

Document Pack



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

MONDAY, 21ST SEPTEMBER, 2015

TO: ALL MEMBERS OF THE EXECUTIVE BOARD

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **EXECUTIVE BOARD** WHICH WILL BE HELD IN THE **CHAMBER, COUNTY HALL, CARMARTHEN AT 10.00 A.M. ON MONDAY, 28TH SEPTEMBER, 2015** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Mark James

CHIEF EXECUTIVE



PLEASE RECYCLE

Democratic Officer:	Mrs Michelle Evans Thomas
Telephone (direct line):	01267 224470
Fax:	(01267) 224911
E-Mail:	MEEvansThomas@carmarthenshire.gov.uk
Ref:	AD016-001

EXECUTIVE BOARD

MEMBERSHIP 10 MEMBERS

Councillor	Portfolio
Councillor Emlyn Dole	Leader (Plaid Cymru) Corporate Leadership and Strategy; Chair of Executive Board; Represents Council at WLGA; Political Advocate for Council; Appoints Executive Board Members; Determines EBM Portfolios; Armed Forces Champion; Liaises with Chief Executive
Councillor David Jenkins	Deputy Leader - Resources (Plaid Cymru) Finance & Budget; ICT; Property / Asset Management; Procurement; Housing Benefits; Revenues; Chairs Executive Board in Leader's absence
Councillor Pam Palmer	Deputy Leader - Communities (Independent) Council Business Manager; Community Champion; Customer Focus & Policy, Police Liaison; Community Safety; Social Justice / Crime & Disorder Community Planning; Anti-Poverty Champion; Sustainability; Bio-diversity; Youth Ambassador; Chairs Executive Board in Leader's absence
Councillor Hazel Evans	Technical Services (Plaid Cymru) Refuse; Street Cleansing; Transport Services; Grounds Maintenance; Building Services; Catering Services; Caretaking; Building Cleaning; Transport Services; Emergency Planning; Flooding
Councillor Linda Evans	Housing (Plaid Cymru) Housing – Public; Housing – Private; Equalities; Older People
Councillor Meryl Gravell	Regeneration & Leisure (Independent) Economic Development; West Wales European Centre; Community Development; Sports; Leisure Centres; Museums; Libraries; Country Park
Councillor Gareth Jones	Education and Children (Plaid Cymru) Schools; Children Services; Special Education Needs; Safeguarding; Respite Homes; Regional Integrated School Improvement Service; Adult Community Learning; Youth Services; Lead Member for Children and Young People; Eisteddfod Ambassador
Councillor Jim Jones	Environmental & Public Protection (Independent) Environmental Enforcement; Litter; Unlicensed Waste; Dog Fouling; Parking Services; Trading Standards; Environmental Health; Rural Affairs
Councillor Mair Stephens	Human Resources, Efficiencies & Collaboration (Independent) Human Resources; Training; Simpson Compact; Priority Based Budgeting (PPB); Corporate Efficiencies; Welsh Language Champion; Town and Community Councils Ambassador
Councillor Jane Tremlett	Social Care & Health (Independent) Adult Social Services; Residential Care; Home Care; Learning Disabilities; Mental Health; NHS Liaison/Collaboration/Integration; Carers' Champion; Disability Ambassador; Dementia Care Champion; 50+ Champion.

A G E N D A

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTEREST.
3. QUESTIONS BY MEMBERS.
4. PUBLIC QUESTIONS.
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17. MATTER REFERRED FROM THE SOCIAL CARE & HEALTH SCRUTINY COMMITTEE HELD ON 3RD JULY, 2015 (RELEVANT EXTRACT FROM THE MINUTES ATTACHED):-
MINUTE 4 – HYWEL DDA INFORMATION & CONSULTATION STRATEGY FOR CARERS – ANNUAL REPORT

“The Executive Board be requested to lobby the Welsh Government to stress the importance of the carers measure funding and to request that it not be cut from April 2016 onwards”.
18. TO APPOINT THE FOLLOWING MEMBERS TO SERVE ON THE SCHOOL IMPROVEMENT PANEL:-

COUNCILLOR J. WILLIAMS IN PLACE OF COUNCILLOR T. DAVIES;

COUNCILLOR J.M. CHARLES IN PLACE OF COUNCILLOR G.O. JONES
(WHO NOW SITS ON THE PANEL IN HIS CAPACITY AS THE
EXECUTIVE BOARD MEMBER).

19. **TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 1ST SEPTEMBER, 2015.** 249 - 252
20. **ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.**

EXECUTIVE BOARD 28TH SEPTEMBER 2015

Wales Audit Office Annual Improvement Report 2014/15

Purpose: Receive the Annual Improvement Report for 2014/15 for Carmarthenshire County Council

Recommendations / key decisions required:

To accept the report.

Reasons:

Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the Wales Audit Office (WAO) and that of relevant Welsh inspectorates, this report presents a picture of improvement over the last year.

Relevant scrutiny committee to be consulted N/A

Exec Board Decision Required YES – 28/09/15

Council Decision Required YES – 14/10/15

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr Emlyn Dole - Leader

Directorate

Chief Executives
Regeneration and Policy

Name of Head of Service:
Wendy Walters

Report Author: Noelwyn
Daniel

Designations:

Assistant Chief Executive
Regeneration and Policy

Performance & Information
Manager

Tel No: 01267 224112

E Mail Addresses:
wswalters@carmarthenshire.gov.uk

Tel No: 01267 224476

Email Address :
NDaniel@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
EXECUTIVE BOARD
28TH SEPTEMBER 2015**

Wales Audit Office Annual Improvement Report 2014/15

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils and to assess whether each authority will meet statutory continuous improvement duties

The Annual Improvement Report (AIR) summarises the audit work undertaken at Carmarthenshire Council Council since the last such report was published in July 2014.

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

Assistant Chief Executive 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

To comply with the Local Government (Wales) Measure 2009 we published a combined Annual Report and Improvement Plan that provided :-

- an evaluation and assessment of our previous years performance 2013/14
- an Improvement Plan for 2014/15

Our regulators Wales Audit Office must produce an Annual Improvement Report which assesses whether we have met our duty under the Measure.

CONSULTATIONS

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

Signed: Wendy Walters

Assistant Chief Executive Regeneration and Policy

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

1. Scrutiny Committee

None

2. Local Member(s)

None

3. Community / Town Council

None

4. Relevant Partners

None

5. Staff Side Representatives and other Organisations

None

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
Local Government (Wales) Measure 2009		http://wales.gov.uk/docs/dsijlg/publications/localgov/100713part1lg.pdf
Carmarthenshire County Council's - Annual Report and Improvement Plan		http://www.carmarthenshire.gov.wales/media/846036/Full ARIP Report 15-16.pdf



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Carmarthenshire County Council

Issued: June 2015

Document reference: 353A2015



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Colin Davies and Jeremy Evans under the direction of Jane Holownia.

Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. **Appendix 1** provides more information about the Auditor General's powers and duties in local government.
- 2 In addition, the Auditor General undertakes an in-depth corporate assessment at each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each authority.
- 3 This Annual Improvement Report (AIR) summarises the audit work undertaken at Carmarthenshire County Council (the Council) since the last such report was published in July 2014. This report also includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner (WLC). Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 4 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 5 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 6 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info.officer@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

¹ Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

2014-15 performance audit work

- 7 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including the Council's own mechanisms for review and evaluation. For 2014-15, we undertook improvement assessment work under three themes: use of resources; governance; and performance.
- 8 The work carried out since the last AIR, including that of the 'relevant regulators', is set out below:

Project name	Brief description
Wales Audit Office Financial Planning Assessment	Review of the Council's financial position and how it is budgeting and delivering on required savings.
Wales Audit Office Annual 'Improvement Plan' Audit	Review of the Council's published plans for delivering on improvement objectives.
Wales Audit Office Annual 'Assessment of Performance' Audit	Review of the Council's published performance assessment, including testing and validation of performance information.
CSSIW Annual Report	Annual Review of the Council's Social Services function.
Governance and Performance – Housing	Review of the Council's governance, accountability and performance arrangements within Housing Services.
Transform, Innovate and Change (TIC) Project Outcomes and Benefits Review	Review whether the Council can demonstrate it has: <ul style="list-style-type: none"> • a robust system for identifying the likely benefits of a TIC project; • a reliable process for assessing the viability of a TIC Project before it commences; and • a robust method for assessing the benefits delivered by TIC projects.
Performance Assessment	To review whether the Council's public reporting of its performance is fair and balanced.
Certification of Grants and Returns 2013-2014	Review of the Council's arrangements to ensure the production of co-ordinated, accurate, timely and properly documented grant claims.

The Council has continued to make good progress in its priority areas and it is working to address a range of governance issues highlighted in public reports during the year

- 9 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Measure during 2015-16. The Auditor General has reached this conclusion because:
- a the Council has improved its performance in its key priority areas, it has evaluated and reported these improvements to the public in a fair and balanced way;
 - b the Council's financial management arrangements have served it well in the past and the Financial Statements present a true and fair view of the Council's and the Dyfed Pension Fund's financial position and transactions, however, the Council's arrangements for the production and submission of grant claims still need to be strengthened;
 - c reviews of two specific areas of the Council's activities, Housing Services and the Transform Innovate and Change Programme have shown good examples of robust governance with appropriate contributions from Members and officers; and
 - d following the publication of two public interest reports in January 2014, the Council proactively engaged the Welsh Local Government Association to deliver an independent peer review of the Council's governance arrangements: responding positively the Council has established a cross-party group to address the recommendations and drive cultural change, which, whilst still at an early stage, is showing promise.

Headlines – a summary of key findings

- 10 The table below summarises the key findings of our follow-up and monitoring work as well as reports issued since the last AIR by the Wales Audit Office, the CSSIW, Estyn and the WLC.

Audit of accounts	The appointed auditor issued an unqualified audit opinion on the accounts with key matters to be addressed reported to the Audit Committee in September 2014 (see Appendix 4).
Improvement planning and reporting audits	We issued audit certificates stating that the Council had discharged its duties under the Measure (see Appendices 2 and 3).

<p>Use of resources</p>	<p>The Council's financial management arrangements have served it well in the past, but the Council's ability to respond to financial challenges is hampered as service and financial planning and performance are not clearly linked, and the achievement of specific savings is not monitored or reported separately. Wales Audit Office – April 2015.</p> <p>The Council's arrangements for the production and submission of grant claims still need to be strengthened; this would avoid exposing the Council to potential risks of loss of funding or increased audit fees. Wales Audit Office – March 2015.</p> <p>The Council is delivering environmental health services at the minimum standard or above and whilst expenditure has increased, the number of staff employed in environmental health has fallen, the Council will find it a challenge to take on new statutory duties that protect the public and the environment. Wales Audit Office – September 2014.</p>
<p>Governance</p>	<p>The Council is addressing weaknesses in governance arrangements: Two Wales Audit Office reports in the public interest on Senior Officers' Pay and Pensions, and Indemnity for Libel Counterclaim: January 2014.</p> <p>One Peer Review on governance by the Welsh Local Government Association: November 2014.</p> <p>The governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children are mostly adequate but some improvements could be made. Wales Audit Office – February 2015.</p> <p>The Council's Housing Service is supported by an appropriate governance model and an established performance management framework, but performance data could be used more actively to drive improvement. Wales Audit Office – report currently being prepared.</p>

Performance

The Council is making good progress in delivering its vision of an integrated health and social care service. CSSIW – [Performance Evaluation Report 2013–14](#), October 2014.

The Council's modernising education programme has continued to drive improvement in its schools' buildings. Wales Audit Office – Performance Assessment, February 2015.

The Council has continued to deliver a key ambition for the environment. Wales Audit Office – Performance Assessment, February 2015.

The Council has made good progress in raising the quality of its social housing. Wales Audit Office – Performance Assessment, February 2015.

Transform, Innovate and Change (TIC) has robust governance, clear objectives and is contributing to better outcomes and financial savings; however, there is scope to strengthen business cases, risk management, use of performance information and financial analysis. Wales Audit Office – May 2015.

There is scope for the Council to improve its performance in administering Discretionary Housing Payments.

Responding to a drop in the use of Welsh reported in the 2011 Census the Council is seeking to improve the use of Welsh in the county. Welsh Language Commissioner – January 2015.

Recommendations

- 11 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - a make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
 - b make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - c conduct a special inspection and publish a report and make recommendations; and
 - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 12 During the course of the year, the Auditor General did not make any formal recommendations. However, proposals for improvement are contained in our other reports but will be referred to later on in this report. We will continue to monitor proposals for improvement during the course of our improvement assessment work.
- 13 We make no new recommendations in this report as we are going to undertake a full corporate assessment at the Council in October 2015. We will report the findings of this work in a Corporate Assessment Report and should our work indicate the need this report will include recommendations and proposals for improvement.
- 14 The Auditor General also makes recommendations that may be relevant to Councils in his Local Government National Reports. A list of relevant recommendations contained in reports issued in 2014-15 can be found in [Appendix 5](#).

Detailed report



Use of resources

The appointed auditor issued an unqualified audit opinion on the accounts with key matters to be addressed reported to the Audit Committee in September 2014

- 15 On 29 September 2014 the Auditor General issued an Annual Audit Letter to the Council. The letter summarises the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and his reporting responsibilities under the Code of Audit Practice. The Auditor General issued an unqualified opinion on the Council's financial statements confirming that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions.
- 16 The Auditor General's opinion on the financial statements did, however, include an emphasis of matter which arose as there was a difference of opinion between the Council and the Appointed Auditor about two decisions the Council made which, in the Appointed Auditor's view, resulted in unlawful expenditure being included in the Financial Statements. The Annual Audit Letter can be found in [Appendix 4](#) of this report.

The Council's financial management arrangements have served it well in the past, but the Council needs to strengthen arrangements to enable it to meet future financial challenges

- 17 The Council has a good track record in delivering budgets within year against the planned actions it approved, although it did not report against specific savings proposals making it difficult to identify areas that achieved the cost reduction targets and those that did not.
- 18 The Council's corporate framework for financial planning has served it well, although links between financial plans and improvement plans could be clearer. The Council's financial management and control arrangements are fit for purpose and are being effectively managed.
- 19 The Council's financial governance arrangements to review and challenge performance are adequate but links between financial and service performance are not always clear. This makes it difficult to assess the value for money being provided by the Council's services.
- 20 The Council's current savings plans for 2014-15 are adequate but the Council does not monitor and report on individual efficiency savings set. As financial pressures intensify there is a need for this to be done to ensure that there is effective challenge and to identify areas of under achievement and good practice.
- 21 The Council has efficiency savings plans in place for 2015-16 and 2016-17 but new funding cuts have placed additional pressure to identify further savings and some difficult decisions will need to be made. The Council has delivered a series of well-designed Member workshops, over the last few months, to look at service level budgets. These have been very well attended and Members have contributed effectively. This will help the Council extend its financial planning and further develop its medium-term financial strategy.

The Council's arrangements for the production and submission of grant claims still need to be strengthened

- 22 We came to this conclusion because whilst the majority of claims are now submitted on time over half of claims audited are now qualified and the percentage of claims qualified remains high. Furthermore, almost half of the claims audited were amended.
- 23 There are still some weaknesses within the Council's grant management arrangements which need to be strengthened. Our overall fee for certification of grants and returns for 2013-14 has increased from 2012-13 but with fewer grants audited.

The Council is delivering environmental health services at the required standard, but will find it a challenge to take on new statutory duties that protect the public and the environment

- 24 Councils have many statutory environmental health duties but spending is not being protected during the current period of financial austerity, which is making it more difficult for the service to deliver national strategic priorities.
- 25 The Council is delivering most of its environmental health services at above minimum levels as judged against the Chartered Institute of Environmental Health Best Practice Standards. Whilst between 2011-12 and 2013-14, the Council increased expenditure on environmental health, the number of staff delivering these services reduced although not as fast as the average rate of reduction for all Welsh councils. New environmental health statutory duties are being introduced which the Council will find difficult to deliver.
- 26 A staff survey indicates that respondents are mostly positive about the current standard of environmental health service but there is a low awareness of current performance or future plans amongst citizens.

