouraging a shift to less expensive methods of accessing services. According to SOCITM's (Society for IT Managers) figures, face to face transactions cost an organisation £8.62, versus £2.83 for telephone calls, while online transactions cost less than 15p. On-line self-service may not suit everyone, but there are real benefits to the increasing numbers who are willing and able to access the services they need without physically visiting, and often without phoning.

This project is also overseeing the work of the financial and transactional process review groups who are looking at progressing the issues raised as part of the 'What Wastes Your Time' exercise undertaken in the summer of 2016. This was an exercise where all staff across the organisation were asked for ideas and suggestions on where we could further reduce waste bureaucracy and improve efficiency through rationalising or automating many of our back office processes.

Technology is key to delivering many of the initiatives above and the Council has allocated £200k to support the implementation of the digital transformation programme over the next 2 years. In March of this year, the Digital Transformation prioritised the following projects to be taken forward during 2017/18.

- Development of 'My Account'
- Pembrey Country Park Caravan site booking system
- Registrars and Corporate Appointment Booking system
- School Meals Online Payments
- Mobile Working – Planning & Building Control
- Mobile Working – Health and Safety
- Mobile Working – Housing
- Green Waste Request system
- Accident and Incident Reporting System
- Housing Repairs
- Recruitment
- Sickness Absence Return to Work Automation



Case Study - Fleet Management

This project aimed to deliver a £1m reduction in expenditure over a 3 year period from 2013, but has now delivered over a £1.4m saving.

The review has sought to challenge the need for vehicles and whether they could be used in a more efficient way. Since the commencement of the review in 2013, more than 73 vehicles have been removed from the fleet resulting in a saving of nearly £1m.



A Fleet Replacement Strategy continues to be rolled out which is further enhancing the efficiency of the fleet.

The project continues to look at ways of reducing staff travel through reducing the number of journeys for meetings and has looked to link with the agile working project to promote initiatives such as hot-desking and video conferencing. The group is also looking to introduce a travel options calculator to promote more efficient methods of travel and to strengthen the management of pool cars.

There was an 11.5% reduction in the total mileage from 14/15 to 15/16 equating to a saving of £200K, and in the last financial year (16/17), there has been a further 7.6% reduction in mileage, resulting in a saving of £152k.



Case study - Income and Charging

The main aim of this review has been to examine the potential for increasing income from fees and charges and to review the robustness of current income collection and debt recovery mechanisms.

Over the course of the last year, the group has helped develop a new Income and Charging Policy for the Authority which was approved by Council in April 2017. One of the aims of the policy is to provide a set of key principles which will be used to underpin the authority's approach to income and charging and to further develop a more commercial approach to these activities.

The policy will act as source of reference for services when looking to introduce new, or review their existing charges; it also sets out expectations in respect of the robustness of income collection and debt recovery processes.

A series of Commercial Awareness sessions was also held for 3rd tier managers to help develop a new approach to identifying potential areas for income generation.

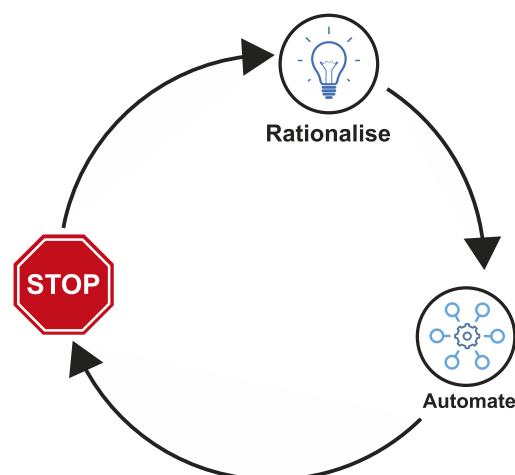
An 'Invest to save' proposal initiated by the review has resulted in funding of £250k being invested in additional resources for both debtors and legal services functions with the aim of increasing the level and pace of debt recovery. As a direct impact of this additional staffing resource, the authority was able to recover or secure over £1m of additional debt in the last financial year.

Case Study – What Wastes Your Time (WWYT)

At the CMT/Heads of Service meeting in July 2016, it was agreed to undertake an exercise to identify corporate or service based processes that could be subject of review under the theme of 'What Wastes Your Time?'. Staff across the organisation were also invited to input into this exercise and articles have appeared in Y Gair to raise awareness of the exercise. A workshop exercise was also undertaken with Directors, Heads of Service, 3rd tier managers and members at the Manager's Conference on the 7th October.

As a result of the feedback from the 'What wastes your time' exercise, 88 issues were identified and thematic work streams were established – Financial /Transactions & Services - to identify key actions to be taken forward by the relevant department. The aim of the work streams are to review and challenge why and how these processes are undertaken and identify the potential to either Stop, Rationalise and / or Automate (SRA);

Stop, Rationalise and / or Automate (SRA);



The work streams also aimed to identify the potential benefits/risks to be achieved from the proposed changes to working practices, including the potential delivery of efficiency savings; to identify the cost/benefits of using technology to automate key processes and to seek to reduce the volume of paper being handled as part of the delivery of these processes. In addition, the role of the work streams are to monitor progress against action planning, identify potential barriers and work with appropriate departments to address barriers; provide guidance to departments on communicating when changes are taking place. In addition, where issues identified clearly lay within the scope of the service area, these were referred to the appropriate Head of Service to address.

The group submits regular progress updates to the TIC Digital Transformation Steering Group and TIC Programme Board

As a result of the WWYT project a number of key changes are being implemented:

- PMP have commenced a review of the recruitment process with a view to streamlining the process to make it more customer-focussed, more accessible and less bureaucratic.
- Video conferencing and hot-desking initiatives being rolled out across organisation to reduce travel time and travel costs and further promote agile working.
- Business case is currently being developed in order to identify areas where alternatives to the existing system may be appropriate including undertaking a financial assessment for the use of P-cards for paying suppliers.

In addition to realising financial savings, the project aims to reduce bureaucracy and increase the efficiency within existing processes.

Case Study – Libraries

At the commencement of the project, the bibliographic department's capacity was pushed to its' limits in procuring, handling/processing and re-distributing items of stock to the 22 library locations. Four members of staff were responsible for processing around 49,000 of library items per financial year. Each item was manually selected by members of the bibliographic team and all items are delivered to a central location - Carmarthen Library – where the four members of staff of the bibliographic team unboxed the items, attached barcodes and RFID tags, entered the details on to the Library Management System, and applied jackets and spine labels to make the items "shelf ready".



This had resulted in a backlog of work throughout the service meaning new items are not being made available to public in a timely manner. In addition, the processing system for new stock resulted in the department processing approximately 10,000 invoices per annum.

The department identified that, if they were able to implement of the Supplier Selection and Direct Delivery model to meet the shortfalls identified, it could enable the service area to deliver an improved bibliographical service for Carmarthen Library Services by allowing shelf ready" items to be available to the public without delays. In doing so, the department would also deliver £100k of saving and would also ensure that full budget commitments were met in line with CCC financial regulations and that Welsh Government Public Library Standards are achieved in line with requirements.

Case Study – Back Office Review

Following a request from Members, a pilot project at St David's Park was established to review the nature and level of resources being deployed in delivering corporate, departmental and support service functions across the authority.

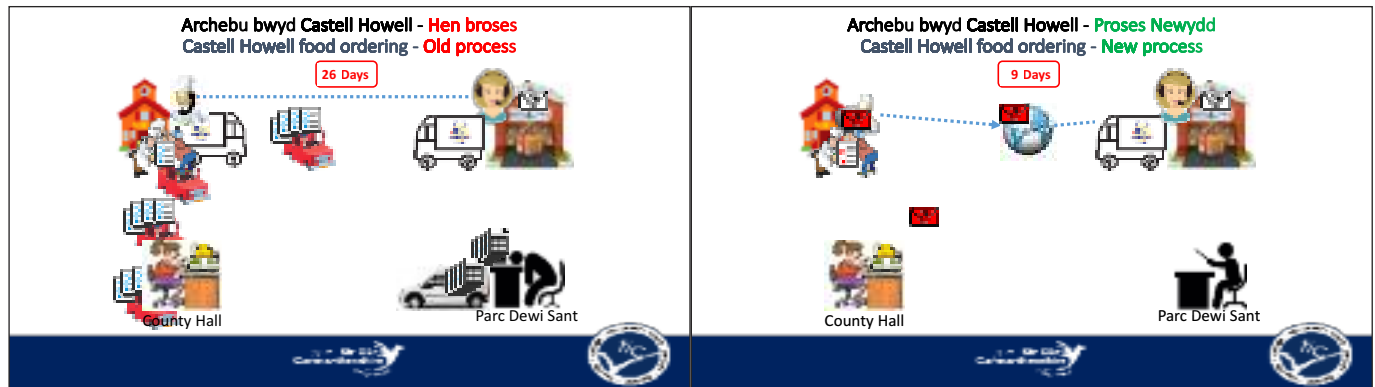
The project involved undertaking a Staff Time allocation survey which identified and quantified the level of staff resources taken to deliver 'back office' support functions. This allowed the project team to identify savings of approximately £24k through 5 key areas where there could be opportunities to centralise or integrate back-office support functions:

- ✓ Petty Cash
- ✓ School Catering Timesheets
- ✓ Mail Handling
- ✓ Staff Travel
- ✓ Schools Catering Creditors

The findings of the Back Office Review were instrumental in the establishment of the 'What Wastes Your Time' work programme and is already able to evidence success in reviewing the way back office support functions are undertaken.

e.g. Process Review – Creditor Payment (Schools Catering)

- ✓ Removal of 4000 invoices per annum
- ✓ Order to payment time reduced by 17 days
- ✓ Data entry in Corporate Finance – up to 8000 coding lines per annum removed
- ✓ Further enquiries being made with other suppliers for issuing consolidated electronic invoices



Case Study – SEN and LAC School Transport

The TIC team facilitated a process review workshop with staff from the school transport, SEN and LAC teams to map out the transport allocation process. During the process mapping discussions each team member became aware of how the work of other teams impacted or even replicated their own. Following a brainstorming and idea development session, a list of proposals was developed.



Short term proposals included closer collaboration and data sharing between the teams to provide earlier engagement and awareness of other transport options. The removal of duplicate work through sharing assessments, requesting all information upfront and earlier notification of pending SEN statements to the transport team has removed up to 22 weeks of application and appeal process.

Instead of immediately contracting a taxi, LAC transport team now work with the school transport team to identify the potential of sharing existing transport, which has already removed £22,000 pa of surplus taxi contracting from just 2 example cases!

The medium term proposals have all been accepted by the heads of service and developed into a project delivery plan. These include a transport application process integrated into the school admissions system, personal transport budgets for parents to take responsibility for transport and a clarification of the policy for transport eligibility and reduce appeals.

It will take another 12 months to fully realise the potential savings to come from these plans, but if the interest is there for their uptake, there will be significant efficiency and cashable savings to emerge from them.

Some longer term proposals emerged, expected to be rejected as impractical, are already being considered as part of wider departmental reviews. This proves that there's no such thing as a stupid idea, as the most unlikely suggestions can be developed into a fundamental challenge to the way things are being done.

Case Study – Procurement

The TIC Procurement Board continued to oversee the 6 workstreams previously prioritised by CMT.

During the year these were re-prioritised as Transport and Highways 292 efficiency project ; Schools IT, Copiers and Consumables; Schools Supply Staff and Sickness Absence management; Property Services and MHLD Residential Placements.

The Board agreed to challenge spend over £500k and identify additional workstreams from analysis of 2015/16 spend. Membership of group was also been reviewed to reflect the new focus – Owen Bowen, Head of Financial Services joined and Neil Edwards, Safeguarding and Commissioning Manager replaced Lyn Walters as the Communities departmental representative.

During the year £171k was invested in the Corporate Procurement Unit to increase staffing capacity to support the move to a category management approach. The Environment Department has also created a Contracting Officer post in aid of this.

A pilot category management collaboration with Pembrokeshire CC's Procurement function is also being explored following the retirement of the CPU Manager at the end of the year.



Case Study – Housing repairs

Following an initial Vanguard review of the Housing Repairs service, a project team has been trialling new ways of working which are now being phased in on a county wide basis.

The project currently covers 9 wards which account for 20% of the housing stock in the county and will be taking on 2 additional wards in June.

All operatives have been given hand held devices to support a more efficient repairs reporting and recording process, and are also adopting a multi-skilled approach to service delivery.

Measures indicate that the new ways of working are having a positive impact on both the quality and cost of the service.

Housing Repairs is also a priority project within the Council's Digital Transformation Programme; the project is looking to provide a streamlined online reporting and feedback process, with jobs being allocated directly to operative's tablet device.



Re-checks

The TIC Team supported re-checks with TIC project groups in the following service areas during the year:

- Development Control
- Property Maintenance – non housing
- Housing Options
- Housing Rents

Each group developed an action plan following the re-check.

Communications

- Another key TIC objective that we set out to achieve during the last year was to 'further raise awareness and understanding and engagement with the TIC programme across all levels of the organisation',
- The team has sought to raise awareness of its work through a range of methods, including using the monthly Y Gair newsletter and by regular articles on the intranet to highlight good news stories or to seek feedback from staff in relation to on-going TIC projects and reviews.
- A Communications Plan has been developed and staff roadshows were attended during the autumn of 2016. Presentations were made to internal groups such as the Heads of Service forum and all Scrutiny Committees as well as the Executive Board.