Governance

The Council is addressing weaknesses in governance arrangements

- 27 Responding to the Appointed Auditor's public interest reports (January 2014), which raised a number of governance issues, the Council engaged the Welsh Local Government Association (WLGA) in March 2014 to undertake an independent peer review of its governance arrangements. The Council stated publicly its ambition to reform its governance arrangements to enable it to become the most open and transparent Council in Wales. The WLGA peer review was focused on helping the Council achieve this aim.
- 28 The WLGA Review's Terms of Reference focused on a number of specific areas of internal governance, notably the conduct of council business, the role of full Council and Overview and Scrutiny and Member Development and Support. The review team reported that:
- a despite pride in the Council's services and high regard for the workforce, there were widespread concerns about the way the Council conducted business from many internal and external stakeholders;
 - b internal systems of governance and constitutional processes were either not consistently followed or were perceived to be designed to constrain democratic debate and public engagement;
 - c internal tensions affected the way that the Council worked and was viewed externally;
 - d there was generally an inconsistency in the understanding of the respective roles of elected members and officers, and the perception has been that the Chief Executive and senior officers have dominated some of the decisions of the Executive Board to the extent that the balance of governance has become disjointed and the Council is widely perceived to be officer-led;
 - e the Council's member and officer leadership was viewed by some as defensive and did not encourage or respond constructively to challenge, but there was a clear consensus, particularly from members, that there was a need and a willingness to strengthen internal and external accountability arrangements; and
 - f there was a consensus, particularly from members, about the need to redefine and strengthen the member role and provide leadership of the openness and transparency agenda.
- 29 The WLGA made a total of 39 recommendations to the Council, these covered a number of areas:
- a Organisational Culture, Leadership and Values
 - b Council
 - c Executive Board
 - d Overview and Scrutiny

- 30 In response to this, the Council has established a cross-party working group chaired by the previous Chairman of Council. The group has met eight times since its initial meeting in December 2014 and continues to meet every two weeks. The group intends to submit a full report to a full Council meeting in mid-2015 when all constitutional changes and other recommendations and decisions will be considered by all Members.
- 31 The Council has set out an action plan to help it keep track of and maintain progress with the WLGA recommendations. This action plan was discussed in detail at the working group's first few meetings. The Council has written to those like the Local Service Board who also need to respond to a number of the recommendations.

The governance, accountability and management arrangements for safeguarding responsibilities to children are mostly adequate but some improvements could be made

- 32 The Council's approach to safeguarding children centres on the combined Education and Children's Service which has allowed for alignment of policies and closer working between the various areas of these two services. The Council has a clear accountability framework and all senior staff are clear on the procedures for referring suspicions and allegations. However, the Council lacks a comprehensive corporate safeguarding policy, which is a weakness and does not provide adequate assurance that corporate responsibilities for safeguarding are clearly identified and working effectively.
- 33 Safeguarding does appear on the Corporate Risk Register; however, this refers to safeguarding of adults. Whilst risk management is in place at several levels, the risk to safeguarding of children should be more prominent in the Corporate Risk Register. Members interviewed were unfamiliar with risk management as a concept.
- 34 The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children are mostly fit for purpose and effectively managed. The Council has a well-embedded performance management system and detailed performance information is reported to Scrutiny and the Cabinet. The Council recognises that member challenge, both Executive Board and Scrutiny could be more robust and it is currently looking at alternative ways of achieving this.
- 35 The Council's approach to identifying and acting on improvements in its safeguarding arrangements is adequate but some improvements could again be made. Internal Audit has not had a significant role looking at Children's safeguarding arrangements and whilst scrutiny committees regularly receive safeguarding performance reports there are no plans to do specific pieces of work on safeguarding. These issues weaken the Council's ability to satisfy itself that its safeguarding arrangements are working effectively.

- 36 Overall Whistleblowing arrangements are good, with some exemplar practice. Addressing a number of relatively minor weaknesses in policy, process and training will strengthen arrangements further.

The Council's Housing Service is supported by an appropriate governance model and an established performance management framework, but performance data could be used more actively to drive improvement

- 37 There is a clear governance model for the Housing Service with active and engaged leadership from the Executive Board Member. There is a clear understanding of roles and responsibilities, by Members and Officers, which, together with a clear decision making structure, enables good governance.
- 38 In addition there is advisory input from a Housing Services Advisory Panel which is made up of six councillors, six tenant representatives and housing managers. This panel is chaired by the Executive Board Member.
- 39 There is a productive relationship between the Executive Board and the scrutiny function, with scrutiny providing a positive challenge, and through Task and Finish activity providing recommendations for the Executive Board in a number of areas such as returning empty properties to use.
- 40 The Council has an established performance management framework. However whilst this provides members and officers with a wealth of data it is not always effectively used to manage improvement. The Council's Performance Information Management System (PIMS), an IT system, is accessible to both Members and Officers. The Service business plan actions and performance measures are included within PIMS and updated regularly. The reports presented to Executive Board and Scrutiny are generated from the PIMS system. However, there are concerns amongst Members that these reports are too complex and as such do not provide a meaningful picture, hindering effective challenge and scrutiny. Members also do not receive financial and performance information together in one report, which limits their ability to take decisions based on a rounded set of information.

Performance

The Council is making good progress in delivering its vision of an integrated health and social care service

- 41 The CSSIW published its **Performance Evaluation Report 2013-14** in October 2014. The following paragraphs (42 to 48) summarise this report.
- 42 The CSSIW reported that the Council continues to benefit from strong leadership across both children and adult services, senior officers have a clear vision and are implementing plans effectively to ensure people living in Carmarthenshire who require social care services have a better quality of life. The evidence available confirms that the Council continues to prioritise the provision of social care services and that its plans remain ambitious despite the financial constraints that it faces. Its budgets are well managed.
- 43 The Council has implemented a number of innovative projects and has provided evidence of a range of positive outcomes which have been delivered through its strategic transformation of services. It has signalled its intention to put people in control of the services they receive and to support more people to live independent lives. It is seeking to reduce dependency on its services by strengthening support in communities.
- 44 The Council's annual performance report has been structured to reflect the key components of the Social Services and Well-being (Wales) Act. It is clear that it will be in a strong position to deliver services within the new legislative framework. The Council has set out how it will deliver services that demonstrate improved commissioning and integration of services, where the well-being and the voice of citizens will be at the centre of service delivery.
- 45 The Council recognises that the current economic climate, welfare changes and demographic pressures, present significant challenges for the future. It is realistic about how to prepare for new demands and shifting public expectations. In response to the Welsh Government's expectation of integration of health and social services for older people the Council has set out its intentions. The progress that has already been made in Carmarthenshire suggests that the council is in a good position to deliver on this vision of an integrated health and social care service.
- 46 The Welsh Government's policy 'Mwy na Geiriau', 'More than Just Words' the strategic framework for the use of the Welsh language within the social care workforce, is being implemented effectively, with measures being developed to ensure people have access to the services through their language of choice.
- 47 The directors and heads of services reports have clearly set out their vision of providing more cost effective integrated services. There are clear plans to demonstrate how the lives of people in Carmarthenshire will be improved by the delivery of better coordinated services. The Council are clear as to their priorities and have continued to make improvements throughout the year.

- 48 The Council has made good progress in the areas identified for improvement in CSSIW's annual review and evaluation of performance report 2012-13.

Safeguarding and care planning of looked after children and care leavers who exhibit vulnerable or risky behaviour

- 49 During 2014-15 the CSSIW undertook an inspection of: Safeguarding and care planning of looked after children and care leavers who exhibit vulnerable or risky behaviour. The inspection was carried out as part of the CSSIW national thematic inspection programme. The methodology for the review included three and a half days' fieldwork in each local authority across Wales, between January and May 2014. The aim of the national inspection was to assess the quality of care planning across Wales and whether it effectively:
- a supports and protects looked after children and care leavers;
 - b identifies and manages the vulnerabilities and risky behaviour of looked after children and care leavers;
 - c promotes rights-based practice and the voice of the child;
 - d promotes improved outcomes for looked after children and care leavers; and
 - e promotes compliance with policy and guidance.
- 50 Findings from the individual local authority inspections and the CSSIW national overview report can be found on the [CSSIW website](#).

The Council's modernising education programme has continued to drive improvement in its schools' buildings

- 51 The Council has continued its investment in school buildings having spent approximately £17 million and a further £14.8 million contribution from the Welsh Government. There are a number of large projects underway, for example, construction has started on the Ysgol Maes Y Gwendraeth site, Ysgol Bro Dinefwr site and the Llanelli Area Secondary – Strade Phase 1 Project. Construction is also progressing well on the Ysgol Dyffryn Aman site and Ysgol Ffwrnes is now complete.
- 52 Current performance statistics do not take into account schools being refurbished or built, as such the overall number of schools that meet the Grade 'A' status remains at 25 per cent. There has been a slight increase in the number of Grade 'B' schools, which now stands at 56 per cent. Over the next two to three years as the refurbished and new-build schools are completed the proportion of Grade 'A' schools will increase significantly.

- 53 The Council has been working on evaluating the impact of the new and upgraded buildings on pupils and teachers. As we reported last year the evaluation will be undertaken 18 months after the completion of the modernisation works and will take into account what staff and pupils think of their new environment as well as measuring outcomes in terms of improved attendance and attainment. The Council has now completed a number of these evaluations. Part of the evaluation is staff and pupil surveys, asking them for their views on their environment. The outcomes of these surveys have been very positive.
- 54 It has been more difficult for the Council to assess the impact on improved attendance and attainment as there are other factors that affect these measures. The Council acknowledges that it may take a generation to be able to fully understand the impact of the improvements in these areas. However, across the county as a whole the key measure of the percentage of pupils aged 15 achieving level 2 threshold including GCSE grades A* to C in English or Welsh and Maths improved by 2.8 per cent to 52.7 per cent, missing the Council's target of 60 per cent but above the Welsh average and placing the Council 11th in Wales.

The Council has continued to deliver a key ambition for the environment

- 55 As part of our performance assessment work we looked at the Council's improvement objective aimed at protecting and enhancing the environment. This assessment included an assessment of whether the Council's annual public performance report was fair and balanced in the way it portrayed the progress the Council had made.
- 56 The Council has been engaging with citizens to maintain and improve public participation in recycling. Through 'door knocking' exercises recycling advisors encouraging residents to recycle as much as possible. Where this activity has taken place the Council reports that recycling and composting participation rates have increased by around 12 per cent. The Council has also engaged with other groups such as Age Concern, the 50+ Forum and community councils to increase glass collections from the elderly and infirm. The Eco School scheme continues to promote recycling awareness in schools and introduce recycling habits early to children. Carmarthenshire now has the highest number of platinum awards for Eco Schools in Wales.
- 57 As a result of its initiatives the Council has sent less waste to landfill, however, the value of waste sent to landfill still represented 73 per cent of its landfill allowance in 2013-14. This is an increase on the previous year in percentage terms and addressing this represents a challenge to the Council as landfill allowances are reducing each year. This might be helped by the recent initiative to export residual waste by ship to Scandinavia where it is burnt and provides heat for community-heating schemes. However, hitting future targets is likely to have a cost implication for the Council.

- 58 Overall the Council has maintained its ranked position as 8th in Wales, reusing, recycling or composting 55.7 per cent of waste, exceeding the national target of 52 per cent. It has a good selection of measures to support its waste management performance; the [Welsh Government Local Authority Service Performance Report](#) indicates that the Council currently provides an above-average service for below-average spend.
- 59 The range of data available, from all sources, provides the Council with a valuable resource, supporting both an accurate evaluation of its progress and a fair and balanced portrayal of performance in this area within its public report.

The Council has made good progress in raising the quality of its social housing

- 60 As part of our performance assessment work we looked at the Council's improvement objective aimed at improving the Council Housing Stock and assisting local people to gain access to rented and affordable homes. This assessment included an assessment of whether the Council's annual public performance report was fair and balanced in the way it portrayed the progress the Council had made.
- 61 The Council has moved forward with the Carmarthenshire Homes Standard (CHS) and is on track to complete all improvements by the end of December 2015. In its annual report for 2013-14 the Council reported a 22 per cent increase in completion with just under 75 per cent of social housing meeting the standard at the end of March 2014 and just over 88 per cent complete by the end of March 2015.
- 62 The Council is working hard to return empty properties to use but the high number of empty properties in the county means that overall its performance at 5.7 per cent is below the Welsh average of nine per cent. However, in 2013-14 the Council helped bring 115 properties back into use, more than any other Council in Wales, an improvement from the previous year and meeting the Council's own target. To help it understand the county's position in relation to empty properties a task and finish group has been set up by the Communities Overview and Scrutiny Committee.
- 63 The Council is focused on addressing housing need and providing good-quality affordable housing. To outline its approach the Council is developing a 10-year affordable housing plan, looking at the county ward by ward. In addition key policy decisions have been taken to improve the supply of affordable homes. For example, Carmarthenshire was the first Council in Wales to successfully gain Welsh Government agreement to the suspension of the 'Right to Buy' enabling it to retain its current social-housing stock. The Council is also, when appropriate, buying back houses that were once part of the social-housing stock but have been sold under 'Right to Buy' in the past. Furthermore, the Council has built 12 new bungalows.

- 64 The amount of time that social-housing units are left empty has been reduced by streamlining processes. This has enabled the Council to re-let 22 properties on the same day and the average re-let time is 25 days an improvement on the previous year's 86-day average. This not only provides tenants with homes more quickly but reduces the rent income lost through properties being empty; the Council estimates these savings to be approximately £200,000.
- 65 Overall we conclude that the information included in the public report has enabled the Council to publish an accurate evaluation of its progress and a fair and balanced portrayal of performance in this area.

Transform, Innovate and Change (TIC) has robust governance, clear objectives and is contributing to better outcomes and financial savings

- 66 The Council is clear in broad terms about what it wants to achieve from its TIC programme. The TIC programme operates within a robust governance model with appropriate contributions from both officers and members. The TIC team consists of four dedicated staff all experienced in business analysis and in particular the 'Vanguard Systems Thinking²' approach. The team is supplemented by officers in the areas where change projects are taking place and is tasked with supporting and progressing the Council's programme of organisational change. Programme and project management is generally good but the consideration of risk is not sufficiently robust.
- 67 The TIC Programme Board is chaired by the Chief Executive whose visibility and support to the TIC programme provide significant impetus. The Executive Board member attends the monthly TIC meetings and the bimonthly TIC Programme Board meetings. This involvement and oversight provide challenge and also a mechanism to channel information to the Executive Board and engage portfolio holders in projects underway in their subject areas. To strengthen engagement of members, the TIC team intends to host a members' seminar in 2015 to provide the opportunity for all elected members to become more aware of the TIC programme in detail.
- 68 Individual project business cases are variable in the level of detail they contain. Business cases include general financial savings expectations, but how they are calculated is unclear, which makes it difficult to assess whether all the financial factors have been included. The business cases are also not detailed enough to communicate the full range of potential benefits and detriments, this seems particularly noticeable in finance/savings-driven projects.
- 69 Initially the TIC projects were tightly scoped and well contained in specific areas. However, as more projects are started, there is greater potential for individual TIC projects to impact on one another. It is unclear if the Council has the mechanisms in place to manage these interdependencies and the associated risks that might arise as it does not have a strategic forward work plan for future TIC initiatives.

² Vanguard has pioneered the translation of Taiichi Ohno's ideas behind the Toyota Production System for service organisations. The Vanguard Method transfers expertise to people (managers and staff) in the organisation. Vanguard uses sensei to apply the Method, people who are experts in both intervention theory (how you make a change) and systems theory (how to analyse and design work).

- 70 The Council has an established performance management framework, which has been extended to support TIC projects. It provides significant business intelligence. The performance monitoring used to support the lean systems approach is good, however, whilst this provides members and officers with a wealth of data it is not always used effectively to manage improvement. The Council does not undertake sufficiently detailed analysis of the data recorded, limiting its ability to use this data to support service change and to drive further service improvement.
- 71 The Council's TIC programme is helping to deliver improved outcomes for citizens, more efficient services and financial savings. For example, the Council has reduced the time taken to re-let social housing, reduced the time taken to deliver adaptations through the disabilities funding grant, reduced the time between initial contact and services being delivered to meet the needs of older vulnerable people and undertaken more council property maintenance at lower cost.
- 72 Whilst financial savings are not the main driver for the majority of projects, the Council is interested in the amount of cash savings they generate. The Council is looking at a range of financial benefits in broad terms, such as cashable savings, costs avoided, productivity improvements, and new income generated. Whilst we acknowledge the difficulty in identifying savings within a 'systems thinking' approach, there is a lack of detail within the Council's calculations, which makes it difficult to assess how accurate the Council's reported savings are.

There is scope for the Council to improve its performance in administering Discretionary Housing Payments

- 73 In January 2015, the Auditor General for Wales published his report on how well councils are managing the impact of welfare reform changes on social-housing tenants in Wales. His report reviewed the management and use of Discretionary Housing Payments (DHP) by councils in Wales and concluded that the allocation, distribution, administration and use of these payments have significant inconsistencies and weaknesses. We followed up this work at individual councils. Our work in Carmarthenshire found that:
- a it is difficult for a customer to access information about DHP on the Council's website;
 - b there are still references on the website to Council Tax Benefit being eligible for DHP which is incorrect;
 - c whilst the Council's website provides an accessible and downloadable application form it has to be completed manually and sent by post or scanned and emailed;
 - d whilst there is an internal policy document there is no published strategy or policy for DHP and it is unclear how the Council uses these funds to help local people in housing need; and

- e the Council had paid out £181,189 of its financial allocation of £346,717, which represents 52 per cent of its allocation, at the end of November 2014.
- 74 The Council has systems in place to monitor the amount spent against the amount of money provided by the Department for Work and Pensions, and also to monitor how many customers have been assisted and the amount of money remaining in its DHP budget. The Council also records how many landlords are being assisted.
- 75 The Council reviews cases where it has refused to provide DHP, to ensure that the correct decision was made. It has some systems in place to monitor the impact of DHP. For example, Housing Benefit staff liaise with Housing Services obtaining data to determine whether tenants are in arrears and subject to the Spare Room Subsidy. However, it is not clear how this information is used to support the development of the Council's policy on DHP and the Council's work on addressing the impact of welfare reform.

Responding to a drop in the use of Welsh reported in the 2011 Census the Council is seeking to improve the use of Welsh in the county

- 76 The role of the WLC was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation at the end of 2014. The WLC will continue to review Welsh-language schemes by virtue of powers inherited under the Welsh Language Act 1993, and will enforce standards by investigating statutory complaints, making decisions on statutory investigations, maintaining a register of enforcement action, and imposing civil penalties when appropriate.
- 77 The WLC works with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the WLC outlining its performance in implementing the language scheme. The WLC analyses every monitoring report, provides a formal response and collects further information as required.
- 78 The WLC reported that the Council provides a general Welsh-language training programme for staff as well as training that is specifically tailored to the requirements of departments. A new media course for members of the Executive Board was introduced during 2013-14, and a course for carers of the elderly was provided.
- 79 The Council developed a Health and Social Care Dementia Strategy that incorporates the needs of Welsh speakers.
- 80 An increase was recorded in the corporate website's compliance with the Welsh-language scheme. However, improving the quality of the site continues to be a priority.

- 81 The Council published a Policy Statement on the Welsh language, which outlines its vision for the language, and a cross-party working group was established to respond to the findings of the 2011 Census. The working group presented 73 recommendations for strengthening the Welsh language in the county and aims to create an action plan over the next year.

Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2 – Audit of Carmarthenshire County Council’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Carmarthenshire County Council’s (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

I make no recommendations under the Local Government (Wales) Measure 2009

Huw Vaughan Thomas
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Colin Davies, Manager
Jeremy Evans, Performance Audit Lead

Appendix 3 – Audit of Carmarthenshire County Council’s assessment of 2013-14 performance

Certificate

I certify that I have audited Carmarthenshire County Council’s (the Council) assessment of 2013-14 performance in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to publish an assessment of its performance during 2013-14 describing its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

I make no recommendations under the Local Government (Wales) Measure 2009

Huw Vaughan Thomas
Auditor General For Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Colin Davies, Manager
Jeremy Evans, Performance Audit Lead

Appendix 4 – Annual Audit Letter

Cllr. Kevin Madge
Leader
Carmarthenshire County Council
County Hall
Carmarthen
SA31 1JP

Dear Cllr. Madge

Annual Audit Letter – Carmarthenshire County Council 2013-14

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and use of resources although there remains scope for improvement in some areas

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare Financial Statements in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the Financial Statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the Financial Statements.

Local authorities in Wales prepare their Financial Statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 29 September 2014 I issued an unqualified audit opinion with an 'emphasis of matter' paragraph on the Financial Statements confirming that they present a true and fair view of the Council's and the Dyfed Pension Fund's financial position and transactions. A similar audit opinion was issued on your 2012-13 Financial Statements. The key matters arising from the audit were reported to the Audit Committee on 26 September 2014.

At this Audit Committee we reported that the quality of the Financial Statements was good and has again improved compared to last year. We reported that we did not identify any material weaknesses in your internal controls – we also reported that controls within the capital accounting fixed assets system have improved this year.

The emphasis of matter related to the Council's financial statements and not those of Dyfed Pension Fund. The emphasis of matter arose as there was a difference of opinion between the Council and us about two decisions the Council made which, in our view, resulted in unlawful expenditure being included in the Financial Statements for 2013-14. I issued two Public Interest Reports on 31 January 2014 in which I reported that, in my view, the decisions were unlawful. The Council considered these reports at an Extraordinary Council meeting on 27 February 2014 and has agreed to take the necessary action in response to the recommendations made.

Last year's Annual Audit Letter set out the governance issues arising from my Public Interest Reports. The Council has established a cross-party group to review the governance and procedural arrangements across the organisation.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the Financial Statements, as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall the Auditor General is currently unable to conclude whether the Council is likely to make arrangements to secure continuous improvement in 2014-15. This is because the Council has yet to respond to the WLGA's recently published governance review and we have yet to complete our ongoing improvement assessment work.

As for a number of years, we have again reported weaknesses in the Council's grant management arrangements which present a significant financial and reputational risk to the Council. In September 2014 we reported to the Audit Committee that based on our work on the 2012-13 claims, arrangements for the production and submission of grant claims could be strengthened, particularly for European claims. This would avoid exposing the Council to risks of loss of funding and increased audit fees. There remain opportunities for further improvements in overall grants management particularly:

- strengthening the awarding and monitoring of third party grants;
- ensuring compliance with the Council's procurement procedures;
- robustly evidencing apportionments to claims; and
- ensuring that approved plans, Memorandum of Agreements or Service Level Agreements are in place where applicable.

Internal Audit has also reported weaknesses in grants management which highlight similar issues to those we have identified.

Our grant audit work on 2013-14 claims is ongoing, but our initial findings are that the Council's grant management arrangements still need to be improved. In particular we have reported that the Council needs to improve its arrangements for the awarding of Property Development Fund grants under the European Union's Convergence grant scheme. The results of our work will be reported to the Council's Audit Committee when complete. The Audit Committee will have a key role to play in ensuring that the issues are addressed and progress is made in this area.

In 2013-14 the Council underspent by £2.8 million. At the end of the financial year the Council's useable reserves increased by £16 million to £82 million (this excludes 'ring-fenced' reserves including the Housing Revenue Account, Schools' reserves and capital receipts). At the end of the 2014-15 financial year, the Council is currently forecasting a £0.3 million overspend against the budget.

Looking forward, the recent Welsh Government budget settlement, together with a range of other cost pressures, will mean that all local government bodies in Wales will face extremely challenging financial positions. The Medium Term Financial Plan approved by Council in February 2014 for the period 2014-15 to 2016-17 established challenging efficiency savings totalling £29.7 million. The current budget outlook based on the funding settlement from Welsh Government announced recently (a 3.3 per cent reduction in funding) requires £44 million of savings over the next three years. There will be some tough decisions for the Council if these savings are to be delivered.

The Council has generally robust financial management arrangements but improvements need to be made in some areas. There is a need to ensure that links between financial and improvement plans and service performance are clear, as well as ensuring that efficiency savings targets are monitored and challenged on an individual basis.

We are currently dealing with correspondence from a number of electors and for this reason we have been unable to issue the certificate confirming that the audit of the Financial Statements has been completed. We anticipate we will be able to issue the certificate before the end of December 2014.

At the planning stage the financial audit fee for 2013-14 was £184,167. We anticipate that we will be able to stay within this fee.

Yours sincerely

Richard Harries, Engagement Lead
For and on behalf of the Appointed Auditor

cc Mr Mark James, Chief Executive
Mr Chris Moore, Head of Financial Services

Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> • provide a clear rationale for topic selection; • be more outcome focused; • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R5 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R6 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	<p>R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.</p> <p>R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.</p> <p>R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.</p> <p>R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.</p> <p>R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.</p> <p>R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.</p>

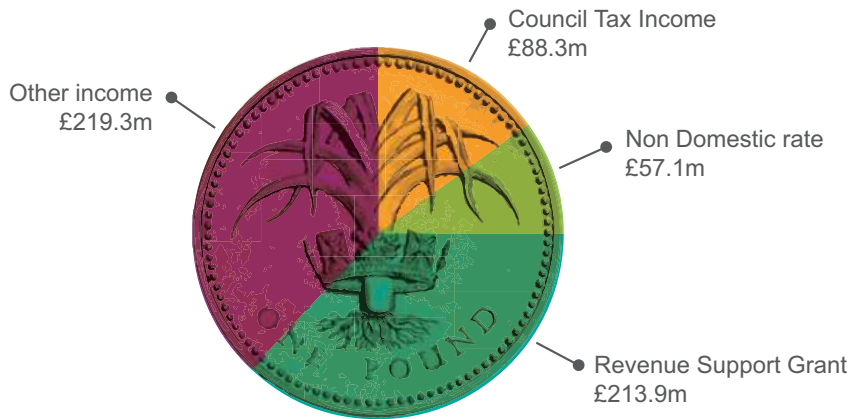
Date of report	Title of review	Recommendation
October 2014	<p>Delivering with less – the impact on environmental health services and citizens</p>	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> • align the work of environmental health with national strategic priorities; • identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and • identify the benefit and impact of environmental health services on protecting citizens. <p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p> <p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> • consulting with residents on planned changes in services and using the findings to shape decisions; • outlining which services are to be cut and how these cuts will impact on residents; and • setting out plans for increasing charges or changing standards of service. <p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • Identifying the statutory and non-statutory duties of council environmental health services. • Agreeing environmental health priorities for the future and the role of councils in delivering these. • Determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens. • Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities. <p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and • agree how digital information can be used to plan and develop environmental health services in the future.

Date of report	Title of review	Recommendation
January 2015	Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales	<p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p>
		<p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> • appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and • ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.
		<p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> • setting appropriate measures to enable members, officers and the public to judge progress in delivering actions; • ensuring performance information covers the work of all relevant agencies and especially housing associations; and • establishing measures to judge the wider impact of welfare reform.
		<p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p>
		<p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> • the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances; • the promotion of the ‘Your benefits are changing’ helpline; and • the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.

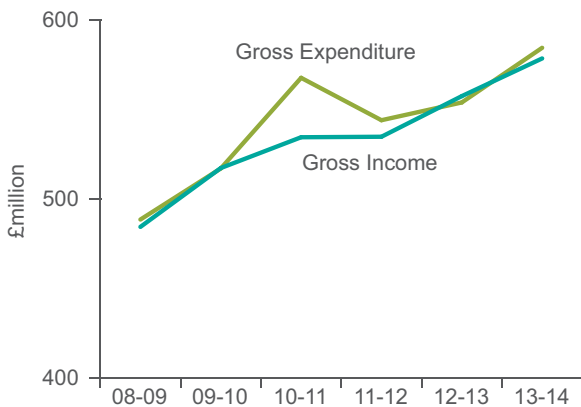
Date of report	Title of review	Recommendation
January 2015	<p>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> • establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments; • clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets; • clearly setting out the maximum/minimum length of time that such payments will be provided; • setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications; • including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and • clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.

Appendix 6 – Useful information about the Council's resources

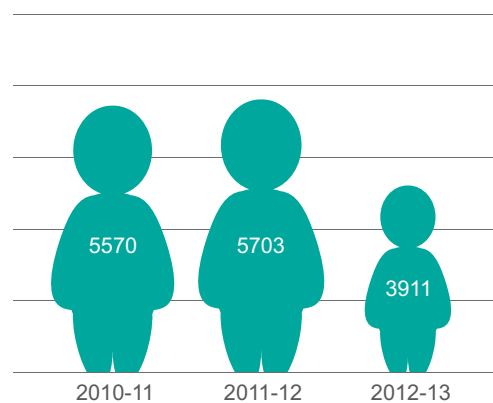
Total Gross Income 2013-14



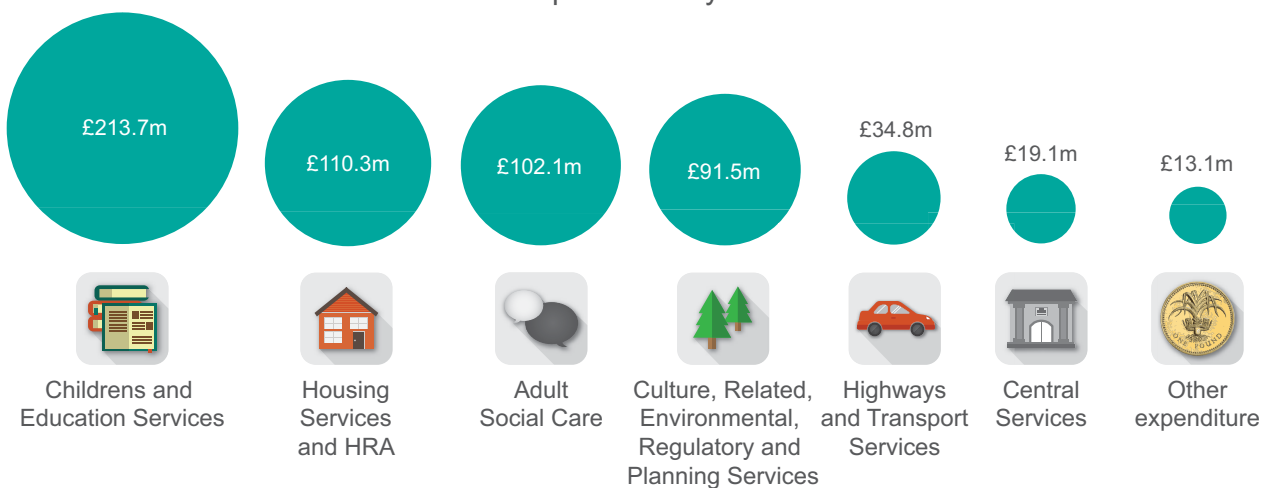
Total Income and Expenditure



Number of whole time equivalent staff 2010-11 to 2012-13



Total Gross Expenditure by service area



Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

EXECUTIVE BOARD
28TH SEPTEMBER, 2015

<p>SUBJECT:</p> <p>INTRODUCTION OF A CORPORATE SAFEGUARDING POLICY THAT COVERS ALL THE COUNCIL'S SERVICE AREAS</p>		
<p>RECOMMENDATIONS / KEY DECISIONS REQUIRED:</p> <p>To endorse the proposed policy.</p>		
<p>REASONS:</p> <p>A corporate Safeguarding Policy will ensure that there is satisfactory governance in place across the Authority in relation to the Safeguarding of Children and Adults.</p>		
<p>Relevant Scrutiny Committee to be consulted: YES</p> <p>Social Care & Health – 16th September, 2015 Scrutiny Committee Recommendations/Comments: UNANIMOUSLY RESOLVED to endorse the report for consideration by the Executive Board.</p> <p>Education & Children's Services – 24th September, 2015 Scrutiny Committee Recommendations/Comments: A verbal update of the recommendations/comments from Scrutiny Committee will be provided to members of the Executive Board at the meeting.</p>		
<p>To be referred to Council for Decision: YES Council Decision Required 14th October, 2015</p>		
<p>Executive Board Member Portfolio Holders: Councillor Gareth Jones (Education & Children) Councillor Jane Tremlett (Social Care & Health)</p>		
<p>Directorate Education and Children's services Report Author: Stefan Smith</p>	<p>Designations: Head of Children's services.</p>	<p>Tel Nos. 01267 246530 E Mail Address: SJSmith@carmarthenshire.gov.uk</p>

**EXECUTIVE SUMMARY
EXECUTIVE BOARD
28TH SEPTEMBER, 2015**

**INTRODUCTION OF A CORPORATE SAFEGUARDING POLICY
THAT COVERS ALL THE COUNCIL'S SERVICE AREAS**

During the period March to May 2014, the Wales Audit Office completed a review of the assurance and accountability arrangements of Carmarthenshire County Council for ensuring that safeguarding policies and procedures are in place and are being adhered to. The study examined what the Council itself has done to seek assurance that its arrangements to support safeguarding are effective by reviewing how the Council is discharging its safeguarding responsibilities at all levels: cabinet, senior management team, scrutiny and individual officers.