- In October 2016 we held the inaugural TIC Awards in the Managers Conference where two projects were recognised for the contributions they had made to service improvement. It is anticipated that the profile of TIC will be further enhanced by making the TIC Awards, which will recognise any improvement activity, an annual event.
- Over the course of the next year, we will look to further develop the TIC intranet site with the aim of raising further awareness of the programme and individual projects and to seek ideas from staff in relation to new opportunities for efficiencies and or service improvement.

Learning and Development

- The TIC team has also worked closely with the Council's Learning and Development unit, to ensure that future learning and development activity is aligned with TIC Programme objectives.
- It is recognised that TIC do not have the capacity to support all potential change projects, and we are therefore looking at other learning and development solutions to build the capacity across the organisation to deliver smaller projects without the need for direct TIC intervention.
- During the year a programme of short term secondments for graduate trainees into the TIC team was launched with the initial two from the Finance division.

"I found my placement with the TIC team to be both challenging and rewarding. It offered me an opportunity to not only learn about the work of the team, but also the Authority as a whole, and the various services which it provides. I believe that the placement will be of great benefit to me in my future career with CCC." Matthew J. Lawlor (Graduate Trainee)

"During my placement with TIC I have been involved in a number of projects within different departments allowing me to gain valuable experience and knowledge. It has given me the opportunity to compile reports and present data to senior managers and heads of service. It was a thoroughly rewarding experience which has allowed me to develop a number of key skills." Laura L. Powell (Graduate Trainee)

National and Regional Working

- Carmarthenshire is also a member of the all Wales Continuous Community, a group supported by Academi Wales. This provides an opportunity for public sector partners across Wales to meet and share learning and good practice.
- Over the course of the last year, we have also met with our public sector partners within the region, including Dyfed Powys Police, Powys and Pembrokeshire County Councils, in order to share ideas and good practice in support of both the service improvement and efficiency agendas. Over the course of the next year, we aim to further explore the possibility of establishing a group on a regional basis to encourage a further dialogue between public sector partners.

Section 3 - TIC Business Plan 2017/18

Introduction

- The development of the Business Plan provides an opportunity to consider where the focus of the programme will need to be over the coming 12 months.

Key Objectives 2017/18

Objective 1

Continue to implement a balanced work programme to ensure that TIC can support and promote longer term, sustainable change and improvement, whilst also recognising the need to focus on meeting the financial challenges in the short term/medium term.

To be achieved by:

- Over the course of the next year, the TIC work programme will continue to be re-focussed on larger scale projects. These include procurement, digital transformation overseeing the channel shift and agile working/mobile projects, where there is potential to generate significant savings to be achieved via cultural and behavioural change.
- We will also aim to align with the priorities within the Council's Corporate Strategy and 3 year financial strategy/improvement plan and strengthen the links between the TIC programme and the Priority Based Budgeting Process.
- The team will continue to provide support to teams in undertaking reviews of their services using a range of methodologies in support of service improvement and sustainable change.
- The team will seek to complete projects which have been on-going for a period of time, whilst ensuring that change and improvement is sustainable following the withdrawal of TIC support
- We will work with colleagues in Organisational Development to align the TIC programme with our People Strategy and ensure corporate Learning and Development frameworks and opportunities have a strong emphasis on leading and managing cultural and behavioural change in line with Council priorities and the TIC programme.
- We will engage with DMTs on a bi-annual basis to align the TIC programme with business planning and promote the Digital Transformation bidding process
- We will consult with services that we have supported to identify how we can improve and identify any services that have yet been engaged to offer support for transformational change.

Objective 2 Ensure that there is sufficient skills and capacity to deliver the TIC Programme.

To be achieved by:

- We will ensure that core TIC resources are focussed on areas where there is the potential to deliver greater efficiencies.
- We will continue to create additional capacity within the team by providing ad-hoc opportunities for staff to undertake TIC projects on a task and finish basis.
- We will continue to offer secondments to our graduate trainees.
- We will continue to use the Engage software modeller in conjunction with services, to map processes so that we can eliminate waste and identify improvements and efficiency savings.
- We will continue to link with the Future Leaders programme and offer opportunities to lead or support specific TIC projects.

Objective 3 Further raise awareness and understanding and engagement with the TIC programme across all levels of the organisation.

To be achieved by:

- Further develop the TIC website to allow staff to contribute suggestions for potential efficiencies/projects.
- Further develop the TIC website to offer a library of literature and project planning tool kits to support managers going through a change process/review.
- To develop TIC Hubs at central locations across the County to allow staff to undertake project work.
- Further raise awareness of the TIC Programme with elected members.
- The TIC awards have been launched and the inaugural event is being held on 14th July. The aim is to recognise and celebrate any improvement activity led by teams across the Authority.
- We will re-launch TIC promotional materials and capture what engaging with the TIC programme has meant to staff in empowering them to improve the way they work.

Objective 4 Further strengthen reporting and accountability mechanisms within the TIC Programme.

To be achieved by:

- Providing regular progress updates to the TIC Programme Board, Executive Board, Executive Board Member, Heads of Service forum.
- Developing measures for the TIC team and its work.
- Ensuring there are clear links with the priorities of the Council, the Public Service Board and the objectives of the Well Being of Future Generations Act.

Objective 5

Further develop mechanisms to share good practice and learning with other public sector partners.

To be achieved by:

- Continuing to attend the All Wales Continuous Improvement Network.
- Continuing to develop mechanisms to share good practice and learning with other public sector partners at local and regional levels.

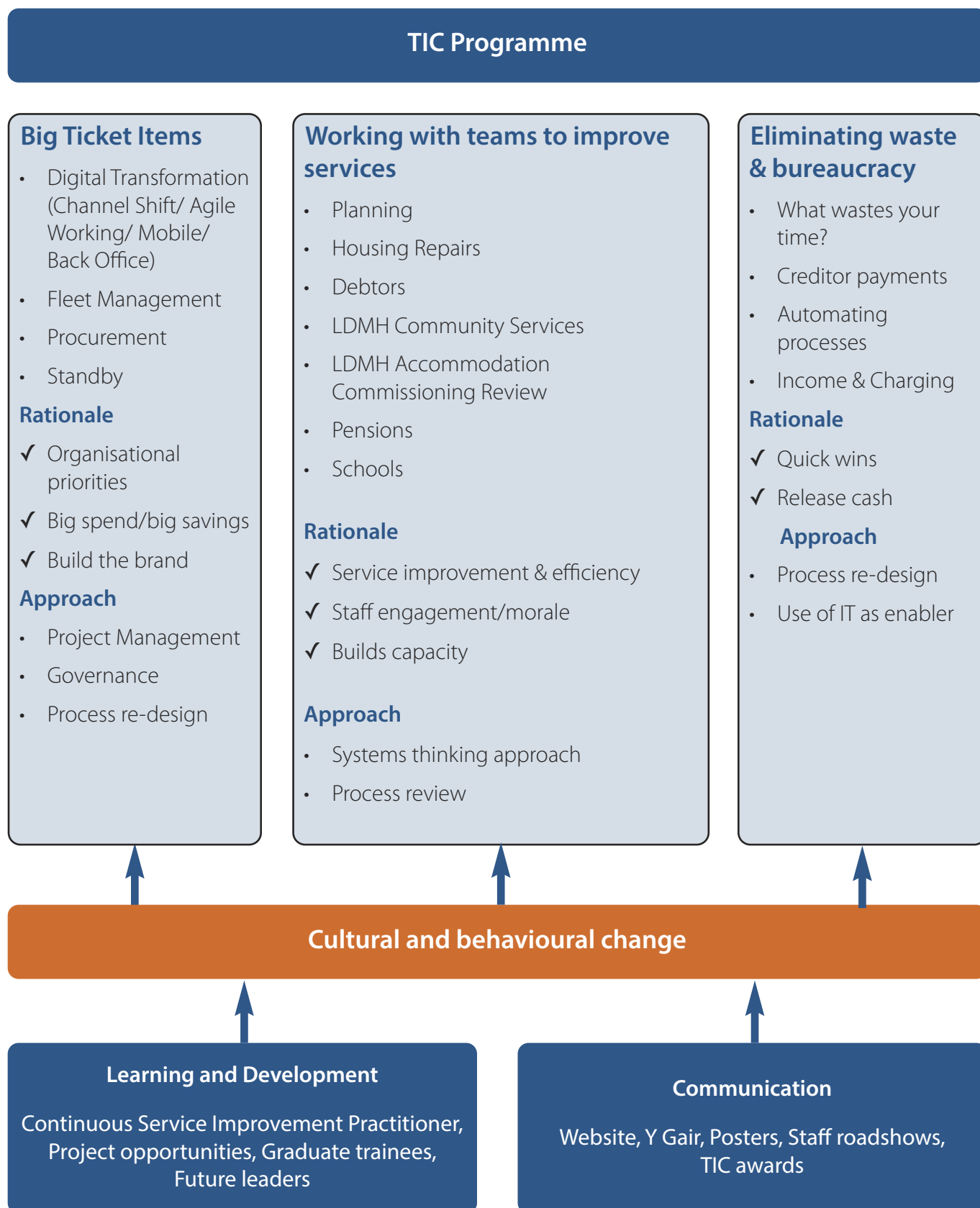
Objective 6

Build capacity across the organisation to lead, support and engage people to deliver transformation and change.

To be achieved by:

- Identifying key TIC priorities in respect of learning and development.
- Developing learning mechanisms to share good practice and learning, such as a self-help improvement toolkit.
- Introducing a demand management approach to complement the TIC Programme.

Appendix 1: The TIC Work Programme



Appendix 2: TIC Projects Savings

Project	Saving
Agile Working	£2.5m
Procurement	£2.532m
Fleet Management	£1.422m
Income and Charging	£850k
Standby	£400k
SEN/LAC	£280k
Libraries Procurement	£90k
Current projects Total	£8.074m
3rd Sector Project	£1.0m
Mail/Printing	£655k
ASC	£666k
Housing Voids	£444k
Photocopying	£300k
Housing Options	£145k
Planning	£90k
Property Maintenance	£23k
Back Office at PDS	£40k
Subscriptions	£12k
Completed Projects Total	£3.375m
Total	£11.449m

POLICY & RESOURCES SCRUTINY COMMITTEE 7 FEBRUARY 2018

CARMARTHENSHIRE WELL-BEING PLAN: THE CARMARTHENSHIRE WE WANT

To consider and comment on the following issues:

- To consider and approve the Carmarthenshire Well-being Plan.

Reasons:

Carmarthenshire County Council is a statutory member of Carmarthenshire Public Services Board (along with Hywel Dda University Health Board, Natural Resources Wales and Mid and West Wales Fire and Rescue Service). Before the Plan can be published it has to be approved by the statutory members of the Board.

The Policy and Resources Scrutiny Committee is also the designated local government scrutiny committee appointed to scrutinise the work of the PSB.

To be referred to the Executive Board / Council for decision: Yes

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. Emlyn Dole

Directorate: Chief Executive's

Name of Head of Service:

Wendy Walters

Report Author:

Gwyneth Ayers

Designations:

Director of Regeneration & Policy

Corporate Policy & Partnership
Manager

Tel Nos.

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EXECUTIVE SUMMARY
POLICY & RESOURCES SCRUTINY COMMITTEE
7 FEBRUARY 2018

CARMARTHENSHIRE WELL-BEING PLAN:
THE CARMARTHENSHIRE WE WANT

The Well-being of Future Generations (Wales) Act 2015 places a duty on each Public Services Board (PSB) to develop and publish a county Well-being Plan by May 2018. As part of the preparation of this Plan, Carmarthenshire PSB has undertaken a detailed Well-being Assessment of the social, economic, environmental and cultural well-being of the county. The assessment, along with a series of engagement events were used to identify the Carmarthenshire well-being objectives for this Plan and the actions to make progress against those objectives.

The objectives and actions identified as part of this plan focus on areas of collective action that the PSB can influence by working together and does not therefore replicate what is considered to be the core business of the individual member bodies of the PSB, unless there is added value to be gained by the PSB working together.

From 11 October 2017 to the 3 January 2018 the PSB held a 12-week consultation on a first draft of the Plan (during which the Policy and Resources Scrutiny Committee were consulted). At its meeting on the 18 January 2018 the PSB considered the feedback from the consultation and further development work undertaken during the consultation period and agreed amendments to the Plan accordingly. The key amendments to the Plan are included on pages 14-18 where further information has been included against each of the actions in order to identify '*How we will do this...*' and '*Who will do this...*'. This will form the basis for a series of Delivery Groups which the PSB will now look to establish to make progress against the identified objectives and actions.

The PSB is therefore presenting its final Plan for consideration and approval by the four statutory members of the Board (Carmarthenshire County Council, Hywel Dda University Health Board, Natural Resources Wales and Mid and West Wales Fire and Rescue Authority). The Plan will then be adopted by the PSB for delivery from May 2018 onwards.

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 in detail below, there are no other implications associated with this report :

Signed: **Wendy Walters, Director of Regeneration and Policy**

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

1. Policy, Crime & Disorder and Equalities

The Well-being of Future Generations (Wales) 2015 Act places a requirement on all Public Services Boards to prepare and publish a local well-being plan. Before the plan can be published it has to be approved by the statutory members of the board. The Act statutory guidance notes '*If the local authority is operating executive arrangements the local well-being plan must be approved by the full Council*'.

CONSULTATIONS

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

Signed: **Wendy Walters, Director of Regeneration & Policy**

1. Local Member(s)

All members were able to contribute to the 12-week public consultation which took place between October 2017-3 January 2018.

2. Community / Town Council

All councils were able to contribute to the 12-week public consultation which took place between October 2017-3 January 2018.

3. Relevant Partners

All partners were able to contribute to the 12-week public consultation which took place between October 2017-3 January 2018. PSB members approved the final draft at the 18 January 2018 meeting

4. Staff Side Representatives and other Organisations

All staff from PSB members organisations, and any other interested stakeholders, were able to contribute to the 12-week public consultation which took place between October 2017-3 January 2018.

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
Carmarthenshire Well-being Assessment		<p>Cymraeg http://www.ysirgaragarem.cymru/media/8179/asesiad-llesiant-bgc.pdf</p> <p>English http://www.thecarmarthenshirewewant.wales/media/8178/psb-wellbeing-assessment.pdf</p>
Shared Purpose: Shared Future Statutory guidance on the Well-being of Future Generations (Wales) Act 2015 SPSF 3: Collective Role		<p>Cymraeg http://gov.wales/docs/desh/publications/161111-spsf-3-collective-role-cy.pdf</p> <p>English http://gov.wales/docs/desh/publications/161111-spsf-3-collective-role-en.pdf</p>

Carmarthenshire Well-being Plan: The Carmarthenshire We Want - 2018-2023





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1. Foreword

It gives me great pleasure to present the first Carmarthenshire Well-being Plan on behalf of Carmarthenshire Public Services Board (PSB). The PSB brings together a number of different organisations providing services to the public of Carmarthenshire and our aim is to improve the economic, social, environmental and cultural well-being of our residents by working collectively to add value to each other's services but also to develop new and innovative approaches to address the needs of our people and communities. This Plan, as required through the Well-being of Future Generations (Wales) Act, is the first step for the PSB and has been developed following significant engagement with front line staff, residents of all ages, county and community councillors and other stakeholders. This engagement has identified four key well-being objectives that the PSB will focus its attention on delivering through collective action over the next few years:



Healthy Habits

People have a good quality of life, and make healthy choices about their lives and environment



Early Intervention

To make sure that people have the right help at the right time; as and when they need it



Strong Connections

Strongly connected people, places and organisations that are able to adapt to change



Prosperous People and Places

To maximise opportunities for people and places in both urban and rural parts of our county

This is an exciting time for the PSB as we move from the planning phase to delivery. All partners are very much committed to making progress against the objectives and actions that have been identified following lengthy engagement and consultation with partners and stakeholders. We are all now keen to move on to doing things together that will make a difference for you our residents.

It is very important for me that we as public service providers work together to make Carmarthenshire the best place it can be for you our residents and I can assure you that with the support and collaboration of the PSB members and other stakeholders we'll do all that we can to deliver this ambitious plan.



Barry Liles,
Principal of Coleg Sir Gâr and Chairman
of Carmarthenshire Public Services
Board

2. Well-being of Future Generations (Wales) Act 2015 the requirements

The Act gives a legally-binding common purpose of seven Well-being Goals and five Ways of Working, based on the sustainable development principle, designed to support and deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs. The objectives and actions outlined in this well-being plan have all been formulated with a view to making a wider contribution to achieving the national well-being goals.

With the Well-being Goals and five Ways of Working as a framework the Act sets an expectation on Public Services Boards to set a shared vision on how it will improve the economic, social, environmental and cultural well-being of its area and this is what we've outlined in this first Carmarthenshire Well-being Plan: The Carmarthenshire We Want.

National Well-being Goals

Goal	Description of the goal
A more prosperous Wales	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
A resilient Wales	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
A healthier Wales	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances).
A Wales of cohesive communities	Attractive, viable, safe and well- connected communities.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage, and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.
A globally responsible Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

Five Ways of Working

As a PSB we must ensure that everything we do has taken the five ways of working into consideration.

Long term



The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.

Prevention



How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

Integration



Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies.

Collaboration



Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

Involvement



The importance of involving people with an interest in achieving the well-being goals, an ensuring that those people reflect the diversity of the area which the body serves.

3. Carmarthenshire's Public Services Board

The Well-being of Future Generations Act puts a well-being duty on specified public bodies across Carmarthenshire to act jointly and establish a statutory Public Services Board (PSB). The Carmarthenshire PSB was established in May 2016 and is tasked with improving the economic, social, environmental and cultural well-being of Carmarthenshire. It must do so by undertaking an assessment of well-being in the County and then preparing a county Well-being Plan to outline its local objectives, the steps it proposes to take to meet them and how they contribute to the achievement of the well-being goals.

Members of the Carmarthenshire PSB are senior representatives from the following organisations:



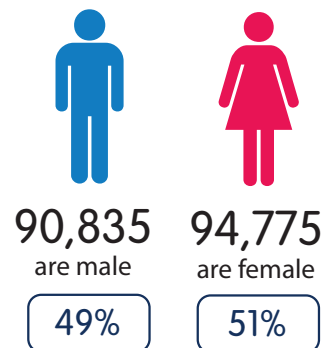
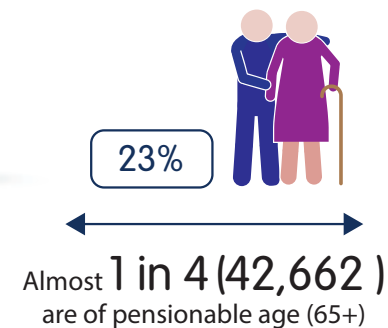
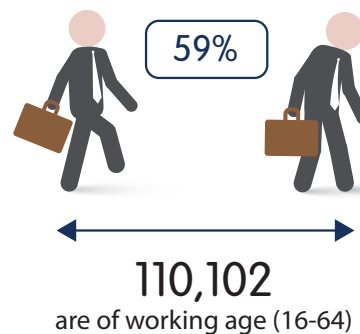
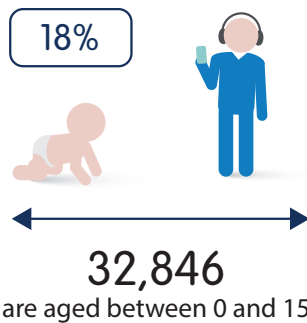
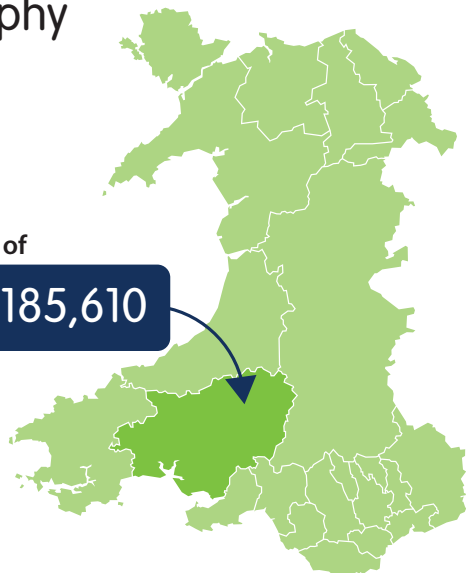
4. Carmarthenshire at a Glance

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Demography

Carmarthenshire has a population of

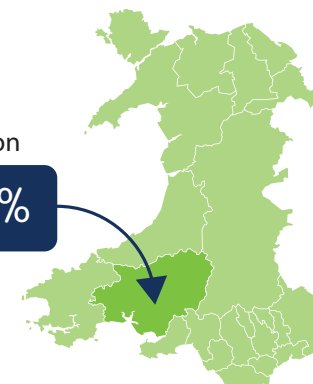
185,610



3 out of 4
of Carmarthenshire's population
were born in Wales



76%

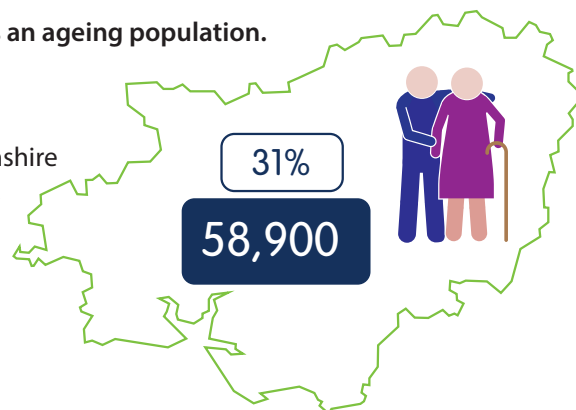


Carmarthenshire has an ageing population.

By 2039, around

1 in 3 Carmarthenshire
residents will be aged

65 and over.



1 in 4

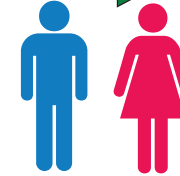
have a limiting long-term illness



1 in 25

Carmarthenshire is predominantly white, with 4% of the population having a non-white ethnicity,

Carmarthenshire has the highest number of Welsh speakers in Wales at

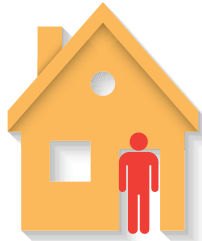


78,048

There are over 78,800 households in Carmarthenshire.

30%

are occupied by just one person.



60% of the population live in rural areas, which form 53% of the County



6 in 10

There are **three major towns** of **Llanelli, Carmarthen** and **Ammanford** which are

home to 25% of the population.



25%



7 out 10

households are owned (outright or with a mortgage)



14%

are socially renting



10%

private rented



44 crimes per 1000 population



8166

recorded crimes during 2015/16



79%

feel safe in their area

Economy



8 in 10

Nearly 8 in 10 of Carmarthenshire's working age population (16-64) are economically active. (62% as employees; 12% self-employed)

79%, 89,600



63,000

Employee jobs in Carmarthenshire



1 in 5

work in wholesale and retail



1 in 5

work in health and social care fields



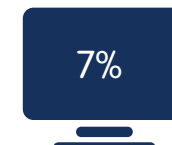
13%

in manufacturing



10%

in education



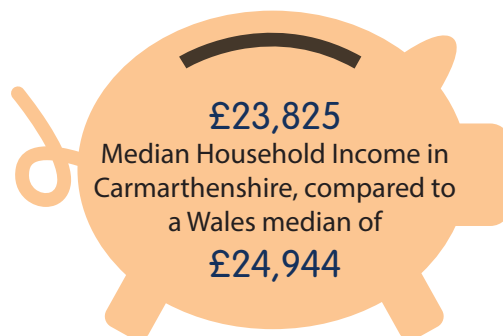
7%

in public administration



92%

of businesses are micro enterprises (employ less than 10 people)



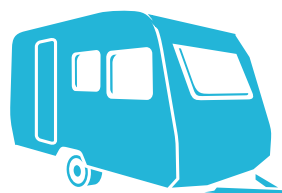
£23,825

Median Household Income in Carmarthenshire, compared to a Wales median of £24,944

Over 1 in 3 of households are living in poverty, according to the Welsh Government definition – households with less than 60% of GB median income



(36%)



Croeso / Welcome

£370 million

value / contribution of tourism to Carmarthenshire's economy



24,000

people in Carmarthenshire provide unpaid care, that's 13% the population.



+50 Hours

Over 7000 provide more than 50 hours of unpaid care a week.

Health and Well-being

Life Expectancy is favourable at:



78.5 yrs
for men



82.6 yrs
for women



7.4 : 10

Average score for 'life satisfaction', on a scale of 1 to 10

3 in 10

suffer from mental health issues



28%

60%

of adults reported being overweight or obese (using BMI)



Environment



5,587

Minimum number of Carmarthenshire properties at risk of flooding from rising sea levels



Culture

83%

of Carmarthenshire households have internet access



said that people from different backgrounds get on well together

2 in 3

participate in sports



66%

5. Carmarthenshire's Well-being Assessment

Following a period of engagement and consultation, the Carmarthenshire Well-being Assessment was published in March 2017. The assessment looks at the state of economic, social, environmental and cultural well-being in Carmarthenshire through different life stages and provides a summary of the key findings. The findings of this assessment form the basis of the objectives and actions identified in this county Well-being Plan. A copy of the Carmarthenshire Well-being Assessment (2017) can be found on www.thecarmarthenshirewewant.wales



6. Carmarthenshire's Well-being Plan

The PSB must publish a Well-being plan which sets out its local objectives to improving the economic, social, environmental and cultural well-being of the County and the steps it proposes to take to meet them. Although this first plan has been developed for the period 2018-2023, the objectives and actions identified will look at delivery on a longer term basis of up to 20-years.

Based on the findings of the Carmarthenshire well-being assessment and further engagement with stakeholders, Carmarthenshire's Well-being Plan will focus on the delivery of four objectives:



Healthy Habits

People have a good quality of life, and make healthy choices about their lives and environment



Early Intervention

To make sure that people have the right help at the right time; as and when they need it



Strong Connections

Strongly connected people, places and organisations that are able to adapt to change



Prosperous People and Places

To maximise opportunities for people and places in both urban and rural parts of our county

7. Other key considerations

In addition to these objectives the Carmarthenshire Well-being Plan will fully support, and where possible add value, to the delivery of the proposals and projects being developed through other mechanisms.

Swansea Bay City Deal

The Swansea Bay City Deal is a transformational approach to delivering the scale and nature of investment needed to support the region's plans for growth, with a total investment of £1.3 billion from both the public and private sectors over a period of 15 years.