The study focussed on answering the following: Do the Council's governance and management arrangements provide assurance that children are safeguarded?

The main questions that the review sought to answer were:

- Are there clear governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children?
- Is the Council monitoring and evaluating appropriate information, which provides assurance that it is meeting its safeguarding responsibilities to children?
- Are assurance systems operating effectively?

The review was specifically in relation to children and overall the findings were that the authority had adequate systems in place. There were however, a series of recommendations. One of these was :

Develop and introduce a Corporate Safeguarding Policy that covers all the Council's service areas.

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: **Stefan Smith - Head of Children's services.**

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	People Management	Physical Assets
None	None	None	None	None	None	None

CONSULTATIONS

I confirm that the appropriate consultations have taken place.

Signed: **Stefan Smith - Head of Children's services.**

1. Scrutiny Committee – Both Social Care & Health and Education & Children's Services Scrutiny Committees have been consulted on the 16th and 24th September, 2015 respectively.

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:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

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Carmarthenshire Council

Corporate Safeguarding Policy

September 2015

Index of contents

- 1. Introduction.**
- 2. Objectives and Principles of the Policy and Guidelines.**
- 3. Legal framework.**
- 4. Responsibilities and duties of staff and elected members.**
- 5. The Governance framework for Safeguarding.**
- 6. Reporting, monitoring, and reviewing.**
- 7. The referral process.**

1. Introduction

1.1 One of Carmarthenshire Council's main priorities is to ensure that there are robust arrangements and procedures in place to safeguard children and adults.

1.2 Within Carmarthenshire Council, safeguarding is considered to be a priority for every department, while acknowledging that Children's Services and Adult Social Care departments are the lead for dealing with enquiries regarding children and adults that may be suffering significant harm. Therefore Carmarthenshire Council acknowledges its responsibilities for providing direction for staff, Councillors, partnership agencies and the people of Carmarthenshire.

1.3 Safeguarding is not only concerned with the protection of children and adults but also the promotion of:

- physical, emotional and mental health;
- protection from harm and neglect;
- education, training and leisure;
- their contribution to society;
- social and economic well-being.

1.4 Every organisation working with children/young people must follow the All Wales Child Protection Procedures and those working with adults must follow the Wales Adult Protection Policy and Procedures. A number of organisations have statutory roles or duties:

- under Section 28 of the Children Act 2004, Carmarthenshire Council has a duty to ensure that it undertakes its functions from the perspective of the need to safeguard and promote the welfare of the children;
- under Section 17 of the Crime and Disorder Act 1998, it is Carmarthenshire Council's duty to ensure that every reasonable step is taken to protect adults and prevent crime and disorder when it undertakes its functions.

- 1.5 The purpose of this document is to introduce Carmarthenshire Council's 'Policy and Guidelines for Safeguarding Children and Adults'.
- 1.6 Every member of staff of the council and every Councillor will receive a copy of this document.

2. Objectives and Principles of the Policy and Guidelines

2.1 The following are the objectives of the Safeguarding Policy and Guidelines:

- To emphasise the approach in which Carmarthenshire Council undertakes its legal commitments in the field of safeguarding children and adults;
- To give reassurance to members of the public, service users, partner agencies. Council staff, councillors and people working on behalf of the Council that there are clear arrangements in place to safeguard and protect children and adults;
- That Council staff and councillors have clear guidelines to be used when there is doubt that a child or adult is at risk of harm.

2.2 We are of the opinion as a Council that it is always unacceptable for a child or an adult to be abused or be harmed in any way. This is reflected in the following principles which form the basis of the Policy and Guidelines:

- As a Council we believe that every child and adult (whatever their background, culture, age, disability, gender, ethnicity, religious belief) has a right to participate in a safe society without any violence, fear, abuse, bullying and discrimination;
- As a Council we believe that every child and adult has the right to be protected from harm, exploitation and abuse;
- As a Council we will put the welfare of children and adults centrally in our policies and procedures;

- As a Council we will work closely in partnership with children, their parents, carers and adults; partner agencies; and others working on behalf of the Council; to safeguard and promote the welfare of children and adults;
- As a Council we will respect the rights, wishes, feelings and privacy of children and adults by listening to them and minimising any risks that may affect them;
- As a Council we will invest in preventative work and early intervention and try to avoid situations where abuse or allegations of abuse or harm may occur;
- As a Council we want to ensure a working environment where our staff feel confident to raise any concerns about any perceived malpractice within the Council.

2.3 Outcomes

These Policy and Guidelines reflect the Council's commitment to safeguard children and adults and to protect them from being abused when they receive services arranged and provided by or on behalf of the Council.

2.4 When the Guidelines are introduced, we will measure the effect regularly and achieve the following high level outcomes:

- there is a clear understanding amongst staff, councillors, partner agencies; and others working on behalf of the Council; of the policies and guidelines for safeguarding children and adults;
- there are robust corporate and departmental procedures in place to ensure compliance with the Policies and Guidelines introduced here;
- there are clear and suitable communication arrangements in place across the organisation, including information about the key officers in each Service who are responsible for children and adult safeguarding issues;
- there is compliance between the procedures and those which are operational on an all-Wales basis and associated protocols for safeguarding children and adults ;

- that staff and councillors receive information and training regarding the guidelines and that this is a continuous and permanent arrangement within the organisation.

3. Legal framework

3.1 Definition of safeguarding and promoting the welfare of children

The definition of a child for the purpose of this document is anyone under the age of 18 years.

3.2 The **Children Act 1989** sets out that the child's welfare is paramount and safeguarding and promoting it is the priority.

3.3 The **Children Act 2004** sets out a duty on local authorities to work closely with those providing services to children and young people.

3.4 **All Wales Child Protection Procedures 2008** sets out how organisations and individuals should work together to safeguard and promote the welfare of children and young people in accordance with the Children Act 1989 and the Children Act 2004. It is important that all staff and volunteers working to safeguard children and young people understand fully their responsibilities and duties as set out in primary legislation and associated regulations and guidance.

3.5 Section 11 of the Children Act 2004 places a statutory duty on a range of organisations to make arrangements to ensure that their functions, and services provided on their behalf, are discharged having regard to the need to safeguard and promote the welfare of children. Safeguarding and promoting the welfare of children is defined as:

- protecting children from maltreatment
- preventing impairment of children's health or development

- ensuring that children are growing up in circumstances consistent with the provision of safe and effective care
- taking action to enable all children to have the best outcomes.

3.6 Definition of safeguarding and promoting the welfare of Vulnerable Adults

Wales Interim Policy & Procedures for the Protection of Vulnerable Adults from Abuse First Version: November 2010 Second Version – January 2013

The *Wales Adult Protection Policy and Procedures* are based on certain principles of the European Convention of Human Rights and the Human Rights Act 1998:

- Everyone has the right to live their lives free from coercion, intimidation, oppression and physical, sexual, emotional or mental harm.
- Everyone has the right to a family life and privacy.
- Everyone has a right to confidentiality in respect of personal information, where this does not infringe the rights of other people.
- Everyone has the right to receive full and comprehensive information to allow them to make informed choices about their own circumstances.
- Everyone has the right to the protection of the law and full access to the judicial process and criminal justice system.

3.7 Accordingly, adult protection should operate in the context of fully engaged citizenship, not restricted to social care, health services and the criminal justice system.

3.8 A vulnerable adult is a person over 18 years of age who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or serious exploitation. As well as in the adult's own home, abuse can occur in any setting and anywhere, eg, in care homes, day services, the home of a relative, worker or volunteer, in the community, for example when using transport.

3.9 Whistleblowing.

We take any malpractice within the Council very seriously, as we are committed to maintaining the highest standards of openness, probity and accountability. If any staff have serious concerns about any aspect of the Council's work then they are encouraged and expected to come forward and voice those concerns.

4. Responsibilities and duties of staff and elected members.

- 4.1 Every Councillor, every member of staff, every volunteer and every contracted service provider has a responsibility to adhere to the appropriate procedures in this policy.
- 4.2 This means that every Service within the Council has a key role to play and has to take full ownership of the safeguarding field. Therefore, there is a need to ensure that there are clear arrangements and procedures in place within each Service in the Council to ensure that investigations into allegations / concerns that children and adults may be suffering substantial harm receive due consideration.
- 4.3 This document draws together the corporate policies and guidelines in the field of safeguarding children and adults and it will operate as a framework for the procedures of every Service in the Council. Every Service is expected to draw up its own policies and procedures for safeguarding children and adults to fully comply with this corporate Policy and Guidelines.

Functions of key officers and members

- 4.4 *The Chief Executive* has the general responsibility for ensuring that there is an effective safeguarding policy in relation to children and adults in place; that procedures for reporting concerns are in place and that these are implemented and known within the organisation.

He is also responsible for the development of effective corporate governance and satisfying all the statutory requirements. However, there are some Key Officers who are highlighted because of their responsibilities in the safeguarding field:

4.5 *The Statutory Director (Social Services)* has the final and indivisible responsibility for safeguarding issues. He is responsible for ensuring that the Council has appropriate safeguarding measures to protect children and young people, adults and vulnerable older people and he is responsible for reporting at a corporate level to councillors on their effectiveness.

4.6 The Director is responsible for the following:

- Having oversight of the process of implementing, monitoring and improving the safeguarding and protection procedures for children and adults;
- ensuring that there are robust reporting arrangements and processes for safeguarding children and adults to report at a corporate level and to Members;
- ensuring Carmarthenshire are represented effectively at the Regional Safeguarding Children Board;
- ensuring that lessons are learned as a result of child practice reviews and that they are applied within the county.
- raising the profile, supporting the policy and ensuring that the Council complies fully with the Policy and Guidelines for Safeguarding Children and Adults;
- ensuring that all reasonable steps are taken to enable every member of staff to understand and implement high standards in terms of identifying risks and safeguarding practices;
- Ensuring that the council promotes awareness amongst the public of issues relating to safeguarding children and adults and to adapt social work practices in light of appropriate research;
- Submitting observations in his statutory role in Executive board and Council reports dealing with safeguarding.
- Deliver an annual report to the Chief Executive, Executive Board and Full council.

4.7 Whilst every member of staff has a responsibility to safeguard and promote the welfare of children and adults, the Statutory Director is the most Senior Officer in the Council with the responsibility for this.

4.8 *Lead Director for children and young people.*

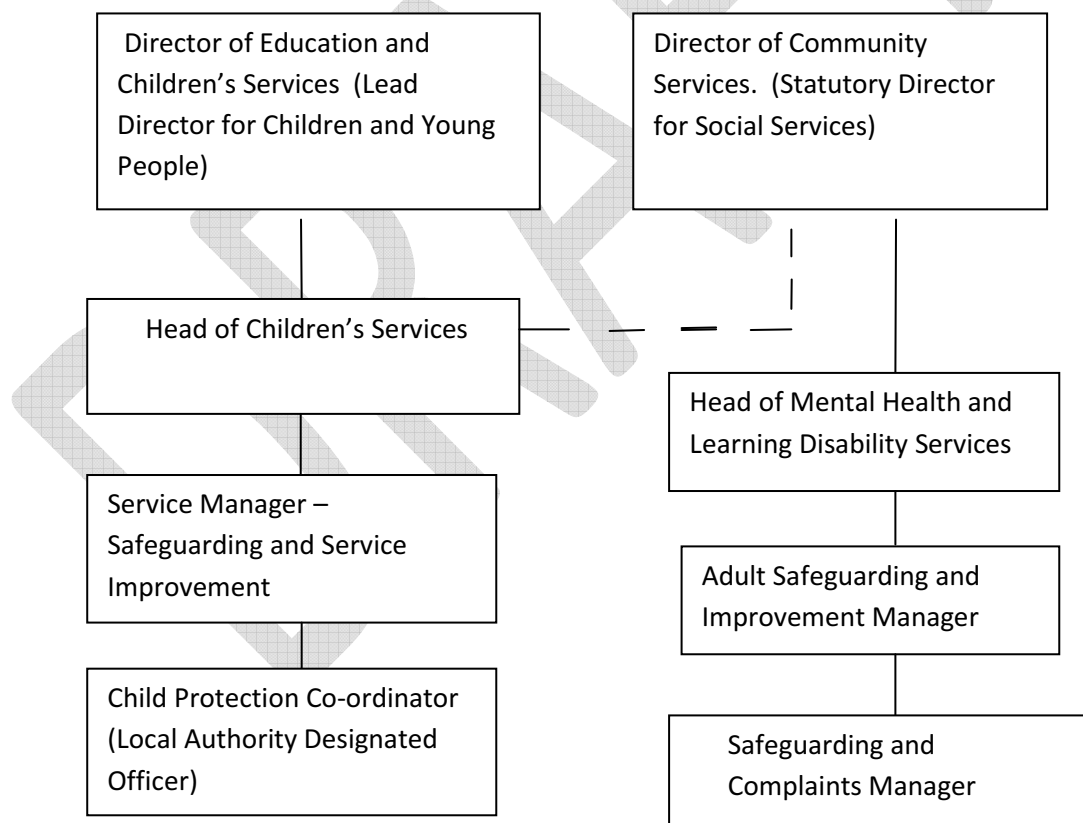
The Children Act (2004) places a responsibility on every local authority in Wales to appoint a Lead Director for children and young people services and to appoint a specified lead member for children and young people services. The role of the Lead Director in Wales does not change the arrangements of an executive authority or change accountability for services. In Carmarthenshire this is the Director for Education and Children. The principle roles of this are :

- To work closely with the Head of Children's Services and the Statutory director of Social Services to ensure Safeguarding is a priority in all aspects of planning and the performance management of services for children.
- To be responsible for promoting a partnership when planning for children and young people corporately across the departments of the local authority and in recognition of his lead role across the authority and its partners;
- To offer the required leadership to ensure that a high profile is given within the local authority to planning in partnership thereby promoting strategic change for children and young people in the field and ensuring that safeguarding practice is inherent in this planning framework is central to the work of the authority;
- for ensuring that the local authority implements the United Nations' Convention on the Rights of the Child in particular the rights that protect and promote their rights to survive and thrive, to learn and grow, to make their voices heard and to reach their full potential;
- For ensuring, with the advice of the Statutory Director and the Head of Children's services that Children's Social care is line managed effectively and an environment is created which promotes the safety of children.

Liaison arrangements

- 4.9 Formal monthly meetings are held between the Director of Education and Children's Services, Head of Children's Services and the Director of Community Services. Other parties may be included as required or deemed appropriate. Written records will be kept and additional meetings may be held if deemed necessary.
- 4.10 The Head of Children's Services has open access to the Director of Community Services for consultation, information gathering, specific performance issues and workforce development.

Therefore within Carmarthenshire the lead officer for Safeguarding Children, the Head of Children's Services, reports to both Directors.



All Heads of Service

- 4.11 All Heads of Service, through their Management Teams, will be jointly responsible for ensuring that all the statutory requirements in terms of safeguarding and promoting the welfare of children and adults receive due consideration. This includes the quality, content and frequency of training provided and maintaining sufficient staff training records.
- 4.12 All Heads of Service must ensure that where those posts are designated as regulated activity, (see - <https://www.gov.uk/government/organisations/disclosure-and-barring-service>), their staff are checked through the Disclosure and Barring Service (DBS) procedures and that their staff conform to the Policy and Guidelines for Safeguarding Children and Adults. All Heads of Service must establish arrangements to ensure that they comply with the requirements of this policy and the Council's Criminal Records Policy. All Heads of Service must arrange that records are kept of every check that is made by the DBS.
- 4.13 All Heads of Service are expected to co-ordinate the process of preparing the Policy and Guidelines for Safeguarding Children and Adults in their Service. It is expected for this Policy to be prepared in order to highlight the Service's arrangements for responding to issues that could arise in the safeguarding field. It will be a requirement for the Policy to fully comply with the Corporate Policy and Guidelines.

Every Member of Staff and Volunteers

- 4.14 Every member of staff and volunteers are responsible for undertaking their duties in a manner which safeguards and promotes the welfare of children and adults. They must also act in a way which protects them against allegations of abuse as far as possible and in accordance with this policy. They must bring issues of concern regarding the safety and welfare of children and adults to the attention of their Manager.

Contractors, Sub-contractors or Other Organisations funded by or on behalf of Carmarthenshire Council

4.15 Contractors, sub-contractors or other organisations funded by or on behalf of the Council are responsible for arranging checks through the DBS and to ensure that their staff comply with the appropriate Policy and Guidelines for Safeguarding Children and Adults. They are also responsible for informing relevant managers of the Council about any concerns they may have and to refer to protection issues.

Every Contracted Line Manager

4.16 Every Contracted Line Manager is responsible for ensuring that the staff for which they are responsible, receive the training which they need and that the training is proportionate to their responsibilities. There are guidelines regarding which members of staff should receive training and to what level and these are available from the Human Resources Service.

Role of elected members

4.17 All elected Members are to:

- understand and apply this policy and procedure in their activities
- identify opportunities and undertake appropriate training to support them in their role
- act appropriately at all times and be able to challenge inappropriate behaviour in others
- be able to recognise harm
- know how to report any concerns in a timely and appropriate way

4.18 Any lessons from Child Practice Reviews will also be identified to Elected Members as part of the Annual Report.

4.19 Members of the Services Scrutiny Committee's will receive information regarding the work of Children's Services and Adult's Services in an Annual Report. This will provide an opportunity for Members to scrutinise and challenge Members of the Executive Board. Members of the Scrutiny Committee will receive information regarding the work programme of Social Services, the progress against this work programme and the main messages stemming from the performance management arrangements.

4.20 Every Member will receive information – by means of the annual report – on the efficiency of the Council's arrangements and procedures for safeguarding children and adults.

4.21 It will be expected that every Councillor attends training in the field of safeguarding children and adults. A register will be kept of those attending and this will be reported as part of the performance monitoring arrangements to the Corporate Safeguarding group that reports to the Chief Officers Management Team (CMT). The training will raise awareness amongst Carmarthenshire Councillors of this Policy and Guidelines and increase the Councillors' understanding of the safeguarding procedures which exist within the Council.

5. Corporate Governance on Safeguarding

5.1 Safeguarding children and vulnerable adults has steadily risen in profile in Wales and across the UK. Having a clear line of sight across departments in this sensitive area is essential.

5.2 The corporate safeguarding group will report to CMT on a regular basis. The Corporate Officers Group will:

- Produce and keep updated the Corporate Safeguarding Policy;
- Produce, lead and monitor the development of a work-plan for the council in relation to Corporate Safeguarding;
- Develop and contribute to corporate policies and procedures that impact on children
- Quality assure and monitor the impact of such policies

- Ensure each department meets best practice guidance in relation to vulnerable children and adults;
- Implement the findings of any inspection of services that has corporate implications for safeguarding;
- Advise the Chief Executive as to any action that may need to be taken to improve corporate safeguarding practice. This will be formally done through quarterly reporting in the first instance;
- Produce an annual report on Corporate Safeguarding;
- Have oversight of corporate training on safeguarding;
- Guide the role of internal audit in monitoring safeguarding practice and have oversight of any reports as required;
- Review the reporting mechanisms to elected members as appropriate;

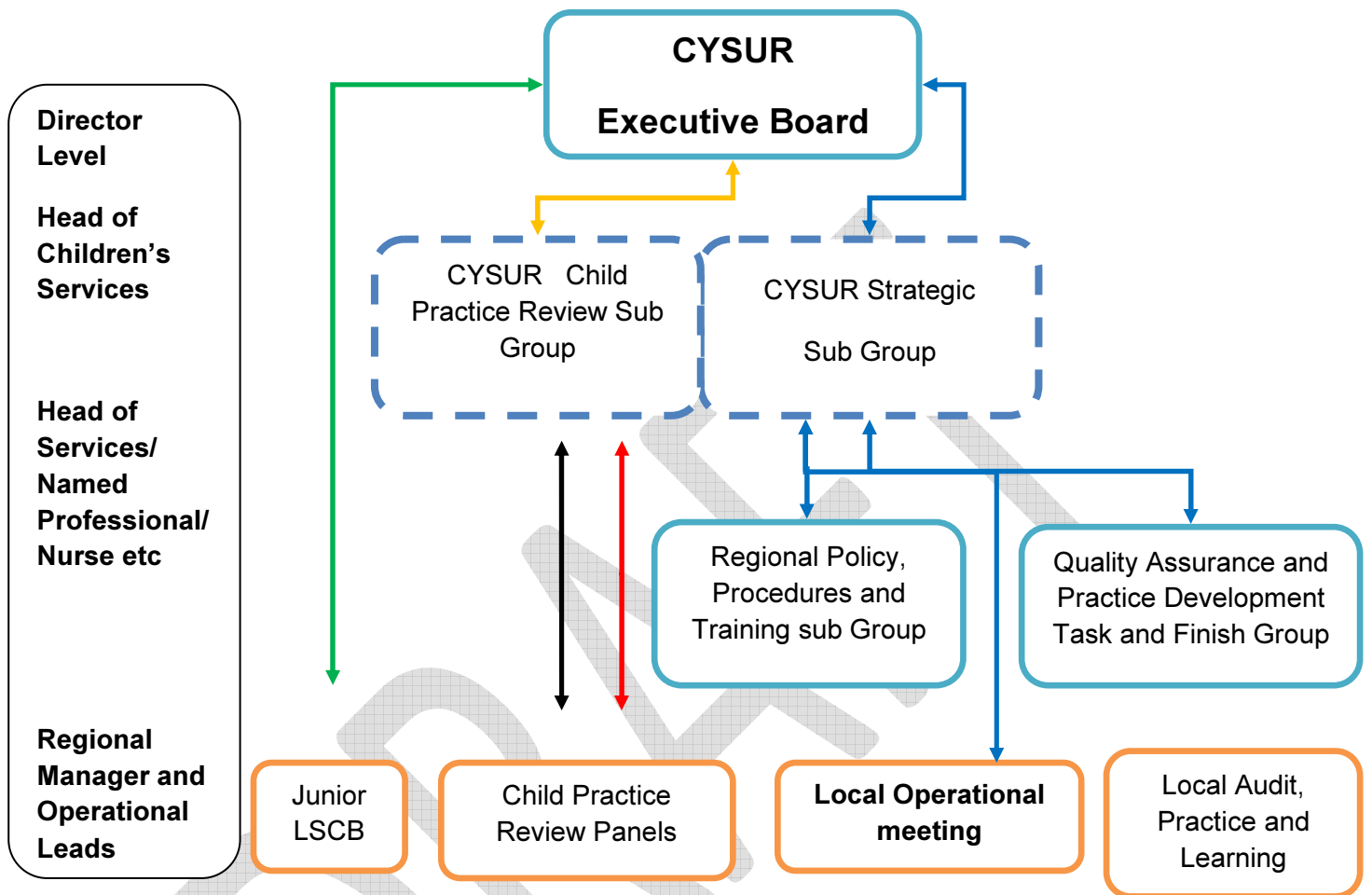
5.3 **Membership:**

- Director of Community Services (Chair and Statutory Director);
- Director for Education & Children's Services (Lead Director for Children and Young People);
- Assistant Chief Executive, People Management & Performance or his/her representative;
- Other departmental representatives as nominated .
- A Children and an Adult Protection Services lead;

The group meets monthly.

Operational Group for Safeguarding Children.

- 5.4 **Children's Services** Carmarthenshire Local Operational Group (CLOG) is accountable to CYSUR, the Regional Safeguarding Board and acts in accordance with the guidance and requirements of that Panel.



5.5 The CLOG core functions are to:

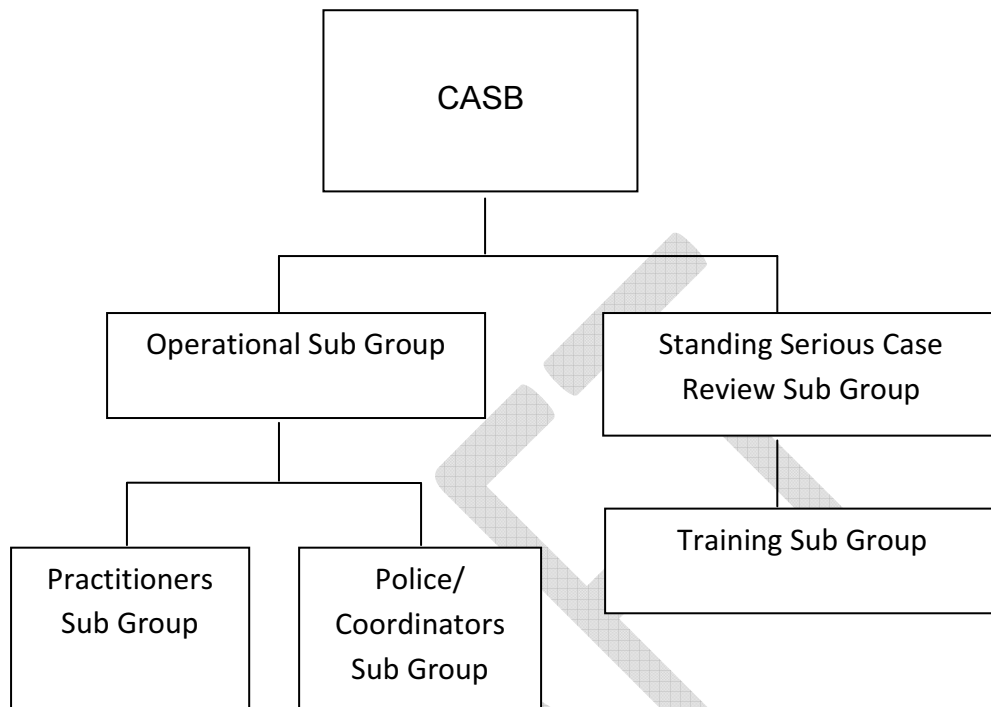
- Ensure safeguarding and child protection practice locally is in line with The All Wales Child Protection Procedures and that all new policy and procedure agreed by CYSUR is implemented locally;
- Set policy and procedures on protecting children from harm, preventing abuse and neglect, and improving inter-agency practice;
- Co-operate with all neighbouring authorities to encourage uniformity of policies and procedures;
- Undertake practice development in those areas identified in the CYSUR Business Plan;

- Maintain and improve the effectiveness of safeguarding and child protection practice within the area by monitoring performance through regular reporting mechanisms within the Audit and Evaluation framework;
- Monitor member agencies' effectiveness in terms of their work to safeguard and promote children's welfare;
- Work with the Training Subgroup on identifying training and development needs in the area, through the successful implementation of the Training and Development Strategy;
- Act as a point of reference for agencies regarding safe recruitment and other child protection policies;
- Review private fostering procedures;
- Work in conjunction with local Children and Young People's Partnership to ensure that safeguarding and promoting the welfare of children is taken into account in the local planning and commissioning of children's services;
- Evaluate county wide child protection statistics and other management information to identify trends and making recommendations for action;
- Identify local issues connected to child protection and safeguarding on which action is required and developing and implementing local plans to address these;
- Provide quarterly reports to the CYSUR Executive Board.

Adult Services

5.6 Carmarthenshire Adult Safeguarding Board is a standing committee of senior/lead officers within Adult Social Care, Hywel Dda Health Board, Dyfed Powys Police and the Crown Prosecution Service. It is chaired by the Director of Community Services. The Board's role is to promote the well being and protect adults at risk in its area.

Carmarthenshire Adult Safeguarding Board



5.7 Carmarthenshire Adult Safeguarding Board is reported into each member agency's strategic safeguarding committee/board and into the Local Service Board.

The Board has seven strategic objectives:

- 1 Effective strategic leadership, accountability and governance
- 2 Making adult safeguarding everyone's business
- 3 Develop and implement joint policies, procedures and processes for safeguarding
- 4 Engagement with service users, carers and partner organisations
- 5 Develop best practice, experience, skills in safeguarding and adult protection for those who work with adults at risk
- 6 Ensure that learning is undertaken through serious case reviews, management reviews or appropriate learning experiences
- 7 To develop a regional collaborative approach

5.8 In order to effectively achieve the Board's objectives, the following subgroups have been established with specifically agreed functions and remits:

Multi agency:

- a) Operational subgroup
- b) Serious case review standing panel subgroup
- c) Practice evaluation subgroup
- d) Police/coordinators subgroup
- e) Training subgroup

5.9 These subgroups will be chaired by nominated members of the Board who will be held accountable for delivering and reporting on the Board's objectives. Each subgroup has its own terms of reference approved by the Board.

5.10 The Board will:

- Work to relevant guidance and legislation as set out in s7 Local Government Guidance, s44 Mental Capacity Act, In Safe Hands Guidance and the interim Wales Policy and Procedures for the Protection of Vulnerable Adults
- Undertake steps to foster and maintain a relationship of mutual trust and understanding amongst the persons or bodies represented on the Board in relation to safeguarding and promoting the welfare of vulnerable adults/adults at risk within the area of the Board

Carmarthenshire Council's Services Scrutiny Committee

5.11 The Council's Services Scrutiny Committee has committed to convene specific meetings of the Committee on an annual basis to scrutinise and challenge the work and performance of the Strategic Panel for Safeguarding Children and Adults. It is considered that this is crucial so that Committee Members gain experience and understanding in the field and become completely aware of the breadth and depth of the Panel's work and the corporate arrangements.