The Deal provides a once in a generation opportunity to consolidate the region's role in technological innovation and to become a lead innovator in developing and commercialising solutions to some of the most pressing challenges in the fields of life science and well-being, digital innovation, energy and smart manufacturing.

Delivered through eleven projects the City Deal will demonstrate the economic, social, environmental and cultural opportunities of using next generation digital innovations and technology to accelerate the regional economy and attract international investor interest, whilst remaining citizen-focused and grounded in the geography and assets of the Swansea Bay City Region.

West Wales Care Partnership

The West Wales Care Partnership (WWCP) has been established to oversee the continued transformation and integration of health, social care and well-being services in the West Wales area.

The Partnership brings together the three local authorities in West Wales (Carmarthenshire County Council, Ceredigion Council and Pembrokeshire

County Council), Hywel Dda University Health Board and representatives of the third and independent sector as well as service user/carer representation.

The Partnership has published its first Population Assessment for the region (which is available through www.wwcp.org.uk) and will deliver an Area Plan to address the issues highlighted in the assessment. We will ensure that the work of the Area Plan and Well-being Plan complement each other wherever possible.

Environmental Balance

When considering the well-being needs of Carmarthenshire's population, it is imperative that we find environmental balance. Our environment is fundamental for Carmarthenshire's food security, water supply, air quality, building materials, economy and many other needs we take for granted. Ecosystem resilience is the ability of our natural environment to cope with these pressures along with other disturbances and change.

Achieving ecosystem resilience is about creating and enhancing strong connections between natural places and ensuring they are in good condition. We must ensure that all our actions are carefully managed to promote ecosystem resilience and work towards a circular model of economy that endorses recycling, reusing and repairing, rather than discarding and destroying.

Welsh Language & Culture

This plan supports the maintenance and development of cohesive bilingual communities. With nearly half of the population of Carmarthenshire speaking Welsh (this is the largest number of Welsh speakers in Wales) we must ensure that the design and delivery of the numerous activities and actions in this plan embrace Welsh language and culture, and the vision for one million Welsh speakers by 2050.

Public Body Well-being Objectives

The Well-being Objectives of the Carmarthenshire PSB are not intended to address the core services and provision of the individual partners, rather they are to enhance and add value. As public bodies subject to the Well-being of Future Generations (Wales) Act in their own right Carmarthenshire County Council, Hywel Dda University Health Board, Mid & West Wales Fire & Rescue Service and Natural Resources Wales must publish their own well-being objectives.

These organisations are also statutory members of the PSB and the well-being plan will also take account of how, where appropriate, it can work collectively to support the delivery of those organisational well-being objectives. Appendix 1 outlines the organisational well-being objectives as set during 2017-18.

8. How the actions to deliver the objectives were developed

In order to develop the actions within this plan a multi-layered engagement phase was undertaken. A full engagement report on the findings of this engagement phase is available on www.thecarmarthenshirewewant.wales

Workshops were held with thematic group officers, followed by a series of large-scale workshop events with frontline staff, stakeholders, county councillors and members of the public at three locations across Carmarthenshire. In addition, shorter workshops were held with other key groups specifically with children and young people and the Town and Community Councils who are themselves subject to the Well-being of Future Generations Act. An online survey was also available for any respondents who were unable to contribute through the workshops.

All the feedback was then considered by a PSB officer group and the actions were identified.

The draft Well-being Plan was subject to a 12-week consultation from 11 October 2017-3 January 2018 and the feedback received from that consultation and further engagement work during that period has informed this final Plan.

9. Setting out the Plan

The expectation is that the PSB will concentrate its collective efforts on a few specific priorities, in the first instance, in order to add value to the services already being delivered. For each of the four objectives we have set out the justification for the objective based on the five Ways of Working. Then we have set out the Short Term (1-3 years) and Medium Term (3-7 years) actions and a Longer Term (7-20 years) ambition. These were identified through the engagement and planning phase that the PSB can take collectively and by working with other stakeholders.

The actions identified do not at this stage detail the full range and extent of activities to be carried out in the delivery of the short and medium term actions and longer term ambition, but it is the intention that the short and medium term actions lay the ground work for the longer term service transformation or behavioural change.

The Well-being Plan for Carmarthenshire is fully integrated. There are clear links between objectives and actions, some of these have been identified overtly but we expect there to be synergies and opportunities for integration throughout and these will become more evident as implementation of the Well-being Plan progresses.

10. Carmarthenshire's Well-being Objectives

In considering how we deliver each of the four well-being objectives we have ensured that the five ways of working provided a lens through which action was developed. To demonstrate this consideration, we have set out the justification for the objective and how each objective maximises its contribution to the national well-being goals.

Under each short term action we have set out an overview of the steps that will be taken to deliver that action and who will be responsible for implementing these steps. The Delivery Group for each short term action will be lead by two members of the PSB; an expert to chair the group and a vice-chair with a different specialism who can challenge, extend and seek out broader opportunities. The medium term action is also expressed, and whilst the initial focus will be on delivery of the short term action first, the medium term action and longer term ambition will be contemplated to ensure there is continuity and progression.





Healthy Habits

People have a good quality of life, and make healthy choices about their lives and environment.

Healthy Lives:

Healthy Lives: Childhood obesity is a global issue, but our Assessment of Local Well-being identified that Carmarthenshire's children are on average, heavier than elsewhere in Wales. We are yet to see how significant this is over time but currently 30% of 4-5 year old and 60% adults are overweight and obese which can lead to longer term physical and chronic health conditions. We also have a significant gap in life-expectancy between the most and least deprived communities (18.5 years). In the long term, the impacts of the chronic diseases associated with poor health will be increasingly severe for individuals, and for the services that support them. To prevent the worsening of this situation, the PSB needs to support a change in people's attitudes and behaviours to personal health in order for everyone to have a better quality of life. Collectively, the PSB has considerable capacity and reach as between us our organisations employ a large percentage of our population, so the PSB is well placed to coordinate action and encourage the involvement of people themselves to promote behaviour change and be actively engaged in their own current and future health.

SHORT TERM: Coordinated Campaigns

Develop a mechanism to enable targeted information campaigns, to be consistently and rigorously disseminated across the county by all PSB partners and organisations. We will develop innovative ways to better engage with everyone, whoever you are and wherever you are from.

MEDIUM TERM: Social & Green Solutions for Health

Social prescribing is recognised as a means for professionals to signpost people to local, non-clinical community support services rather than prescribe medication or a service intervention. We will build on the findings of an existing project in Llanelli, as well as practice and evidence from elsewhere, to establish access to these opportunities across the county.

How we will do this...

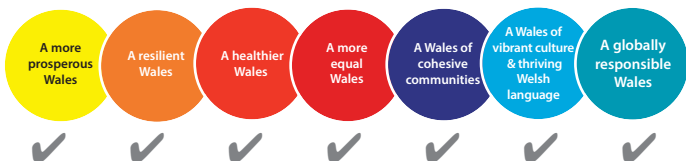
We will begin by mapping out current campaigns and ways of campaigning; we will develop a framework for coordinating campaigns with a menu of potential approaches and opportunities for campaigning and for co-production. We will identify potential locations for pilot to test and evaluate the campaigns and then look to roll out the effective campaigns.

Who will do this...

The expert lead for the Delivery Group will be the PSB representative from Hywel Dda University Health Board, with the vice-chair being the PSB representative from Coleg Sir Gâr. Other members will include Communication and Learning specialists from across PSB partners and beyond but will also include the relevant experts and stakeholders pertinent to the particular campaign to be coordinated.

LONGER TERM AMBITION:

Carmarthenshire's citizens are actively engaged in their own health and, with greater connection to nature, have increased well-being, lower stress levels and have more environmentally sustainable attitudes and behaviours.





People have a good quality of life, and make healthy choices about their lives and environment

Healthy Environment:

Like the rest of the world, Carmarthenshire is under threat from the impacts of climate change. Our environment is also affected by historic and modern ways of living and our Assessment of Local Well-being identified that we have some of the worst transport CO2 emissions in Wales. We are yet to understand the specific impact of these aspects on our environment in the long term but we know we will be affected by rising sea levels, flooding, the increase of extreme weather events and the loss of habitats and ecosystems. Carmarthenshire PSB cannot prevent climate change but it can collaborate at a strategic level to adopt changes in order to soften the impact on our county. In addition, it is recognised that nature has a positive effect on well-being; it improves levels of happiness, lowers stress levels and increases environmentally sustainable attitudes and behaviours. In Carmarthenshire, 40% of the population are within a stroll of green space but we could have a better 'connection to nature'. It is crucial that individuals and communities are engaged and involved in the cultural shift that comes from increasing people's connection with nature.'

SHORT TERM: Environmental Risk Assessment

Undertake a *Climate Change and Environmental Risk Assessment* for Carmarthenshire in order to develop clear and defined actions that can be taken by individuals, communities and organisations.

MEDIUM TERM: Strengthening Connection with Nature

With strong links to the action around Social and Green Solutions for Health, the PSB will identify new and existing natural spaces that can be used to enhance connection with nature. The PSB will promote these spaces and educate an understanding of the importance of and a love for nature.

How we will do this...

Once we have undertaken the Risk Assessment, we will develop a Mechanism for Actioning the Risk Assessment. This will involve identifying key community stakeholders; developing a Methodological Approach (this may link to Coordinated Campaigns); and implementing a Programme of Work with actions to respond to Climate Change, to Environmental change and to enhance connection with nature.

Who will do this...

The expert lead for the Delivery Group will be the PSB representative from NRW, with the vice-chair being the PSB representative from UWTSD. Membership of the group will be varied and wide ranging from across PSB partners and beyond but will include experts from forward planning, transport and other infrastructure as well as communication specialists.

LONGER TERM AMBITION:

Carmarthenshire's citizens are actively engaged in their own health and, with greater connection to nature, have increased well-being, lower stress levels and have more environmentally sustainable attitudes and behaviours.



Early Intervention

To make sure that people have the right help at the right time; as and when they need it

The Assessment of Local Well-being identified a number of challenges that individuals face throughout their lives, including deteriorating physical and mental health, the breakdown of social networks and relationships, changing economic circumstances and becoming trapped in a cycle of poverty. The longer term implications for the well-being of individuals, their families and their communities, can be immense when they don't get help or support at the right time, particularly in the early years of life. Understanding trigger points or transitions is very important; recognising the point at which support should be made, in what way and by whom is necessary for tailoring and integrating the delivery of services. Some circumstances cannot be entirely prevented, but steps can be taken to react swiftly and appropriately to prevent them worsening, or to soften their impact. The PSB recognises that prevention is everybody's responsibility and the PSB is ideally placed to have a collaborative response to this preventative agenda. It is crucial however, that people themselves are involved and engaged in what happens to them in their lives.

SHORT TERM: Changing the Model of Delivery

The PSB will transform service delivery to enable individuals, families and communities to take early preventative measures for the benefit of their own well-being. This will include raising awareness, establishing a single point of contact to access information, and the development of a common training programme for staff across PSB organisations based on the Make Every Contact Count (MECC) approach.

MEDIUM TERM: Information Sharing

Building on the short term action, we will establish procedures and systems to continue to support the change of service provision and enable service users to take personal preventative measures. This includes the development of a mechanism for PSB organisations to coordinate and share key information to enhance the capacity and capability of public service partners to support individuals to take early preventative action.

How we will do this...

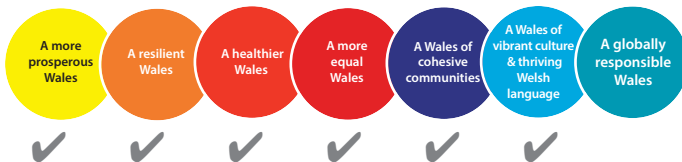
We will begin by 'stock-taking' the use of our public services; which services are used, when and by who, what are the trigger or tipping points. We will then analyse usage and marry this up with our understanding of future trends. We will then be able to develop a Programme of Response; this will include signposting and intervention approach (MECC training). There are strong links with Coordinated Campaigns.

Who will do this...

The expert leads for the Delivery Group will be the PSB representatives from Hywel Dda University Health Board and Carmarthenshire County Council. There will be representation from all PSB partners, but we will also seek out key stakeholders from other sources; for example Wales Ambulance Services Trust will have a key part of developing an integrated response.

LONGER TERM AMBITION:

Enhanced collaboration of services will ensure that people have the right help at the right time, as and when they need it. This may see innovative county-wide and local responses such as mobile or co-location of services.





Strong Connections

Strongly connected people, places and organisations that are able to adapt to change

It is accepted that our social networks and communities are crucial for well-being throughout our lives, and this was very clear in our Assessment of Local Well-being and from feedback we received at our engagement events. Many people are very much involved and engaged in their communities but we can do better. Communities are dynamic, they change in their makeup and in response to pressures, and opportunities. Public and private sector services are also constantly changing, putting additional pressure on the county. We need to support our communities to become resilient and more resourceful in the long term, this will prevent change being a negative influence on well-being. The PSB partner organisations touch every community in the county in some way. Through collaboration with voluntary groups, town and community councils, the private sector and many others, our communities can be thriving cohesive, bilingual and happy places to live. Our communities represent everyone, so everyone needs to be involved in this process for individual and collective well-being.