The Integrated Community Strategy 2011 – 2016

5.12 This establishes the strategic direction for the Council's work over the years to come and identifies clear priorities and outcomes and the strategic partnerships which will respond to these priorities.

5.13 There is already a commitment that the field of safeguarding children and adults will be a specific outcome priority in the Strategy. Realising the outcome in this field will strengthen the Council's arrangements in the safeguarding and will fully respond to some of the messages stemming from CSSIW and Estyn Inspections. The Corporate Safeguarding Group for Children and Adults will monitor the performance of Services in relation to Safeguarding.

6. Reporting, monitoring and reviewing

6.1 The Corporate Safeguarding Group for Safeguarding Children and Adults will publish an Annual Report. This Annual Report will draw attention to the Council's performance in complying with the Corporate Policy and Guidelines. The Annual Report will be submitted to the Corporate Management Team, the Executive Board and to the full Council.

6.2 It is proposed to submit the Annual Report every June. Specific attention will be given to the following Performance Indicators:

No. of POVA referrals completed in the period

No. of child protection referrals in the period

% of Child referrals during the year where a decision is made within one working day

% of adult protection referrals completed during the year, the percentage where the risk has been managed

% of child protection reviews held within the statutory timetable during the year

% of adult clients with a care plan on 31 March whose care plans should have been reviewed that were reviewed during the year

% of risk assessments submitted to a Case Conference which were considered as exhibiting quality in decision-making

% of referrals re-referred within 12 months

% of staff commencing in post with two references and a CRB check

% of staff receiving safeguarding training as they receive induction

% of Councillors attending safeguarding training

6.3 The Corporate Safeguarding Group for Safeguarding Children and Adults will receive a quarterly report noting the performance of indicators dealing with the safeguarding field. In addition, the Carmarthenshire Local Operational Group will receive a copy of the performance report. Any concerns regarding underperformance will be reported directly to the Statutory Director and the appropriate Head of Service and a clear action plan will be required in order to respond to the concerns.

6.4 It is planned to ensure the independent validity of the performance reports in order to give credibility to the process.

6.5 Several methods will be used to monitor the understanding of and compliance with the procedures, e.g. inspections, one-to-one, annual service reviews, a quarterly corporate monitoring process, staff feedback, regular and ad-hoc checks.

6.6 This Safeguarding Policy will be reviewed annually or if any amendments occur in legislation or in consideration of changes in working practices which may stem from incidents or allegations.

7. Clarity regarding the referral process

7.1 Any member of staff with concerns regarding the behaviour of a colleague towards children or an adult should contact the Designated Manager within the Service immediately.

- 7.2 If a Councillor (or any member of the public) has concerns regarding the safety of an individual, then the **Children Services Referral Team (Children's Services)** should be contacted immediately on **01554 742322** or the **Adult Services Advice and Assessment Team** on **01558 825371**.
- 7.3 The **Social Services Out-of-Hours Team** should be contacted on **01558 824283** if the issue arises **after 5.00pm, Monday to Friday and on weekends and Bank Holidays**.
- 7.4 The Police must be contacted immediately if the child or adult is in danger.

This document will be reviewed annually.

EXECUTIVE BOARD 28TH SEPTEMBER, 2015

Council's Revenue Budget Monitoring Report

Recommendations / key decisions required:

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

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

Reasons:

To provide the Executive Board with an update on the latest budgetary position as at 30th June 2015, in respect of 2015/2016.

Relevant scrutiny committee to be consulted: NA

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Directorate: Resources

Name of Head of Service:
Chris Moore

Report Author:
Owen Bowen

Designations:

Director of Corporate Services

Chief Accountant

Tel No. 01267 224886

E Mail Addresses:

CMoore@carmarthenshire.gov.uk

OBowen@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
EXECUTIVE BOARD
28TH SEPTEMBER, 2015

Council's Revenue Budget Monitoring Report

The revenue budget monitoring exercise for the period to 30th June 2015 is attached and indicates that;

Overall, the monitoring report forecasts an end of year overspend of £690k on the Authority's net revenue budget with an overspend at departmental level of £2,200k.

Chief Executive's Department

The Chief Executive Department is showing a projected overspend at year end of £619k. Corporate Savings proposals of £400k on Standby Costs and £100k on Health & Safety provision have not yet been implemented and there has been slippage of £37k on the printer rationalisation programme. The Translation Unit is projecting an overspend of £40k due to an increase in demand for the service and Fitness for Work a projected overspend of £53k due to an inability to meet their budgeted income target. The Regeneration Business Unit is also anticipating an overspend of £34k due to a previous year efficiency to sell the property at Nant y Ci which remains unsold. These overspends are offset by vacant posts within Economic Development of £52k and an overachievement of income within Land Charges of £17k.

Department for Education and Children

The Education & Children's Services Department is forecasting an overspend of £602k for the year.

The main adverse budget variations relate to school based EVR and redundancy costs (+£631k); Residential and Respite Units (+£348k); EOTAS (Education other than at School) (+£252k); Adult & community learning (+£176k); Youth Service (+£75k); Out of Hours Service (+£64k); Educational Psychology (£43k); Legal fees in respect of care proceedings (£33k) and FACT & Family Aide Services (£24k).

These are partially offset by under-spends across the department in: Staff vacancies, secondments and maximising use of grant funding (-£713k); Out of County Care Placements (-£132k); Payments to private early years providers (-£98k); Fostering services & support (-£62k); Children's Services management & support (-£37k).

Resources

The Resources Department is anticipating an underspend at year end of £52k due mainly to a reduction in the cost of annual subscriptions.

Department for Communities

The Department for Communities is forecasting an over spend of £ 679k for the year.

The Older People / Physical Disabilities Division has an over spend on Direct Payments £58k for additional placements/packages due to increased demand and £458k non achievement of efficiency savings re Older People Day Centres offset by an underspend of -£200k in Residential Homes due to early closure of Glanmarlais, -£30k Physical Disability Group Homes / Supported Living and -£28k Physical Disability Community Support.

The Learning Disability / Mental Health Division has an overspend on residential and supported living placements of £148k due to a slower than anticipated reduction required to meet efficiency savings which is currently being addressed. There is an overspend on additional packages for Direct Payments £232k and a Community Support overspend of £201k.

The Departmental overspend is reduced by savings of -£161k due to staff vacancies.

The Housing services and Public Protection Division is forecasting a nil budget variance overall.

The Leisure Services Division is forecasting a nil budget variance overall.

Environment

The department is showing an anticipated overspend of £352k at year end.

The Transport division is showing a net overspend of £105k for the year. Civil design is showing an overspend of £50k due to under recovery of income as a result of a vacant post, Car Parks an overspend of £117k due to a delay in implementing the increased charges that were included in the efficiency proposals and Park and Ride is overspent by £42k. These are partly offset by a £70k underspend in School Crossing Patrols as a result of a number of vacant posts and various sections are showing smaller underspends due to service efficiencies.

The Property Services division has an overall anticipated overspend of £222k. Building Maintenance is expecting to be £393k overspent due to not achieving their income target due to a reduction in the Carmarthenshire Housing Standard related work. This is offset by a £187k underspend in the Grounds Maintenance section due to ongoing efficiency savings.

The Streetscene division is expecting to break even at year end.

The Policy & Development division is anticipating a £52k overspend mainly due a £36k severance efficiency not being delivered as well as a £9k overspend on out of hours allowances.

The Planning Division anticipates an underspend of £27k despite a projected overspend of £153k on Development Management due to non achievement of planning fee income. This overspend is offset by a £121k saving on vacant posts within the division as well as 2 members of staff being charged out to an externally funded scheme (£47k).

HOUSING REVENUE ACCOUNT

The HRA is forecasting an underspend of -£487k to the year end for 2015/16. £201k of this is within Supervision and Management - employee related vacancies -£126k ,staff related

travelling -£14k ,supplies & services costs of -£31k (postages/telephones etc.) and premises related costs -£30k (energy charges).

Improvement in delivering savings on void turnaround times etc. will save £280k.

A list of the main variances is attached to this report

DETAILED REPORT ATTACHED ?	YES
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IMPLICATIONS

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

Signed: Chris Moore

Director of Corporate Services

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

1. Finance

Council Fund

Overall, the Authority is forecasting an overspend of £690k.

HRA

The HRA is forecasting that it will be £487k under its approved budget.

CONSULTATIONS

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

Signed: Chris Moore

Director of Corporate Services

1. Scrutiny Committee – Not applicable

2. Local Member(s) – Not applicable

3. Community / Town Council – Not applicable

4. Relevant Partners – Not applicable

5. Staff Side Representatives and other Organisations – Not applicable

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

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

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2015/16 Budget		Resources Department, County Hall, Carmarthen

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REPORT OF THE DIRECTOR OF RESOURCES
PRELIMINARY EXECUTIVE BOARD - 1st SEPTEMBER 2015
COUNCIL'S BUDGET MONITORING REPORT - 2015/2016

Head of Service & Designation C Moore, Head of Financial Services	Directorate Resources	Telephone No 01267 224160	Author & Designation O Bowen, Chief Accountant	Directorate Resources	Telephone No 01267 224886
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Table 1

Forecasted for year to 31 March 2016

Service	Working Budget				Actual				Variance For Year £'000
	Controllable Expenditure £'000	Controllable Income £'000	Controllable Controllable £'000	Total Net £'000	Controllable Expenditure £'000	Controllable Income £'000	Controllable Controllable £'000	Total Net £'000	
Chief Executive	18,110	-6,190	-1,320	10,600	19,319	-6,780	-1,320	11,219	619
Education & Childrens Services	176,930	-38,514	21,011	159,427	178,509	-39,491	21,011	160,029	602
Resources	88,120	-55,724	-9,482	22,914	87,668	-55,324	-9,482	22,862	-52
Communities	125,130	-46,147	11,873	90,856	125,393	-45,731	11,873	91,535	679
Environment Services	110,778	-73,541	8,361	45,598	98,825	-61,236	8,361	45,950	352
Departmental Expenditure	519,068	-220,116	30,443	329,395	509,714	-208,562	30,443	331,595	2,200
Capital Charges/Asset Man. Acc.				-3,535				-4,035	-500
Pension Reserve Adjustment				-5,085				-5,085	0
Accumulated Leave									0
Levies and Contributions:									
Brecon Beacon National Parks				147				147	0
Fire Authority				9,067				9,067	0
Net Expenditure				329,989				331,689	1,700
Outcome Agreement Grant				-570				-570	0
Contribution from Balances				-138				-138	0
Transfer from Balances/Earmarked Reserves				-1,060				-1,060	0
Transfers to/from Departmental Reserves									
- Chief Executive				0				-82	-82
- Education & Children's Services				0				-602	-602
- Resources				0				26	26
- Communities				0				0	0
- Environment				0				-352	-352
Net Budget				328,221				328,911	690

Forecasted for year to 31 March 2016

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Service	Approved Budget £'000	Actual Expenditure £'000	Variance For Year £'000
Expenditure			
Repairs & Maintenance			
Responsive	1,600	1,596	-4
Minor Works	2,400	2,400	0
Voids	2,000	2,000	0
Servicing	1,550	1,550	0
Drains & Sewers	230	230	0
Grounds	700	700	0
Unadopted Roads	100	100	0
Supervision & Management			
Employee	3,416	3,290	-126
Premises	1,434	1,404	-30
Transport	108	94	-14
Supplies	820	789	-31
Recharges	1,044	1,044	0
Provision for Bad Debt	652	652	0
Capital Financing Cost	12,512	12,512	0
Central Support Charges	1,609	1,609	0
Subsidy			0
Capital - DRF	9,913	9,913	0
Total Expenditure	40,088	39,883	-205
Income			
Rents	-34,625	-34,905	-280
Service Charges	-846	-846	0
Supporting People	-355	-355	0
Mortgage Interest	-3	-3	0
Interest on Cash Balances	-66	-66	0
Insurance			0
Other Income	-681	-683	-2
Total Income	-36,576	-36,858	-282
Net Expenditure	3,512	3,025	-487

	£'000
BALANCE B/F 1/4/15	10,662
Budgeted movement in year	-3,512
Variance for the year	487
BALANCE C/F 31/3/16	7,637

Main Variance Summary

The following are items contributing to the variances identified for each department in the summary above:

	Variance £000
Chief Executives Department	
Corporate Savings Target - Standby £400k, Health & Safety £100k and Printing Rationalisation £37k (efficiencies not yet delivered)	537
People Management & Performance - Corporate Serv - Translation - Staff levels over and above the budgeted structure to meet demand for the service	40
People Management & Performance - Fitness For Work - Income target will not be achieved	53
Economic Development - Business Support Unit - Efficiency saving was identified for 14/15 in relation to premises costs at Nant Y Ci, with the intention of selling the property. This sale is currently on hold so savings have not been released at this point.	34
Economic Development Management - Vacant post	-32
Economic Development - Business Services Salaries - Member of staff on maternity leave, with no planned maternity cover	-20
Other	7
Chief Executive - Net Variance	619
Education & Childrens Services	
Director & Management Team - Utilisation of grant income which ends March 2016	-65
Education Services - School Expenditure not currently delegated - WJEC reviewed and reduced fees for 2015-16	-31
Education Services - School Redundancy & EVR - Additional cost of School related EVR and redundancies	631
Education Services - Governor Support & Admissions - Expenditure relating to the updating of school plans less than estimated	-19
Education Services - Early Years Non-Maintained Provision - Reduction in demand for 10 hours free education for 3 year olds in non maintained settings	-98
Education Services - Special Educational Needs - Vacant posts and utilisation of grant. The underspend is being managed in conjunction with the current pressures within Home Tuition below	-290
Education Services - EOTAS (Education Other Than At School) & Behaviour Services - Projected overspend in the cost of the EOTAS, specifically the home tuition service	252
Education Services - Rhydygors Day Centre - Vacant posts within the day centre are being considered within the review of provision	-35
Education Services - Educational Psychology - Additional staffing costs due to increased service demand - recharges are being reviewed to reduce this pressure	43
Learner Programmes - Youth Service - Additional staffing costs £37k, URDD £15k, Evolve Licence £5k, transport & travel £14k, and contribution towards communications team £4k	75
Learner Programmes - Adult & Community Learning - Forecast overspend due to maintaining & subsidising four Community Centres which are only used in part for the ACL classes £10k and the cost of course tuition exceeding the franchise income by £166k	176
Children's Services - Commissioning and Social Work - In year vacancies across the Social Care Teams	-266
Children's Services - Fostering Services & Support - Savings anticipated on Boarded out payments -£95k, partially offset by salary overspend on fostering services £20k and transport of children by taxis to maintain stability whenever possible £13k	-62
Children's Services - Out of County Placements (CS) - Savings anticipated on Out of County placements based on current levels, with a contingency for a further case that is being progressed	-132
Children's Services - Residential & Respite Units - Forecast overspend in staffing at Garreglwyd £66k, Blaenau £22k & Llys Caradog £10k. In addition, the planned additional contribution from the LHB is unlikely to be achieved in 2015-16 £250k	348
Children's Services - Direct Payments - Increasing number of direct payments processed. This should result in savings across other service areas	19
Children's Services - Preventative incl Section 17 Payments - Underspend based on current level of payments	-17
Children's Services - FACT and Family Aide Services - Additional staffing costs for court duties	24
Children's Services - Out of Hours Service - Increasing number of referrals being handled by the out of hours service for Children Services & Communities Department	64
Children's Services - Children's Services Management and Support Service (incl Care First) - Part year vacant posts in Policy -£41k, staff travelling & other minor efficiencies in management team -£18k partially offset by an increase in SLA costs for Carefirst £22k however there is a potential for additional contribution from Adult Services	-37
Children's Services - Legal Fees - Overspend on legal fees based on current level of cases	33
Other	-11
Education and Children's Services - Net Variance	602

Resources	
Livestock Markets - Non Achievement of income target for Llandeilo Mart	16
Miscellaneous Services - Reduction in subscriptions	-49
Other	-19
Resources - Net Variance	-52
Social Care, Health, Housing & Leisure	
Older People - LA Homes - Early closure of Glanmarlais -£200k (probable efficiency savings slippage of £230k will be met from contract renegotiation savings)	-200
Older People - Private/Vol Homes - Additional packages £91k (potential additional cost due to annual contract negotiation with private providers)	91
Older People - Direct Payments - Additional packages	94
Older People - Day Services - Efficiency saving slippage from 2014. Proposal paper to CMT to reduce spend with significant reshape of service	458
Physical Disabilities - Private/Vol Homes - Reduction in Packages	-91
Physical Disabilities - Group Homes/Supported Living - Additional packages, partly offset by additional income	-30
Physical Disabilities - Community Support - Reduction in Packages	-28
Physical Disabilities - Direct Payments - Reduction in Packages	-36
Learning Disabilities - Private/Vol Homes - Slower than anticipated reduction in placements required to meet efficiency savings, work underway to address	204
Learning Disabilities - Direct Payments - Additional packages	216
Learning Disabilities - Group Homes/Supported Living - Additional funding from Health (joint funding) and ILF grant	-249
Learning Disabilities - Adult Respite Care - Staff Vacancies	-35
Learning Disabilities - Transition Service - Staff Vacancies	-36
Learning Disabilities - Community Support - Additional Packages	162
Learning Disabilities/Mental Health - Ssmss - Staff vacancies	-79
Mental Health - Commissioning - Additional staffing costs regarding out of hours service	20
Mental Health - Private/Vol Homes - Additional packages resulting in an over commitment on a very volatile budget	193
Mental Health - Direct Payments - Additional Placements	16
Mental Health - Community Support - Additional care contracts	38
Mental Health - Substance Misuse Team - Underspend on salaries	-33
Public Protection - Civil Law - Savings due to Graduate trainee salary costs being covered cCorporately	-17
Public Protection - Safety - Underachievement of fee income anticipated for 15/16	17
Home Improvement (Non HRA) - Vacant posts offset by small overspends in other Home Improvement services	-22
Leisure - Millenium Coastal Park - Part year vacancies in Service	-22
Leisure - Carmarthen Leisure Centre - Part year vacancies in Service	-22
Leisure - Bro Myrddin Indoor Bowling Club - Delay in asset transfer	16
Leisure - Amman Valley Leisure Centre - Projected shortfall in income to budget	17
Country Parks General - Part year vacancies in Service	-60
Pembrey Country Park - Projected shortfall in income to budget	51
Entertainment Centres General - Part year vacancies in Service	-26
Leisure - Llanelli Leisure Centre - Mainly due to income shortfall as a result of cafe refurbishment	38
Other	34
Social Care, Health, Housing and Leisure - Net Variance	679
Environment Services	
Policy & Development - Emergency Planning - Severance efficiency savings not delivered £36k and overspend on out of hours service £11k	47
Street Scene - Public Conveniences - PC's - Full savings woill not be not realised until after phased 3 year programme	44
Street Scene - Waste Services - On going review of waste strategy has produced savings	-35
Transport - Civil Design - Under recovery of income due to vacant Technician post, a review of income is underway	50
Bus Stations/Community Transport/Concessionary Fares Grant - Service adjustments undertaken to manage budget pressures	-32
Car Parks - No commitment for efficiency target of £109k in respect of a 20p increase in parking charges and the introduction of evening parking charges which is yet to be implemented pending political endorsement.	117
Nant y Ci Park & Ride - Major development funding ceased in 12/13 - the modified service is currently being trialled with the LHB to generate additional revenue to cover the shortfall	42

School Crossing Patrols - posts are being advertised but unable to fill the vacancies	-70
Property Services - Building Maintenance - Unachievable income target not met due to reduction in Carmarthenshire Homes Standard works	393
Property Services - Grounds Maintenance Service - Effect of ongoing efficiency savings within the grounds maintenance service	-187
Planning Admin Account - Underspend anticipated through maintaining vacant posts and planned general reduced spending on administration to offset the reduction in fees generated by the division	-63
Planning - Minerals - Underspend mainly due to proposed charging out of 2 members of staff to externally funded projects as a 'direct cost'	-47
Planning - Policy - Development Planning - Underspend mainly due to maintaining vacant posts to partly meet the reduction in planning application fee income	-58
Planning - Development Management - Overspend mainly due to projected non-achievement of planning fee income	153
Other	-2
Environment Services - Net Variance	352

Capital Charges	
Reduced borrowing (interest savings)	-500

Housing Revenue Account	
Supervision & Management - Employee - Posts held vacant offset by an overspend in Warden Services South £27k, HRA BSU -£43k, Service improvement -£25k, Sheltered complex 9011 -£25k, Tenancy Mangement -£26k, Environmental works project -£20k, Home Improvement -£19k and other £5k	-126
Supervision & Management - Premises - Energy costs -£30k and Rent -£9k offset by an overspend in Cleaning costs £9k	-30
Supervision & Management - Supplies - Postages -£11k, Telephone -£20k, Misc / Compensation / Void Dec Allowance payment -£29k offset by an overspend £29k in legal and professional fees in Debt recovery	-31
Income - Rents - Void loss prediction at budget setting of 2.75% currently forecast at 2.07%	-280
Other	-20
HRA - Net Variance	-487

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EXECUTIVE BOARD

28/09/2015

<p>CAPITAL PROGRAMME 2015-16 UPDATE To report the variances within the capital programme</p>		
<p>RECOMMENDATIONS / KEY DECISIONS REQUIRED: That the capital programme update report is received.</p>		
<p>REASONS: To provide Executive Board with an update of the latest budgetary position for the 2015/16 capital programme, as at the 30th June 2015.</p>		
<p>Relevant scrutiny committees to be consulted N/A</p>		
<p>Exec Board Decision Required YES Council Decision Required NO</p>		
<p>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins</p>		
<p>Directorate Name of Head of Service: Chris Moore Report Author: Chris Moore</p>	<p>Designation: Director of Corporate Services</p>	<p>Tel No. 01267 224160 E Mail Address: cmoore@carmarthenshire.gov.uk</p>

EXECUTIVE SUMMARY

EXECUTIVE BOARD

28/09/2015

CAPITAL PROGRAMME 2015/16 UPDATE

Purpose: To report the variances within the capital programme.

This report provides members with an update on the Capital programme spend against budget for 2015/16 as at the 30th June 2015.

MAIN VARIANCES

Public Sector Housing

No Major Variances

Private Sector Housing

No Major Variances

Regeneration

Opportunity Street (Llanelli) -£446k External funding to be used initially with CCC funding carried forward to 2016/17 in order to deliver the final year elements of the project. Should any works be accelerated and brought forward to 15/16 then the variance will be reduce accordingly.

Use it or Lose it - Llanelli Area -£406k This project is currently at an early grant application stage and a decision to approve (by Welsh Government) is anticipated later this financial year. In order to secure external grant funding (circa £1.6m) the approved budget must be safeguarded for future years delivery. This year's expenditure can only reflect early survey and feasibility works which will progress following confirmation of project grant approval.

Cross Hands East Strategic Employment Site +£1,100k Compensation payments for purchased land have increased significantly following a planning appeal. The scheme variance reflects the projected outturn cost of all land sales based on advice from the District Valuer.

Leisure

No Major Variances

Environment

No Major Variances

Social Care

Learning Disabilities £-228k Options are being considered for the location of future learning disability provision as part of a review of council buildings.

Education and Children

Ysgol Maes Y Gwendraeth £456k Re-profile required due to delays in 14/15 works carried forward to 15/16.

Seaside CP School -£3,000k delay in approving outline business case by Welsh Government.

Ysgol Trimsaran -£664k Delay due to site selection issues.

MEP External Funding -£1,057k Additional External funding secured.

Resources and Chief Executive

No Major Variances

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** Head of Financial Services

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

Finance

The capital programme shows an under spend of **£-4.237m**.

Physical Assets

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

CONSULTATIONS

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

Signed: **Chris Moore** Director of Corporate Services

1. Scrutiny Committee

Relevant Scrutiny Committees will be consulted.

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

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

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

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2015-16 Capital Programme		Resources Dept, County Hall, Carmarthen

Capital Programme 2015/16

APPENDIX A

Capital Budget Monitoring - Report for June 2015

		Working Budget			Forecasted			Variance for Year £'000	Comment
Net Exp to Jun 2015 £'000	Department	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000		
895	Public Housing	18,503	-6,100	12,403	18,684	-6,281	12,403	0 No Main Variances	
533	Private Housing	3,890	-775	3,115	3,906	-791	3,115	0 No Main Variances	
5,942	Regeneration	11,085	-3,200	7,885	13,660	-5,527	8,133	248 Main Variances: Opportunity Street -£446k utilising external funding initially with Internal funding carrying forward to 16/17, "Use it or Lose it" - Llanelli Area -£406k Project at early stages and awaiting Welsh Government approval, Cross Hands East Strategic Employment site +£1,100k due to Land issues	
61	Leisure	798	-300	498	776	-278	498	0 No Main Variances	
386	Environment	7,214	-4,077	3,137	7,199	-4,062	3,137	0 No Main Variances	
1,708	Social Care	3,367	0	3,367	3,139	0	3,139	-228 Main Variances : - Learning Disabilities Centres - £228k due to options being considered on council buildings	
5,909	Education & Children Services	40,932	-12,816	28,116	37,732	-13,873	23,859	-4,257 Main Variances : - Ysgol Maes Y Gwendraeth +£456k Reprofile required due to delays in 14/15 works carried forward to 15/16, Seaside School - £3,000k delay in approving outline business case by Welsh Government, Ysgol Trimsaran -£664k Delay due to site selection issues, MEP External Funding - £1,057k Additional External funding secured	
225	Resources	6,445	0	6,445	7,399	-954	6,445	0 No Main Variances	
16,659	TOTAL	92,234	-27,268	64,966	92,495	-31,766	60,729	-4,237	

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**EXECUTIVE BOARD
28TH SEPTEMBER 2015**

**REVENUE BUDGET OUTLOOK
2016/17 to 2018/19**

Recommendations / key decisions required:

1. The financial model and the significant financial challenges it poses is noted;
2. Executive Board endorse the proposed approach to identifying the required savings
3. Executive Board endorse the proposed approach to the budget consultation

Reasons:

To provide the Executive Board with an overview of the budget issues and outlook for the forthcoming years.

Relevant scrutiny committee to be consulted

TBA

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Corp[orate Services
Directorate

Director

Mr C Moore

Report Author:

Designations:

Director of Corporate Services

Tel Nos. 01267 224121

E Mail Addresses:

Cmoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
EXECUTIVE BOARD
28TH SEPTEMBER 2015**

REVENUE BUDGET OUTLOOK
2016/17 to 2018/19

The report appraises members of the current financial outlook and updates our current financial model covering the next three financial years.

The report outlines the proposals for taking forward the budget preparation for the three year period.

DETAILED REPORT ATTACHED ?

YES / NO

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**

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

The budget is being prepared having regard for the Council's Corporate Strategy 2015-2020.

Equalities Impact Assessments will be undertaken on budget proposals in order to consider and assess the potential impact with respect to protected characteristic groups and the Welsh language. All budget proposals considered to have an impact on front line services will undergo a period of public consultation. The Equalities Impact Assessments will be further developed following consideration of possible mitigation measures to reduce the impact once the responses and findings of the budget consultation have been received.

2. Finance

Council Fund

The report provides an updated view of the Budget outlook for 2016/2017, together with indicative figures for the 2017/18 and 2018/19 financial years.

The financial model tabled above will be updated as and when more information becomes available, key amongst which will be the outcome of the spending review and the provisional settlement expected from WG in the autumn of 2015

CONSULTATIONS

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

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

1. Scrutiny Committee

Consultation with Scrutiny Committees will be undertaken during the budget process.

2. Local Member(s)

N/A

3. Community / Town Council

All budget proposals considered to have an impact on front line services will undergo a period of public consultation before the final budget is set.

4. Staff Side Representatives and other Organisations

Consultation with Staff Side Representatives and other organisations will be undertaken and results will be reported during the budget process.

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

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

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2016/17 3 Year Revenue Budget		County Hall, Carmarthen

REPORT OF DIRECTOR OF CORPORATE SERVICES

Executive Board

28th September 2015

REVENUE BUDGET OUTLOOK 2016/17 to 2018/19

HEAD OF SERVICE & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
C Moore, Head of Financial Services	Resources	01267 224160
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
C Moore, Head of Financial Services	Resources	01267 224160

1. PURPOSE OF REPORT

The purpose of this report is to:

- 1.1. Appraise members on the current financial outlook
- 1.2. Update our current financial model covering the next three years;
- 1.3. Outline proposals for taking forward the budget preparation for the three year period.

2. KEY MESSAGES

The key messages are:

- 2.1. An increasingly difficult funding outlook, with the period of financial restraint in the public sector being set to continue for some time to come.
- 2.2. The importance of the choices that Welsh Government (WG) make around funding for the Health Service and any other protection afforded to service areas
- 2.3. The impact of any protection for service areas will be significant.

3. BACKGROUND

The budget and Medium Term Financial planning process has had a consistent theme over recent years. Since the financial crisis in 2008 the level of resources available to public services has been under pressure, and over the last five years the Council has had to manage a reduction in service budgets of £51m. At the same time pressures on the budget have been increasing in terms of demand and expectations.

Moving forward, whilst still retaining a focus on efficiency, it is recognised that a fundamental shift is required in relation to the quantum and nature of saving proposals over the medium term to ensure that financial sustainability can be achieved and a balanced budget set.

The current three year Medium Term Financial Plan (MTFP) was agreed by Council in February 2015 and was based on estimates of known commitments and formulated in the context of the tough financial settlement for 2015-16 with no indicative settlements available from WG for future years.

Our overall financial standing has been maintained at a prudent level. Many of our reserves are earmarked for specific purposes – whether this is to address liabilities now or in the future e.g. Insurance reserves, or for financing specific capital schemes. Our General Fund balance currently stands at 2.5% of our net budget and we have made limited use of such reserves to support ongoing expenditure

4. OTHER CONSIDERATIONS

4.1. In June, the Minister for Public Services announced a new map for Local Government in Wales, reducing the number of Councils from 22 to 8 or 9. The proposal however is not final, and it remains to be seen whether it will be implemented in full following the National Assembly elections next year. In any event, implementation within the timescale of this MTFP appears very unlikely given the number of factors and the sheer volume of work involved.

4.2. The Minister for Public Services also released a report that WG has commissioned through KPMG and CIPFA detailing the conclusions of their research into the scope to move resources currently spent on administrative functions within Local Authorities to support the delivery of front line services in Wales.

The report highlighted that across Wales, Local Authorities spent around £470m in 2013-2014 on ‘administrative activities’ and identified potential annual savings of up to £151m prior to any local government mergers, of which:

- £33m savings could be achieved by authorities standardising their approach to the average in Wales
- £45m by standardising to the average sector level in England

- £73m through a new operating model, delivered by system-wide, strategic transformation in parallel to wider LG reform and pan sector collaboration.

4.3. The Executive Board has recently adopted the Corporate Strategy for 2015-2020 setting out the Authority's strategic priorities and aspirations and its overarching themes and core values.

The Corporate Strategy and subsequent Business Plans are key to being able to develop the Medium Term Financial Plan and the vision for Carmarthenshire.