SHORT TERM: Innovative Community Assets

The PSB will work closely with communities and individuals to support them to develop skills and enable community action. This will see the establishment of a resource to offer knowledge, advice and guidance in developing community based projects; developing opportunities for volunteering; and better use being made of community, and public sector assets (physical and social networks) for the benefit of communities.

How we will do this...

We will start with an exploration of Volunteering in Carmarthenshire; seeking out successful models & good practice for promoting volunteering from across the PSB partners. We will develop a mechanism appropriate for Carmarthenshire to promote volunteering and share the good community practice, this may include accreditation/ recognition of volunteering, the development of a framework for 'converting' volunteers to employees and identification of assets, buildings and land for community use.

MEDIUM TERM: Innovative Service Delivery

Through understanding and a meaningful dialogue, ensure co-production and cooperation between communities and organisations to make the most of the capacity/assets, networks and the public services supporting them.

Who will do this...

The expert lead for the Delivery Group will be the PSB representative from Carmarthenshire Association of Voluntary Services, with the vice-chair being the PSB representative from the Department for Work and Pensions. In addition to representation from all PSB partners, the group will have specific representation from Education partners for potential accreditation, and Estates for identification of community assets. We will also hold a one-off event to bring together the volunteering expertise we have in the county.

LONGER TERM AMBITION:

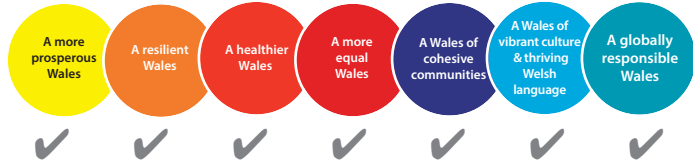
We will celebrate a Carmarthenshire, with all its diversity, by promoting togetherness, cohesion and tolerance.



Prosperous People and Places

To maximise opportunities for people and places in both urban and rural parts of our county

Our Assessment of Local Well-being found that 1 in 3 households are living in poverty, and the majority of these are in rural areas. We also have urban centres that face significant challenges, with several communities experiencing generational poverty. Those living in (often hidden) rural poverty experience higher fuel costs and the significant additional cost and challenge that comes from lack of access to services, transport and employment. Long term trends see fuel costs rising, and the issues of economy and accessibility both for those living in rural Carmarthenshire and for those in urban settings becoming increasingly challenging. To soften the impact of this, and to prevent the implications of poverty on individuals and on their communities, the PSB must enable people to grasp opportunities to have fulfilling lives, and support infrastructural transformation. The skills and expertise across the PSB provides a perfect opportunity to redefine service delivery for Carmarthenshire in light of the most current and relevant understanding around rural well-being. The people of our communities will need to be involved in contributing and co-designing the appropriate models for Carmarthenshire.



SHORT TERM: Education and Employment
Understand the employment needs, expectations and trends for Carmarthenshire in order to better align the educational curriculum, other support and training to enable individuals to develop skills for life. This will include PSB partners developing opportunities for work experience, apprenticeships, fast tracked training etc.
How we will do this...
We will explore current needs and future trends of our workforce, and develop ways to overcome barriers and align education & employment opportunities. We will identify potential solutions within education (HE and FE) and within the workplace across the PSB. We will develop a framework to support a move to a Competencies-Based or Strengths-Based Model for employment across the PSB to enable versatility of employment.
Who will do this...
The expert lead will be the PSB representative from Carmarthenshire County Council, with the vice-chair being the PSB representative from Mid & West Wales Fire & Rescue Service. Other members of the group will have specialist expertise to tackle this action.

SHORT TERM: Procurement Procedures
The PSB will seek opportunities to restructure public sector procurement protocols and requirements to support and enhance potential local enterprise.
How we will do this...
First we will understand the current systems and current and future challenges and opportunities for Procurement, then we will remove the barriers to community and individual enterprise and initiative and establish new approaches to work together to provide support to enable advancement e.g. in renewable energy and promote opportunities for Rural enterprise.
MEDIUM TERM: Infrastructure
The PSB will work with communities to innovate and look for new models and approaches to improve Carmarthenshire's transport and digital infrastructure i.e. Broadband and mobile phone connectivity. The PSB will seek to provide a fully integrated sustainable transport system that meets the needs of its people and communities.

LONGER TERM AMBITION:
The people of Carmarthenshire will be economically prosperous and thriving wherever they live in the county.

In order to make progress against these actions we believe that there is a need for the PSB to establish the following support arrangements/mechanisms:

- **Communication Platform**

In order to improve internal and external public sector communication, to reduce duplication of effort, and confusion for residents, a co-ordinated communication mechanism will be established to share information giving a consistent message across PSB partner networks.

- **Research & Evidence Hub**

To ensure learning and sharing of best practice, evidence and understanding at a local, national and international level, a Research & Evidence Hub will be established. This will monitor and evaluate practice relating to the actions in the plan, constantly referring to academic and practice based understanding to ensure continued best practice. Its relationship with the governance structure delivering the plan will be iterative; furthermore it will be transparent to ensure public scrutiny.

11. Delivery and Monitoring

Delivery Groups will be established to make progress against the short and medium term actions identified in the Plan. It is the intention that the short term actions lay the ground work for the longer term service transformation or behavioural change. All Delivery Groups will be accountable to Carmarthenshire PSB and progress on achieving the objectives will be monitored on a regular basis. Updates on progress will be provided on www.thecarmarthenshirewewant.wales website.

As part of its on-going work the PSB will ensure that it continually reviews the information, data and research available at a local, national and international level as well as learning lessons from experience in other areas in all that it does.

12. Further Information

If you would like any further information about the well-being assessment, this Plan or progress in delivering this plan please visit www.thecarmarthenshirewewant.wales website or contact the PSB Support Team on info@thecarmarthenshirewewant.wales

Appendix 1 - PSB statutory members' individual public body well-being objectives as set during 2017-18

Page 120

	Mid and West Wales Fire & Rescue Services	Carmarthenshire County Council	Natural Resources Wales	Hywel Dda University Health Board
1	To deliver a holistic home safety intervention to those most at risk within the communities of mid and west Wales	Help to give every child the best start in life and improve their early life experiences	Champion the Welsh environment and the sustainable management of natural resources	Improve population health through prevention and early intervention
2	To reduce the incidence of arson across mid and west Wales.	Help children live healthy lifestyles	Ensure land and water in Wales is managed sustainably and in an integrated way	Support people to live active, happy and healthy lives
3	To deliver our part of the Welsh Government Road Safety Framework	Continue to improve learner attainment for all	Improve resilience and quality of ecosystems	Improve efficiency and quality of services through collaboration with people, communities and partners
4	The Well-being of Future Generations (Wales) Act 2015 and our role in Public Service Boards.	Reduce the number of young adults that are Not in Education, Employment or Training	Protect people and communities from environmental hazards like flooding and pollution	Ensure a sustainable, skilled and flexible workforce to meet the changing needs of the modern NHS
5	To contribute to and implement the new Emergency Services Network (ESN).	Tackle poverty by doing all we can to prevent it, helping people into work and improving the lives of those living in poverty	Help people live healthier and more fulfilled lives	
6	Further develop the findings of the Service's Risk Review and Strategic Assessment.	Creating more jobs and growth throughout the county	Promote successful and responsible business, using natural resources without damaging them	
7	Review and develop our response to flooding incidents.	Increase the availability of rented and affordable homes	Develop NRW into an excellent organisation, delivering first class customer service	
8	To support economic sustainability within our business community	Help people live healthy lives (tackling risky behaviour and obesity)		
9	To invest in our people.	Supporting good connections with friends, family and safer communities		
10	To make best use of our assets and resources.	Support the growing numbers of older people to maintain dignity and independence in their later years		
11	Digitisation - To use technology to innovate, collaborate and empower.	A Council-wide approach to supporting Ageing Well in the County		
12	To improve the way we resolve operational incidents through innovation and the use of technology.	Looking after the environment now and for the future		
13		Improving the highway and transport infrastructure and connectivity		
14		Promote Welsh Language and Culture		

POLICY & RESOURCES SCRUTINY COMMITTEE 7 FEBRUARY 2018

CARMARTHENSHIRE PUBLIC SERVICES BOARD (PSB) MINUTES NOVEMBER 2017

To consider and comment on the following issues:

1. To consider and scrutinise the content of the PSB minutes from its meeting on 16 November 2017.

Reasons:

The Well-being of Future Generations (Wales) Act 2015 notes the requirement that a designated local government scrutiny committee is appointed to scrutinise the work of the PSB. In Carmarthenshire, the Council's Policy & Resources Scrutiny Committee has been designated as the relevant scrutiny committee.

To be referred to the Executive Board / Council for decision: NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. E. Dole

Directorate

Name of Head of Service:

Wendy Walters

Report Author:

Gwyneth Ayers

Designations:

Director of Regeneration & Policy

Corporate Policy & Partnership
Manager

Tel Nos.

01267 224659

E Mail Addresses:

WSWalters@sirgar.gov.uk

GAyers@sirgar.gov.uk

EXECUTIVE SUMMARY

POLICY & RESOURCES SCRUTINY COMMITTEE

7 FEBRUARY 2018

CARMARTHENSHIRE PUBLIC SERVICES BOARD (PSB) MINUTES NOVEMBER 2017

In order to ensure PSBs are democratically accountable, the Well-being of Future Generations (Wales) Act 2015 places a requirement on councils to designate an overview and scrutiny committee to scrutinise the work of the PSB. In the 'Guidance for Local Authority Scrutiny Committees on the scrutiny of Public Services Boards' issued by Welsh Government in August 2017 it notes:

'Under the provisions contained in the Act, overview and scrutiny committees have extensive powers to review the PSB's governance arrangements as well as any decisions made or actions taken by the PSB. In addition, overview and scrutiny committees are provided with considerable reporting powers as they are required to share copies of any reports or recommendations made in connection with the board's function or governance arrangement with the Welsh Ministers, the Future Generations Commissioner for Wales and the Auditor General for Wales.'

In Carmarthenshire, the Council's Policy & Resources Scrutiny Committee has been designated as the relevant scrutiny.

The minutes of the November 2017 Carmarthenshire PSB meeting were approved by the PSB at its 18 January 2018 meeting.

The minutes are presented to the Council's Policy & Resources Scrutiny for further consideration and scrutiny.

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: Wendy Walters, Director of Regeneration & Policy

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

1. Policy, Crime & Disorder and Equalities

The presentation of PSB minutes to a designated overview and scrutiny committee is a requirement of the Well-being of Future Generations (Wales) Act 2015. Paragraph 181 of Statutory Guidance SPSF 3: Collective role notes:

'The (scrutiny) committee must send a copy of any report or recommendation it makes to the Welsh Ministers, the (Future Generations) Commissioner and the Auditor General for Wales.'

CONSULTATIONS

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

Signed: Wendy Walters, Director of Regeneration & Policy

1. Local Member(s) N/A

2. Community / Town Council N/A

3. Relevant Partners Through the Public Services Board meeting

4. 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:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
SPSF 3 – Guidance on the collective role through public services boards		Cymraeg http://gov.wales/docs/desh/publications/161111-spsf-3-collective-role-cy.pdf English http://gov.wales/docs/desh/publications/161111-spsf-3-collective-role-en.pdf
Guidance for Local Authority Scrutiny Committees on the scrutiny of Public Services Boards		Cymraeg http://gov.wales/docs/dpsp/publications/170817-public-services-boards-guidance-cy.pdf English http://gov.wales/docs/dpsp/publications/170817-public-services-boards-guidance-en.pdf

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2.00pm, Thursday, 16 November 2017
Caer Suite, Mid and West Wales Fire and Rescue Service HQ, Carmarthen

MINUTES

Present

Name	Organisation
Cllr. Emlyn Dole (Vice-chair)	Carmarthenshire County Council
Ruth Mullen	Carmarthenshire County Council
Chief Inspector Steve Thomas	Dyfed Powys Police
Anna Bird	Hywel Dda University Health Board
Ros Jervis	Public Health Wales
Rob Quin	Mid & West Wales Fire and Rescue Service
Adrian Nicholas	Mid & West Wales Fire and Rescue Service
Cllr. Jan Curtice	Mid & West Wales Fire and Rescue Authority
Prof Jean White	Welsh Government
Marie Mitchell	Carmarthenshire Association of Voluntary Services
Huwel Manley	Natural Resources Wales
Carys Morgans	Office of the Police and Crime Commissioner
Jonathan Feild	Department for Work and Pensions

In attendance

Name	Organisation
Gwyneth Ayers	Carmarthenshire County Council
Kate Thomas	Carmarthenshire County Council
Anthony Maynard	Carmarthenshire County Council
Chris Dawkins	Carmarthenshire County Council
Amy Richmond	Mid and West Fire and Rescue Service
Craig Jones	Public Health Wales

1. Welcome & Apologies

Apologies

Name	Organisation
Barry Liles (Chair)	Coleg Sir Gâr
Mark James	Carmarthenshire County Council
Wendy Walters	Carmarthenshire County Council
Carys Wynne Morgan	Arts Council for Wales
Christine Harley	National Probation Service
John Cook	Brecon Beacons National Park Authority
Jane Davidson	University of Wales Trinity Saint David
Bernardine Rees	Hywel Dda University Health Board
Sarah Jennings	Hywel Dda University Health Board

- Cllr. Emlyn Dole welcomed everyone to the meeting and said that he was chairing on behalf of Barry Liles. Round table introductions were completed. A warm welcome was extended to Ruth Mullen, attending on behalf of Mark James and also to Anthony Maynard and Chris Dawkins.

2. Minutes and Matters arising: 14 September 2017

- It was noted that Cllr. Jan Curtice had sent her apologies to the last meeting.
- With this amendment, the minutes were accepted as a true and accurate record.
- Actions discussed and updates provided where appropriate.
- It was confirmed that Barry Liles sits on the Brechfa Forest Stakeholder Forum and ensures PSB matters are raised.

ACTION:	Gwyneth Ayers to undertake further work with partners on issues relating to information sharing prior to discussion at PSB meeting in January.
----------------	--

- Anna Bird, Barry Liles and Polly Sills-Jones were thanked for their further work on the draft Well-being Plan, currently out to consultation until 3 January 2018. To date, 51 responses had been received. Final draft to be considered at January PSB meeting, alongside the outcome of the session on 7 December 2017 with Operational Delivery Group members which will consider how to achieve progress against the short-term actions.
- It had been noted by a Council task and finish group on Poverty, focussing on the Tyisha area, that a number of projects are planned in the Station Road/Tyisha area. These are in addition to the Neighbourhood Management approach previously discussed. These include Children First, town centre regeneration, housing and redevelopment of the train station, and it is important to ensure that any community engagement is undertaken in a co-ordinated way.

ACTION:	All to inform of any other current projects taking place in Station Road/Tyisha area.
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- It had been confirmed that no funding for the costs of Domestic Homicide Reviews had been identified from a discussion with the PCC. As previously agreed, a summary report would be sent to the statutory community safety partners for discussion relating to contributions to such costs.

ACTION:	Kate Thomas to circulate summary report regarding Domestic Homicide Review costs to statutory community safety partners.
----------------	--

- Current partnership arrangements to be considered as part of the Well-being Plan development. A Partnership Governance document used by the UHB, provided by Anna Bird, will be used to assist in this process.
- Prof Jean White informed the PSB that a new Dementia Strategy was to be launched shortly by Welsh Government. It was agreed that it would be discussed by members.

ACTION:	Gwyneth Ayers to consider Welsh Government's Dementia Strategy at a future PSB meeting.
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3. Correspondence

- A letter from the Chair of Pembrokeshire PSB to both Carmarthenshire PSB and Ceredigion's was considered. It was proposed by Pembrokeshire PSB that there was merit in aligning elements of PSB work on a regional basis, following the success of the regional approach to development of the Well-being Assessments and draft Plans. Certain PSB partners attend others in the area and this was an opportunity to reduce duplication and promote greater collaborative working. Pembrokeshire PSB proposed, as a starting point, that a seminar or informal meeting of members be held on a bi-annual or annual basis.

- A number of members spoke in support of the proposal, stating that it would prevent duplication and a combined meeting could consider issues of interest to all local PSBs, such as the Dementia Strategy. It was noted that it would be important to find the right location for such meetings.
- It was agreed to support the proposal.

ACTION:	Response from the Chair to be sent to the letter from Pembrokeshire PSB.
----------------	--

4. Violence against Women, Domestic Abuse and Sexual Violence – update on joint regional strategy

- Anthony Maynard outlined the new regional arrangements for addressing Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV). The Regional Safeguarding Board, attended by Director-level members, has taken on the role of Executive Board for VAWDASV and will be responsible for Welsh Government funding across Mid and West Wales covering the Dyfed Powys area. A Strategy Board, with Head of Service level representation, has been established and includes public service and third sector representation. Carmarthenshire County Council is the lead body and banker for the regional funding. The Executive Board has three key tasks:
 1. Commissioning a single Independent Domestic Violence Adviser service across Dyfed Powys, funded by the PCC and local authorities.
 2. A regional VAWDASV Strategy to be in place by May 2018. This is a joint strategy between the Health Boards and Councils.
 3. Commissioning and Governance arrangements to be established. Regional safeguarding training group leading on the National Training Framework which includes requirement for all public staff to complete Group 1 training and leaders to undertake Group 6 training.

ACTION:	Anthony Maynard to circulate draft regional VAWDASV strategy to PSB in January.
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ACTION:	Anthony Maynard to circulate link to Group 6 training for public service leaders.
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- A number of questions were asked by members. It was confirmed that there are three refuges in the county and a review is currently taking place. All services are being mapped to inform the Strategy and future provision. The IDVA service is currently delivered across the area but with different providers and arrangements in each county, but this will be a regional service from next year, managed by one service provider. Referrals can be made by partner organisations and, with awareness being raised and the new 'Ask and Act' training to be rolled out to certain staff, referrals are likely to increase. Consent of the individual needed to share information between agencies unless they are vulnerable. Referral pathways to be reviewed as part of the Strategy to ensure survivors and organisations know how to get support.
- Marie Mitchell confirmed CAVS can assist in supporting third sector providers to work together.

5. Universal Credit Full Service Roll-out March 2018

- Jonathan Field outlined the full service going live in Carmarthenshire on 28/3/18. The new service helps people work as much as they reasonably can. Service delivery at job centres has been changed to provide personalised support. A 'Claimant Contract' is agreed between the claimant and work coach to meet individual needs. This could require a maximum of 35 hours a week looking for work if the claimant was single with no disability. From February 2018, the full service will be available bilingually. Work coaches also offer in-work support. Applications must be made online although it is unknown how many applicants have had support to apply in this way. It was noted that good digital support provided in the county will assist with rurality issues faced.
- A networking event had been held in the county with landlords and third sector groups and awareness raising sessions could be arranged for other partners.
- There is a six week wait to receive UC although a 50% advance entitlement can be obtained which is a loan to be paid within six months. Repayment can be extended for a further three months.
- Phased roll-out will be undertaken, with full service in all areas for all new claims by September 2018.

- In response to questions, it was confirmed that the service was working closely with Probation, the claimant contract can include volunteering and a broad range of job search activities and that the 35-hour contract was aspirational.

ACTION:	All to contact Jonathan Feild if wish to attend sessions to learn more about the service.
ACTION:	Gwyneth Ayers to circulate copy of Universal Credit presentation to PSB members.

- Concern about the quality of some job applications was raised where it was clear that, in some cases, little effort had been made by applicants. Jonathan Field stated that such feedback would be valuable to Employer Advisers at DWP.

ACTION:	Jonathan Feild to share details of Employer Advisers with partners.
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Carys Morgans was welcomed to the meeting.

6. Making Every Contact Count

- Ros Jervis gave a brief introduction and Craig Jones outlined the Making Every Contact Count (MECC) project to be piloted across the county. This gives public service staff the skills and confidence to use their daily interactions with other people to support them in making a positive change to their well-being. Key messages have been identified by the organisations and training of the 5-6 people from each organisation taking part in the pilot will take place in January 2018. An evaluation will take place when the pilot ends in March 2018 to see how often the skills were used and the number of referrals made.
- A contribution of £1,000 was requested to pay for training venues, refreshments and aide-memoires and it was confirmed that the 'Fair and Safe Communities' group would fund.
- Jonathan Feild stated that the DWP had specialist officers who visited the most vulnerable and involvement of these staff could add value to the project.

ACTION:	Craig Jones to liaise with Jonathan Feild to include DWP in MECC
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7. PSB Scrutiny Guidance

- Gwyneth Ayers confirmed that the document had been circulated for information. Members were aware that the Well-being of Future Generations Act required a local authority scrutiny committee to undertake a scrutiny role of the PSB and that the Council's Policy and Resources scrutiny committee had been identified for this purpose. The approved minutes of the September meeting would go to the scrutiny committee meeting in December 2017. Gwyneth Ayers will attend all future committee meetings and would call on partners to support if required. Members of the scrutiny committee had asked to attend some PSB meetings as observers to assist in undertaking their role. This request was supported by PSB members. Huwel Manley stated that in Swansea, PSB members were part of the scrutiny process. It was agreed that this may be considered as time progresses.

ACTION:	Minutes of PSB meetings to be considered at future meetings of the Council's Policy and Resources Scrutiny Committee
ACTION:	Gwyneth Ayers to arrange for members of the Council's Policy and Resources Scrutiny Committee to attend future PSB meetings.

8. Workstream Update

- Kate Thomas outlined the report giving an update on the PSB's workstreams. It was noted that two of the workstreams (Estates Collaboration and Cyber Crime) had identified two-three key priorities and made progress against these as requested by the PSB at its July 2017 meeting. However, the remaining three other workstreams (Transport, Procurement and Strategic Approach to Collaborative People Development) had not met since the PSB's meeting in July.

- The good work completed to date was acknowledged but, with the Well-being Plan in development, it was important to reflect on what subgroups would be needed by the PSB going forward to assist with the delivery of the Plan. The PSB would need to decide what it was able to resource in the future and ensure other partnership groups were taken into account when deciding the appropriate structure to be put in place. It was agreed that the partnership structure needed to be reviewed.

ACTION:	Review of PSB partnership structure to be considered at January 2018 meeting.
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9. PSB Forward Work Programme

- Following the previous discussion, it was agreed that the next PSB meeting would focus on agreeing the Well-being Plan and reviewing the partnership structure.

ACTION:	Next meeting on 18 January 2018 to be dedicated to agreeing the final Well-being Plan and a workshop on future partnership structure.
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10. Any Other Business

- Gwyneth Ayers referred to the invitation from Prof Jean White for a PSB team to attend First 1,000 Days Collaborative National Network event in Cardiff 13th December. Up to eight could represent the PSB, confirmed attendees were Jenny Israel (Health Board) and Helen Matthews (DWP). It was agreed the third sector and Council's Children's Services division should attend.

ACTION:	Partners to confirm to Gwyneth Ayers additional attendees at the First 1,000 Days Collaborative National Network event on 13 th December, including representatives from the third sector and Council's Children's Services division.
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- Gwyneth Ayers circulated information on the Welsh Assembly Inquiry on Local Approaches to poverty reduction: The Well-being of Future Generations Act and PSBs and asked if a response should be sent from the PSB or individual organisations. It was agreed a PSB response should be prepared and could be useful in developing the other organisational responses.

ACTION:	Gwyneth Ayers to circulate draft PSB response to Welsh Assembly Inquiry on Local Approaches to poverty reduction: The Well-being of Future Generations Act and PSBs, for partners to utilise as appropriate in organisational responses.
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- Anna Bird raised a concern, on behalf of Sarah Jennings, relating to an invoice received for a contribution to the Carms News. It had been understood from discussions at the PSB meetings in June and July 2017 that a group was looking at developing a communications update and costings for the Carms News but no proposals had been seen relating to partner funding of the newspaper.

ACTION:	Gwyneth Ayers to arrange a meeting of the PSB Communications Group to consider future approach for Carms News.
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- Huwel Manley referred to a small grant funding stream for the third sector to be launched later in the month. The funding was for 3 years and one of the four areas supported was to help people live healthier, more fulfilled lives and included use of green spaces. Approximately £60-70k was available, details to be circulated.

ACTION:	Details of NRW grant funding stream to be circulated.
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- Jonathan Feild provided an update on the staffing situation at Llanelli Benefits Centre; of the 79 affected and offered voluntary redundancy, 40 were likely to accept, leaving 39 staff

needing to be redeployed before the end of January 2018. Both the Police and Fire and Rescue Service had assisted by informing DWP of vacancies.

ACTION:	All to provide details of any recruitment vacancies to Jonathan Feild.
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- Prof Jean White asked when the PSB was meeting in 2018. It was confirmed that the next meetings were on 18 January and 8 March and that all 2018 dates would be re-circulated.

ACTION:	Reminder of 2018 PSB meeting dates to be sent with action notes.
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Summary of Actions – Public Services Board Meeting:

	Summary of Action Points	Who	Update
	Actions from 16 November 2017 meeting		
1	Undertake further work with partners on issues relating to information sharing prior to discussion at PSB meeting in January.	Gwyneth Ayers	Focus of January meeting changed to Well-being Plan and workshop. Deferred to March 2018 meeting.
2	All to inform of any other current projects taking place in Station Road/Tyisha area.	All	No further information received.
3	Circulate summary report regarding Domestic Homicide Review costs to statutory community safety partners.	Kate Thomas	Completed.
4	Consider Welsh Government's Dementia Strategy at a future PSB meeting.	Gwyneth Ayers	Date to be confirmed.
5	Response from the Chair to be sent to the letter from Pembrokeshire PSB.	Barry Liles and Gwyneth Ayers	Completed.
6	Circulate draft regional VAWDASV strategy to PSB in January.	Anthony Maynard	To be circulated once available.
7	Circulate link to Group 6 training for public service leaders.	Anthony Maynard	Completed. Sent with action notes on 23/11/17.
8	Contact Jonathan Feild if wish to attend sessions to learn more about the service.	All	
9	Circulate copy of Universal Credit presentation to PSB members.	Gwyneth Ayers	Completed. Sent with action notes on 23/11/17.
10	Share details of Employer Advisors with partners.	Jonathan Feild	
11	Liaise with Jonathan Feild to include DWP in MECC	Craig Jones	
12	Minutes of PSB meetings to be considered at future meetings of the Council's Policy and Resources Scrutiny Committee	Gwyneth Ayers	On-going
13	Arrange for members of the Council's Policy and Resources Scrutiny Committee to attend future PSB meetings.	Gwyneth Ayers	Rota of attendance in place.
14	Review of PSB partnership structure to be considered at January 2018 meeting.	Gwyneth Ayers	Completed - on agenda for 18 th January 2018.
15	Next meeting on 18 January 2018 to be dedicated to agreeing the final Well-being Plan and a workshop on future partnership structure.	Gwyneth Ayers	Completed – on agenda for 18 th January 2018.
16	Partners to confirm to Gwyneth Ayers additional attendees at the First 1,000 Days Collaborative National Network event on 13 th December,	All	No further nominations received.

	Summary of Action Points	Who	Update
	including representatives from the third sector and Council's Children's Services division.		
17	Circulate draft PSB response to Welsh Assembly Inquiry on Local Approaches to poverty reduction: The Well-being of Future Generations Act and PSBs, for partners to utilise as appropriate in organisational responses.	Gwyneth Ayers	Completed and PSB response sent to Welsh Assembly.
18	Arrange a meeting of the PSB Communications Group to consider future approach for Carms News.	Gwyneth Ayers	Meeting held on 19 December 2017 and discussion paper presented to January 2018 PSB meeting.
19	Details of NRW grant funding stream to be circulated.	Huwel Manley	
20	Provide details of any recruitment vacancies to Jonathan Feild.	All	
21	Reminder of 2018 PSB meeting dates to be sent with action notes.	Gwyneth Ayers	Completed. Sent with action notes on 23/11/17.

POLICY & RESOURCES SCRUTINY COMMITTEE 7TH FEBRUARY 2018

FORTHCOMING ITEMS FOR NEXT MEETING 21ST MARCH, 2018

Discussion Topic	Background
Budget Monitoring 2017/18 (Q3) (Revenues & Capital)	This is a standard item which allows members to undertake their monitoring role of the departmental and corporate budgets.
Performance Monitoring 2017/18 (Q3)	This is a standard 6-monthly report which allows members to undertake their monitoring role in relation to the relevant departments' services. The report also includes details of the compliments and complaints received by the relevant departments. Following agreement by the Scrutiny Chairs & Vice-Chairs Forum, all scrutiny committees now receive performance monitoring reports for quarters 1 and 3. The end of year position will be captured as part of the Council's Annual Report and Improvement Plan document.
Actions & Referrals Update	These quarterly updates provide details on progress made in relation to actions and requests from previous meetings.
PSB Minutes	The Well-being of Future Generations (Wales) Act 2015 notes the requirement that a designated local government scrutiny committee is appointed to scrutinise the work of the PSB. In Carmarthenshire, the Council's Policy & Resources Scrutiny Committee has been designated as the relevant scrutiny committee.
Enforcement Policy	This Policy is intended to establish a uniform approach to enforcement corporately.

The following documents are attached for information:-

- (1) *The latest version of the Policy & Resources Scrutiny Committee's Forward Work Programme;*
- (2) *The latest version of the Executive Board's Forward Work Programme.*

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Policy & Resources Scrutiny Committee – Forward Work Programme 2017/18

11 October 2017	6 December 2017	12 January 2018	7 February 2018	21 March 2018	27 April 2018
Performance Monitoring 2017/18 (Q1)	Treasury Management 2017/18 (Q2) (Half Yearly Report)	3-year Revenue Budget Strategy Consultation 2018/19 to 2020/21	Treasury Management Policy & Strategy 2018/19	Budget Monitoring 2017/18 (Q3) (Revenues & Capital)	Annual Progress Report—Digital Transformation Strategy 2017-2020 [moved to 14/6/18]
P&R Scrutiny Committee Annual Report 2016/17	Equalities Annual Report 2016-17	5-year Capital Programme Consultation 2018/19 to 2022/23	Treasury Management 2017/18 (Q3)	Performance Monitoring 2017/18 (Q3)	PSB Minutes
Treasury Management 2017/18 (Q1)	Annual Report 2016/17 on the Welsh Language	Chief Executives & Corporate Services Business Plans 2018/19	Carmarthenshire Well-being Plan	Actions & Referrals Update	Annual Compliments & Complaints Report [replaces Half Yearly report from 6/12/17]
Budget Monitoring 2017/18 (Q1) (Revenue & Capital)	Budget monitoring 17/18 (Q2) (Revenue & Capital)	Public Services Board Annual Report 2016 (Partners invited)	Procurement Strategy 2018/19 [moved to 27/4/18]	PSB Minutes	Procurement Strategy 2018/19
P&R Scrutiny Forward Work Programme 2017/18	Corporate Asset Management Plan and Office Accommodation Strategy		TIC Presentation	Enforcement Policy	
Annual Report & Improvement Plan & How Carmarthenshire Results Compare to other Councils in Wales	Actions & Referrals Update		PSB Minutes		
	Carmarthenshire Draft Well-being Plan				
	PSB Minutes				
	Sickness Absence Report				

Exec. Board Meetings: 23rd October; 27th November; 18th December; 22nd January; 5th February; 26th February; 26th March; 30th April; 4th June; 2nd July; 30th July.

Council Meetings: 18th October; 15th November; 13th December; 10th January; 14th February; 21st February [corporate budget]; 7th March [Council Tax]; 18th April; 9th May; 16th May [AGM]; 13TH June; 11th July

ITEMS FOR JOINT MEETINGS IN 2017/18:

-

ITEMS FOR CONSIDERATION:

- City Deal
- Schedule of construction projects for the year
- Sickness Absence

DEVELOPMENT SESSIONS:

- Human Resources Information System and links to performance and budget monitoring.
- TIC Programme
- Capita presentation (reserves?)
- PSB – scrutiny guidance & dispelling myths

SITE VISITS:

POTENTIAL TASK & FINISH REVIEW:

- Element of Sickness Absence
- PSB – Interface between Social Care & Health (2018/19)

EXECUTIVE BOARD FORWARD WORK PROGRAMME 2017/18

as at 9th OCTOBER 2017

Introduction

This plan is published to encourage and enable greater understanding between the Executive, all Councillors, the public and other stakeholders. It assists the Scrutiny Committees in planning their contribution to policy development and holding the executive to account.

The plan gives the public and stakeholders a chance to see the forthcoming major decisions to be made by the Executive Board and the County Council over the next 12 months. It is reviewed and published bi-annually to take account of changes and additional key decisions.

WORKING DRAFT

EXECUTIVE BOARD FORWARD WORK PROGRAMME 2017/18
as at 9th OCTOBER 2017

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CHIEF EXECUTIVES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
QUARTERLY PERFORMANCE REPORT	Wendy Walters Director of Regeneration & Policy	HR	P & R Scrutiny	N/A	N/A
ARIP ANNUAL REPORT AND IMPROVEMENT PLAN	Wendy Walters Director of Regeneration & Policy/Helen Morgan	Leader	OCT	NOV	DEC
PREVENT/COUNTER TERRORISM	Wendy Walters, Director of Regeneration & Policy/Anthony Maynard			NOV	
WELSH LANGUAGE ANNUAL REPORT	Wendy Walters, Director of Regeneration & Policy/Gwyneth Ayres	Culture, Sport & Tourism	DEC	JAN	

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CHIEF EXECUTIVES					
Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
DISPOSALS POLICY	Wendy Walters, Director of Regeneration & Policy/Jason Jones				
HOW CARMARTHENSHIRE RESULTS COMPARE TO OTHER COUNCILS IN WALES	Wendy Walters Director of Regeneration & Policy	Leader	OCT	NOV	NOV
EQUALITIES REPORT	Wendy Walters, Director of Regeneration & Policy/Gwyneth Ayres	Housing			
PSB WELL-BEING PLAN FOR CONSULTATION	Wendy Walters, Director of Regeneration & Policy/Gwyneth Ayres	Leader	NOV		

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CHIEF EXECUTIVES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
AGEING WELL ANNUAL REPORT	Wendy Walters, Director of Regeneration & Policy/Gwyneth Ayres	Housing			
RECRUITMENT POLICY	Paul R Thomas	Deputy Leader		26 TH MARCH	
HALF YEAR SICKNESS ABSENCE	Paul R Thomas	Deputy Leader			
PAY POLICY STATEMENT	Paul Thomas Assistant Chief Executive	Deputy Leader	N/A	23 RD FEBRUARY	14 TH MARCH
SICKNESS ABSENCE	Paul R Thomas ACE	Deputy Leader			
TRANSFORMATION INNOVATION AND CHANGE ANNUAL REPORT	Jon Owen – TIC MANAGER	Deputy Leader		OCT 18	
ANNUAL REVIEW OF COUNCILLORS' & CO-OPTED MEMBERS' ALLOWANCES SCHEME	Gaynor Morgan Democratic Services		Democratic Services Cttee MARCH	APRIL	May AGM

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CHIEF EXECUTIVES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
ANNUAL REVIEW OF THE CONSTITUTION - CRWG	Linda Rees Jones Head of Administration & Law	N/A CRWG - FEB		APRIL	May AGM
ANNUAL PROGRESS REPORT - DIGITAL TRANSFORMATION STRATEGY 2017-2020	Noelwyn Daniel Head of ICT	Deputy Leader	APRIL	MAY	
REVIEW OF THE CONSTITUTION (LEGISLATION CHANGES) - CRWG	Linda Rees Jones Head of Administration & Law	N/A CRWG - FEB	N/A	AS AND WHEN REQUIRED	AS AND WHEN REQUIRED
REVIEW OF COMMUNITY COUNCIL BOUNDARIES & ELECTORAL ARRANGEMENTS	Wendy Walters, Director of Regeneration & Policy	Resources	As and when required		
CONFERENCE APPLICATIONS/REPORTS	Gaynor Morgan Democratic Services Manager	Leader	N/A	N/A	N/A
FORWARD WORK PROGRAMME AND UPDATE BI-ANNUALLY	Gaynor Morgan Democratic Services Manager	Business Manager		APRIL OCT	
CITY DEAL UPDATE (INCLUDING LIFE SCIENCE & WELLNESS PROJECT)	Wendy Walters Director of Regeneration and Policy	Leader			

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CHIEF EXECUTIVES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
WELLBEING OBJECTIVES	Wendy Walters Director of Regeneration and Policy	Communities and Rural Affairs			
HUB AND COMMUNICATIONS - UPDATE	Wendy Walters, Director of Regeneration & Policy	Deputy Leader	As and when required	As and when required	As and when required
WELSH GOVERNMENT CONSULTATION DOCUMENTS	Wendy Walters Director of Regeneration & Policy	Deputy Leader	If applicable	If applicable	If applicable
OUTSIDE BODY – MEMBER FEEDBACK	Linda Rees Jones Head of Administration & Law/Gaynor Morgan Democratic Services Manager	Deputy Leader	N/A	N/A	N/A

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COMMUNITY SERVICES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny or other Cttee	Date to Executive Board	Date to County Council
REVISED CHARGING POLICY (post consultation)	Lyn Walters / Rhys Page	SC&H	SC&H TBC	TBC	TBC
GWENDRAETH SPORTS HALL	Ian Jones	Culture, Sport & Tourism		TBC	
CHILD MEASUREMENT PROGRAMME		E&C			
REPORT ON THE CAPITAL INVESTMENT AND SERVICE IMPROVEMENT OF SPORT & LEISURE – FITNESS AND AQUATICS	Ian Jones	Culture, Sport & Tourism			

WORKING DRAFT

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COMMUNITY SERVICES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny or other Cttee	Date to Executive Board	Date to County Council
MENTAL HEALTH TRANSFORMATION	Avril Bracey	SC&H			
MEETING THE REQUIREMENTS OF THE GYPSY & TRAVELLERS ACCOMMODATION NEEDS ASSESSMENT	Robin Staines (Rachel Davies)	HSG			
TENANT VISION ENGAGEMENT PLAN (POST CONSULTATION)	Robin Staines (Les James)	HSG		Autumn 2017	
DAY OPPS WITHIN CARMARTHENSHIRE	Robin Staines	SC&H			
HOMELESSNESS STRATEGY –	Robin Staines	HSG			
ENFORCEMENT POLICY (POST CONSULTATION)	Robin Staines	PP			

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CORPORATE SERVICES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
RESERVES STRATEGY	Chris Moore Director of Corporate Services	RESOURCES		OCT 2017	N/A
BI-MONTHLY REVENUE AND CAPITAL BUDGET MONITORING REPORTS	Chris Moore Director of Corporate Services	RESOURCES	N/A	APRIL JUNE SEPT NOV JAN MARCH	N/A
QUARTERLY TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT	Chris Moore Director of Corporate Services	RESOURCES	N/A	JULY OCT JAN	N/A
ANNUAL TREASURY MANAGEMENT & PRUDENTIAL INDICATOR REPORT	Chris Moore Director of Corporate Services	RESOURCES	N/A	JULY	FEB
5 YEAR CAPITAL PROGRAMME	Chris Moore Director of Corporate Services	RESOURCES	ALL DEC/ JAN	NOV	N/A

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CORPORATE SERVICES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
5-YEAR CAPITAL RECEIPT STRATEGY	Wendy Walters, Director of Regeneration & Policy	RESOURCES	n/a	n/a	n/a
COUNCIL TAX SETTING REPORT	Chris Moore Director of Corporate Services	RESOURCES	n/a	n/a	march
COUNCIL TAX BASE	Chris Moore / John Gravelle	RESOURCES	N/A	NOV	MARCH
COUNCIL TAX PREMIUMS	Chris Moore / John Gravelle	RESOURCES		√ (date unclear)	√ (date unclear)
Council Tax Reduction Scheme	Chris Moore / John Gravelle	RESOURCES	N/A	N/A	JAN
BUDGET STRATEGY (Revenue and Capital)	Chris Moore Director of Corporate Services	RESOURCES	ALL DEC/ JAN	NOV	N/A

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CORPORATE SERVICES

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
BUDGET OUTLOOK (Revenue and Capital)	Chris Moore Director of Corporate Services	RESOURCES	ALL DEC/ JAN	NOV	N/A
TREASURY MANAGEMENT POLICY AND STRATEGY	Chris Moore Director of Corporate Services	RESOURCES	N/A	FEB	FEB
FINAL BUDGET	Chris Moore Director of Corporate Services	RESOURCES	N/A	FEB	FEB
HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING REPORT	Chris Moore Director of Corporate Services	RESOURCES	HOUSING	FEB	FEB
BUDGET OUTLOOK 2018/21	Chris Moore Director of Corporate Services	RESOURCES	N/A	JULY/SEPT	N/A

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EDUCATION & CHILDREN

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
MODERNISING EDUCATION PROGRAMME - QUARTERLY PROGRESS REPORTS	Simon Davies, Schools Modernisation Manager	E&C	N/A	N/A	N/A
FELINFOEL COMMUNITY EDUCATION CENTRE – OPTIONS FOR THE DISPOSAL OF THE BUILDING	Matt Morden	E&C		TBC	
REVIEW OF BEHAVIOUR MANAGEMENT SERVICES	Gareth Morgan	E&C	TBC	TBC	TBC
ACCOMMODATING LOOKED AFTER CHILDREN – COMMISSIONING & COSTS	Stefan Smith Head of Children's Services	E&C			
CSSIW INSPECTION, EVALUATION & REVIEW OF LOCAL AUTHORITY SERVICES	Stefan Smith – Head of Children's Services	E&C			
SCHOOL IMPROVEMENT PANEL ANNUAL REPORT	Gareth Morgans – Head of Education	E&C			
ESTYN REPORT –QUARTERLY SYNOPSIS	Gareth Morgan	E&C			

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ENVIRONMENT					
Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
FLOOD RISK MANAGEMENT PLAN	Ruth Mullen Director of Environment / Ainsley Williams Head of Waste & Environmental Services	Environment		Feb 18	
WASTE TREATMENT AND DISPOSAL	Ruth Mullen Director of Environment / Ainsley Williams Head of Waste & Environmental Services	ENVIRONMENT		Jan 18	
REVIEW OF HOUSEHOLD WASTE RECYCLING CENTRE PROVISION	Ruth Mullen Director of Environment / Ainsley Williams Head of Waste & Environmental Services	ENVIRONMENT		Feb 18	

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ENVIRONMENT

Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
SUPPLEMENTARY PLANNING GUIDANCE	Ruth Mullen Director of Environment / Llinos Quelch Planning Services	DEPUTY LEADER		OCT 17	
FEES REGARDING COMMON LAND	Ruth Mullen Director of Environment / Llinos Quelch Planning Services	Environment			
GARDEN/GREEN WASTE COLLECTION UPDATE	Ruth Mullen Director of Environment / Ainsley Williams Head of Waste & Environmental Services	Environment	Jan 18	Feb 17	

EXECUTIVE BOARD FORWARD WORK PROGRAMME 2017/18
as at 9th OCTOBER 2017

ENVIRONMENT					
Subject area and brief description of nature of report	Responsible Officer	Executive Board Member	Date to Scrutiny	Date to Executive Board	Date to County Council
HIGHWAYS DESIGN GUIDE	Ruth Mullen Director of Environment / Steve Pilliner Highways & Transport	Environment		Dec 17	
ASSET MANAGEMENT PLAN	Ruth Mullen Director of Environment / Steve Pilliner Highways & Transport	Resources		Feb 18	
WASTE DISPOSAL CONTRACT AWARD	Ruth Mullen Director of Environment / Ainsley Williams Head of Waste & Environmental Services	Environment			

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POLICY & RESOURCES SCRUTINY COMMITTEE
7th FEBRUARY 2018

**EXPLANATION FOR NON-SUBMISSION
 OF SCRUTINY REPORTS**

ITEM	RESPONSIBLE OFFICER(S)	EXPLANATION	REVISED SUBMISSION DATE
Procurement Strategy 2018/19	Helen L. Pugh	Work is still being undertaken on the Strategy.	27 TH April 2018.



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Friday, 12 January 2018

PRESENT: Councillor A.G. Morgan (Chair);

Councillors:

S.M. Allen, T.A.J. Davies, J.K. Howell, G.H. John, K. Madge, J.G. Prosser, D.E. Williams, W.T. Evans (in place of H.L. Davies) and S. Najmi (in place of D.C. Evans);

Also in attendance:

Councillor E. Dole, Executive Board Member - Leader of the Council;
Councillor D.M. Jenkins, Executive Board Member - Resources;
Councillor L.M. Stephens, Executive Board Member - Deputy Leader of the Council;

The following Officers were in attendance:

C. Moore, Director of Corporate Services;
N. Daniel, Head of I.C.T.;
R. Hemingway, Head of Financial Services;
L.R. Jones, Head of Administration and Law;
H. Pugh, Head of Revenues and Financial Compliance;
P.R. Thomas, Assistant Chief Executive (People Management & Performance);
G. Ayres, Corporate Policy and Partnership Manager;
D. Hockenhull, Marketing and Media Manager;
H. Morgan, Economic Development Manager;
J. Owen, TIC Programme Manager;
J. Williams, Applications Development Manager;
M.S. Davies, Democratic Services Officer.

Chamber, County Hall, Carmarthen - 10.00 am - 12.10 pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors F. Akhtar, H. Davies, D.C. Evans and C. Jones.

2. DECLARATIONS OF PERSONAL INTEREST

Councillor	Minute Number	Nature of Interest
K. Madge	6 - Revenue Budget Strategy Consultation 2018/19 -2020/21	Daughter works in Social Services;
A. Davies	9 – Corporate Services Departmental Business Plan 2018/19-2021;	Sister-in-Law is Head of Revenues and Financial Compliance.

3. DECLARATION OF PROHIBITED PARTY WHIPS

There were no declarations of prohibited party whips.

4. PUBLIC QUESTIONS

No public questions had been received.

5. **CARMARTHENSHIRE PUBLIC SERVICES BOARD ANNUAL REPORT 2016-17**

The Chair welcomed to the meeting Mr. Barry Liles, Principal of Coleg Sir Gar and Chairman of the Public Services Board, who presented the Carmarthenshire Public Services Board Annual Report 2016-17. The report provided an overview of the requirements of the Board and the steps taken during the first year of its being to establish its ways of working, undertake the necessary statutory requirements and develop the role of the PSB in order to improve the economic, social, environmental and cultural well-being of Carmarthenshire and Wales. It was a requirement of The Well-being of Future Generations (Wales) Act 2015 that a local authority scrutiny committee was responsible for the overview and scrutiny of the work of the PSB and in Carmarthenshire, the Policy & Resources Scrutiny Committee had been identified as the lead scrutiny committee.

Amongst the issues raised during consideration of the report were the following:

- In response to a comment relating to the invitation referred to at the last meeting for members of the Policy & Resources Scrutiny Committee to observe a PSB meeting Mr. Liles stated that he would look into the possibility of holding a meeting at a venue which could accommodate the full committee. It was considered, however, that there was a benefit in a lower number of members attending meetings on different dates at the various venues utilised in order to gain an appreciation of the range of issues discussed;
- The question was asked as to whether the partners on the PSB had been able to achieve savings in terms of property as a result of collaborative working. In response it was stated that the focus of The Well-being of Future Generations (Wales) Act 2015 was to improve the social, economic, environmental and cultural well-being of Wales and efficiencies would hopefully follow on;
- It was clarified that Carmarthenshire County Council provided the secretariat for the PSB but there was also payment in kind from the partners who provided officer support. In addition, Welsh Government provided annual funding of £55k at a regional level (Carmarthenshire, Ceredigion and Pembrokeshire) which, to date, had been used to support the development of the Well-being Assessment and Well-being Plan;
- In terms of representation at PSB meetings Mr. Liles commented that he was highly critical when organisations did not send representatives to the meetings but he was confident that those who did attend were capable of relaying the Board's decisions, requests or concerns back to the organisations they represented. It was emphasised, however, that the PSB was only an in-principle decision making body and recommendations had to be considered by the individually accountable organisations represented;
- It was commented that improvements to transport links from areas such as Ammanford to Llanelli needed to take place in light of the developments proposed as part of the Swansea Bay City Deal such as the Wellness Village at Delta Lakes. The Leader gave an assurance that transport issues would be addressed as part of the City Deal.

Whereupon the Chair thanked Mr. Liles for attending.

UNANIMOUSLY RESOLVED that the Carmarthenshire Public Services Board Annual Report 2016-17 be received.

6. REVENUE BUDGET STRATEGY CONSULTATION 2018/19 TO 2020/21

The Committee considered the Revenue Budget Strategy 2018/19 to 2020/21 which had been endorsed by the Executive Board for consultation purposes at its meeting on 27th November 2017. The report provided Members with the current view of the Revenue Budget for 2018/2019 together with indicative figures for the 2019/2020 and 2020/2021 financial years. The report was based on officers' projections of spending need and took into account the provisional settlement issued by Welsh Government on 10th October 2017. It was reported that the announced provisional settlement had been better than anticipated though the reduction on the current year's settlement, which had an enhanced impact when inflationary factors, demographic and demand changes were considered, had a significant negative impact on the Council's resources. The budget proposals would assume full delivery of the £25.6m identified savings. Furthermore, the budget proposals assume a Council tax increase by 4.12% in the Strategy and a 1% movement equated to +/-£820k.

Amongst the issues raised during consideration of the report were the following:

- In response to a question the Committee was advised that as from 1ST April 2018, following negotiations with union representatives, the Standby rate would be reduced thus achieving the proposed savings detailed in the report;
- It was emphasised that managerial efficiency proposals were considered on an individual basis and whilst they may not affect service delivery they could impact on the quality of the service provided;
- The issue of school reserves was raised, particularly as the majority of schools were in deficit, and it was stated that the Education Department was looking into the matter. It was noted that a specialist TIC [Transform, Innovate and Change] Schools Officer had been appointed to assist schools in identifying possible efficiencies they could achieve;
- The Committee was assured, in response to a concern, that there were no liabilities that had not been accommodated in the Strategy. In terms of the City Deal projects there would be no legal commitment by the Authority until all funding, including private sector funding, had been secured;
- It was acknowledged that the decision by China to ban imported waste would have implications for CWM though the exact nature was not yet known and the structure of CWM itself was being looked at.

UNANIMOUSLY RESOLVED to accept the report and endorse the Charging Digest.

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

The Committee considered the 5 year capital programme which had been approved by the Executive Board for consultation on the 18th December 2017. 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 proposed capital programme was a capital spend of some £199m over the next 5 years and current funding proposals included external funding of £56m. The report highlighted the final settlement received from the Welsh Government which indicated capital funding of £9.423m for the Authority in 2018-19. The funding was made up of Supported Borrowing of £5.858m and General Capital Grant of £3.565m. In summary, the overall position of the capital programme was funded for the first 3 years from

2018/19 to 2020/21 with a current small shortfall of £1.462m in the 4th year of the programme 2021/22.

Amongst the issues raised during consideration of the report were the following:

- In response to a question it was confirmed that funding for the Glanamman workshops was included in the 2018/19 and 2019/20 Capital Programme proposals;
- It was pointed out that other than the proposed leisure centre and care home the proposed Delta Lakes schemes within the Wellness and Life Science Village were not part of the capital programme;
- It was noted that the proposed new Heol Goffa School to be built within the Penrhos School site was included within the MEP Programme.

UNANIMOUSLY RESOLVED that the Five Year Capital Programme 2018/19 – 2022/23 be endorsed.

8. CHIEF EXECUTIVE'S DEPARTMENTAL BUSINESS PLAN 2018/19 - 2021

The Committee considered the Chief Executive's Departmental Business Plan 2018-21 which outlined the priorities for the department and identified how they supported the 5 Ways of Working and the 7 Goals of the Well-being of Future Generations (Wales) Act 2015.

RESOLVED to note the Plan.

9. CORPORATE SERVICES DEPARTMENTAL BUSINESS PLAN 2018/19 - 2021

(NOTE: Councillor A. Davies had earlier declared an interest in this item and left the meeting during consideration thereof.)

The Committee considered the Corporate Services Departmental Business Plan 2018-21 which outlined the priorities for the department and identified how they supported the 5 Ways of Working and the 7 Goals of the Well-being of Future Generations (Wales) Act 2015.

The Head of Revenues and Financial Compliance, in response to a question, stated that she was satisfied that she had sufficient staff in the audit section to satisfy audit requirements though there were still a number of posts to be filled.

RESOLVED to note the Plan.

10. FORTHCOMING ITEMS

UNANIMOUSLY RESOLVED that the list of forthcoming items to be considered at the next scheduled meeting to be held on the 7th February 2018 be noted.

11. MINUTES - 6TH DECEMBER 2017

UNANIMOUSLY RESOLVED that the minutes of the meeting held on the 6th December 2017 be signed as a correct record subject to the inclusion of Cllr. K Madge's name in the list of attendees.

CHAIR

DATE