5. CURRENT FINANCIAL OUTLOOK

The most significant event that has happened since the MTFP was considered and approved has been the general election which saw the return of a majority Conservative Government. At the time of setting the budget continued public funding restraint seemed inevitable, it was the 'steepness of the downward curve' that was to be determined. Since the general election result the message of continued austerity and public sector funding restraint has been emphasized.

The Chancellor of the Exchequer set out the UK Government's budget on the 8th July, the headlines of which were:

- the deficit is to be cut at the same pace as during the last Parliament,
- 1% public sector pay rise to continue for next four years
- £37bn of further spending cuts by 2020, including £12bn of welfare cuts and £5bn from tax avoidance

Currently there is not a clear timetable for the Whitehall Spending Review and this could be published as late as November with knock on impacts for the publication of the Welsh provisional and final settlements.

That said, some things have been trailed:

- The potential for in-year (2015/16) reductions which will be extremely difficult to manage and destabilizing
- That the NHS is to be protected with the consequent impact that will have on other services.

In the absence of indicative AEF figures from WG the base model reflects 3.3% reductions in each of the three years. This is based on the letter received from WG in June 2014 suggesting that it would be prudent to assume that the current trends in Local Government funding will continue. It is difficult to predict at this stage what the final outcome will be from the next spending review, and as a guide each 1% reduction in funding equates to some £2.5m.

6. FINANCIAL MODEL

The revised financial model covers the three year period up to 2018/19. The most important part for any financial plan or model is the underlying assumptions, the current key assumptions being:

- 6.1. Welsh Government funding (AEF = RSG and NNDR) currently modelled based upon a cash reduction of -3.3% in each of the years which equates to a cash reduction of £8.3 million in 2016-17
- 6.2. The current projected outturn for 2015-16, based on the June budget monitoring is as follows:

Service	Approved Budget £'000	Total Expenditure Forecast £'000	Variance Forecast For Year £'000
Chief Executive	10,600	11,219	619
Education and Children's Services	159,427	160,029	602
Resources	22,914	22,862	-52
Communities	90,856	91,535	679
Environment	45,598	45,950	352
Departmental Expenditure	329,395	331,595	2,200
Cont from Dept/Earmarked Reserves			-1,010
Capital Charges	-3,535	-4,035	-500
Pensions Reserve Adjustment	-5,085	-5,085	0
Levies and Contributions	9,214	9,214	0
Performance Incentive Grant	-570	-570	0
Transfer to/ from Reserves	-1,198	-1,198	0
Net Expenditure	328,221	329,921	690

- 6.3. The departmental overspends are primarily as a result of delays in the delivery of savings proposals put forward for 2015-16, and a review of the savings proposals that were agreed in February 2015 has identified that the following amounts are at risk of not being delivered/delivered in full:

- £1.750m in 2015-16
- £4.962m in 2016-17
- £2.098m in 2017-18

- 6.4. During the course of the current National Assembly term, the Council has met the commitment to fund schools at 1% above the level of funding received by WG from the UK government. From 2016-17 onwards, the MTFP assume no service protection, and therefore schools will need to absorb reductions in line with other service areas
- 6.5. National Insurance rebate of 3.4% for staff in pension funds removed in 2016/17 which adds £4.1 million
- 6.6. Estimated effect of Auto Enrolment from April 2017 £1.6m.
- 6.7. The Teachers Pension Scheme - Employers Superannuation contributions increase from 14.1% to 16.4% with effect from 1st September 2015. Full year effect in 2016-17 is an additional £575k
- 6.8. Service specific Grants within the current year's budget stands at £107m and it is assumed that this level will be maintained during the three year period of the model
- 6.9. Assumptions relating to the capital programme are as set out in the 5 year capital plan approved by Council in February 2015.
- 6.10. Council Tax modelled with an increase of 5.00% per annum
- 6.11. Validation assumptions for 2016-17 and 2017-17 have been revisited and are currently:

	Financial Model		
	2016-17	2017-18	2018-19
	%	%	%
Expenditure Inflation	0.6	1.4	1.8
Income Inflation	0.6	1.4	1.8
Pay Awards	1.0	1.0	1.0
Employers Pension Rates	0.3	0.3	0.3
Fuel	-12.5	3.0	3.0
Energy Costs	3.0	3.0	3.0
Capital charges	0	£250k	£250k

6.12. Service Pressures:

In the absence of a detailed breakdown of service pressures from departments at this stage, the model assumes a notional sum of £3m per annum for each of the three years.

- 6.13. No account has been taken of new legislation, the most significant of which seem to be: Well being and Future Generations (Wales) Bill; Social services and Well Being Act; New Welsh Language Standards

- 6.14.** The current proposals do not make provision for any further amendment to the pay structure or the introduction of the living wage beyond those already approved for implementation from 1st October 2015.
- 6.15.** Based upon the above assumptions a financial model has been constructed (see table below) which highlights the impact of the proposed changes , and identifies the likely budget shortfall. Comparative figures from the current MTFP are included for information

Summary of Financial Model

	Current MTFP		Financial Model		
	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Previous Year's Budget	329,991	324,969	329,991	324,967	321,270
General Inflation	1,831	2,095	663	1,745	2,027
Pay Inflation	2,961	2,868	2,263	2,266	2,246
Other	4,617	1,582	4,093	1,460	0
Growth	3,000	3,000	3,000	3,000	3,000
Original & approved PBB Proposals	-18,201	-13,811			
Net Expenditure	324,199	320,703	340,010	333,438	328,543
Revenue Settlement	-244,149	-236,093	-244,149	-236,093	-228,302
Council Tax Receipts	-80,050	-84,610	-80,050	-84,607	-89,421
Shortfall	0	0	-15,811	-12,738	-10,820

6.16. Key points:

6.16.1. We are looking at requiring cumulative reductions of £39.4 over the three years.

6.16.2. Our budget, in common with all authorities will contain a number of expenditure items that are essentially 'fixed' such as our debt costs, payments to those in receipt of council tax reduction support, the cost of levies, insurance costs, external audit fees, etc. In terms of managing and addressing any reductions we need to exclude these budgets. The net controllable budget of the authority is therefore £275m

6.16.3. It is proposed that the savings requirements for each of the financial years be addressed as follows:

- 2016/17 – departments to deliver savings/make good those now in doubt (as per paragraph 6.3) as per the current three year financial strategy
- 2017/18 – again departments to deliver savings/make good those now in doubt (as per paragraph 6.3) as per the current three year financial strategy
- 2018/19 – savings targets allocated to all services as a proportion of controllable spend as follows:

Targets 2018/19	
	2018/19
Department	£'000
Chief Executive	500
Education	1,250
Schools Delegated	4,286
Resources	448
Community	
Services	2,877
Environment	1,460
Total	10,821

6.16.4. The above model, as stated above, is based upon a WG reduction of 3.3% per annum.

6.16.5. Any budget forecast has an element of risk and a large degree of uncertainty when planning over the medium term, and this is particularly so in the current economic climate. The forecast will be monitored and refined as the likely position becomes clearer.

7. TAKING THE WORK FORWARD

There are a number of strands to develop in bringing about change to ensure we achieve balanced budgets:

- 7.1.** A continued real and focused drive to achieve efficiency in what we do – including business processes, taking advantage of technology and reviewing non-employee spend.
- 7.2.** Establishing what is important to members (and other stakeholders) in terms of what they wish to prioritise and importantly what is not and can be 'given up'/or reduced;
- 7.3.** Demand management which explores all the drivers of demand for our services and asks whether we can reduce or manage that demand by other methods and/or by doing things differently – e.g. earlier

intervention in a cycle; changing user expectations of services; use of the third sector/other organisations or alternative delivery models etc;

7.4. Innovation and alternative funding sources – whilst innovation will be evident in all the other strands it is felt useful to also have it as standalone to allow some free thinking to emerge and understand whether that free thinking leads to approaches that may generate further avenues for attracting revenue support or generating income.

7.5. All of the above will involve:

7.5.1. Consideration of alternative delivery models/providers;

7.5.2. Acceptance of lower performance/reduction/cessation in some areas as an acceptable price to prioritise/protect others;

7.5.3. Consideration of alternative and perhaps as yet untapped sources of finance;

7.5.4. Some analysis of the cost/benefit equation of what we currently do and what we would propose to do.

7.5.5. Council will need to implement measures in 2015-16 to increase as far as possible its options in respect of the 2016-17 budget setting process. The aims of these measures would be to partially mitigate the risk of the council not achieving a balanced budget for 2016-17 and would need to be undertaken following consultation with members. To support this, members have already approved the extension of the severance scheme for the lifetime of the current MTFP.

8. BUDGET PREPARATION FOR 2016/17

8.1. The financial model tabled above will be updated as and when more information becomes available, key amongst which will be the outcome of the spending review and the provisional settlement expected from WG late autumn of 2015.

8.2. As part of the current Medium Term Financial Plan, Departments are requested to confirm their efficiency/service rationalisation proposals for 2016-17 and 2017-18 and to bring forward their proposals for 2018-19.

8.3. Officers will continue to refine the budget projections taking account of inflation factors, the collection rate and reviewing the potential for the use of reserves etc.

- 8.4.** Member seminar on budget proposals to be convened in October 2014.
- 8.5.** Public consultation on the budget proposals to commence in November 2015, encompassing a variety of means including press articles, on-line surveys, budget roadshows and digital communications with residents, businesses and staff who live and work within the County.
- 8.6.** Scrutiny Committee consultation in December 2015/January 2016

9. RECOMMENDATION(S)

It is recommended that:

- 9.1.** The financial model and the significant financial challenges it poses is noted;
- 9.2.** Executive Board endorse the proposed approach to identifying the required savings
- 9.3.** Executive Board endorse the proposed approach to the budget consultation

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Executive Board 28th September 2015

DEVELOPMENT FUND APPLICATION

Recommendations / key decisions required:

1. Approval is given in the sum of £289,407 to fund a one off investment in a team of practitioners to clear the outstanding reviews across Older People Physical Disabilities and the Mental Health / Learning Disabilities Divisions
2. That the interest is not charged as per amended Development Fund conditions
3. That Development Fund criteria no 5 be set aside for this application
4. That the repayment for the above scheme be over four years.

Reasons:

To provide Executive Board with an update on the latest position of the Development Fund, and to seek Executive Board approval of a recent application to the Fund.

Relevant scrutiny committee to be consulted NA

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Resources Directorate

Name of Head of Service:

Mr C Moore

Report Author:

Designations:

Director of Corporate Services

Tel Nos. 01267 224121

E Mail Addresses:

Cmoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
EXECUTIVE BOARD
28th September 2015**

DEVELOPMENT FUND APPLICATION

The report provides a brief update on the Development Fund and identifies that the Authority has £449k of funds available for new projects.

It provides details of a recent application to the fund for financial assistance from the Communities department for an investment specifically targeted at recruiting a team of practitioners to clear the outstanding reviews across Older People Physical Disabilities and the Mental Health / Learning Disabilities Divisions.

The funding requested is £289,407

DETAILED REPORT ATTACHED ?

YES / NO

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**

Director of Corporate Services

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

Finance

Based on the latest profile of spending, it is estimated that there is some £449k available for new projects.

The application is for £289,407, with the fund repayments of £72,352 per annum being made from savings generated.

Staffing Implications

Four posts to be created on a fixed term basis.

CONSULTATIONS

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

Signed:

C. Moore

Director of Corporate Services

1. Scrutiny Committee

N/A

2. Local Member(s)

N/A

3. Community / Town Council

N/A

N/A

5. Staff Side Representatives and other Organisations

N/A

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

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

Development Fund Application

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Development Fund Application		County Hall, Carmarthen

Report of the Head of Financial Services

EXECUTIVE BOARD

28TH SEPTEMBER 2015

DEVELOPMENT FUND APPLICATION

Reducing Outstanding Reviews across Older People Physical Disabilities and the Mental Health / Learning Disabilities Divisions

Head of Service & Designation. C Moore – Head of Financial Services	Directorate Resources	Telephone No. 01267 224160
Author & Designation As above	Directorate	Telephone No

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

An application has been received from the Communities Department for one off investment specifically targeted at recruiting a team of practitioners to clear the outstanding reviews across OPPD and MH / LD Divisions

2. KEY DECISIONS REQUIRED, IF ANY

The report gives an update on the latest position of the Development Fund, and seeks the approval for a recent application to the Fund.

3. RECOMMENDATION(S)

- 3.1 Approval is given in the sum of £289,407 to fund a one off investment in a team of practitioners to clear the outstanding reviews across Older People Physical Disabilities and the Mental Health / Learning Disabilities Divisions
- 3.2 That the interest is not charged as per amended Development Fund conditions
- 3.3 That Development Fund criteria no 5 be set aside for this application
- 3.4 That the repayment for the above scheme be over four years.

4. REASON(S)

A recent application for financial assistance from the fund has been received from the Communities department for an investment specifically targeted at recruiting a team of practitioners to clear the outstanding reviews across Older People Physical Disabilities and the Mental Health / Learning Disabilities Divisions.

5. BACKGROUND AND EXPLANATION OF ISSUES

Development Fund Criteria

5.1 To qualify for Fund support the following criteria were laid down:-

1. Applications are restricted to “one off” type projects and support for recurring costs are not considered.
2. All projects must demonstrate the ability to generate long-term savings to the Authority.
3. Financial assistance from the fund to be repaid over a four year period, inclusive of interest. (Currently due to the economic climate interest is not chargeable)
4. Minimum scheme cost eligible for support is set at £50,000.
5. Financial assistance to any scheme is restricted to 25% of available fund resources.

It must be said however that since its inception the fund has supported projects that did not meet all the above criteria.

5.2 CURRENT POSITION

5.2.1 Some 41 schemes have been supported to date to the value of approx £5.0m by the Development Fund.

5.2.2 Based on the approvals to date, there is £449k available for new projects. This sum will rise to £693k in 2016/17 and £818k in 2017/18 when future repayments to the fund are made.

5.3 NEW APPLICATIONS

5.3.1 An application has been received from the Communities Department for one off investment specifically targeted at recruiting a team of practitioners to clear the outstanding reviews across OPPD and MH / LD Divisions.

5.3.2 Scheme Overview:
Scheme Costs

		£
Senior Practitioner	LD/MH	83,105
Social Worker	LD/MH	68,858

Social Worker	OPPD	68,858
Occupational Therapist	OPPD	68,588
		289,407

Funding requested £289,407

5.3.3 Fund Repayments

£72,352 per annum over four years, to be met from operational savings.

5.3.4 Scheme Benefits

- Within Learning Disability / Mental health there are a number of residential care and supported living reviews outstanding:
 - 41 of which are clients in residential care which financially amounts to £2,466,165.00
 - 46 of which are supported living clients which amount to £85,717.56.
- Within Older People Physical Disabilities there are a significant number of reviews outstanding across a range of services from residential placement, to Direct Payments and Domiciliary Care.
 - There are approx 160 individuals currently in care homes with an overdue review.
 - There are approx 170 individuals who are in receipt of Direct Payments or home care which are overdue. These are the service areas which are most likely to result in departmental efficiencies
- This proposal outlines the case for one off investment specifically targeted at recruiting a team of practitioners to clear the outstanding reviews across OPPD and MH / LD Divisions. The initiative will run concurrently with an improvement in review practice within existing teams to ensure that reviews are prioritised within daily practice in the interest of improving and ensuring quality and optimising outcomes at individual and organisational level.
- Savings will be delivered over a phased basis and will contribute to the departments efficiency savings. The MH/LD division anticipate that the savings will be in the region of 10% of the budget which will be in the region of £250k and that Older People Physical Disabilities division potential savings will be in the region of £500k. The bid assists in the continued review of services within the department.

6 OTHER OPTIONS AVAILABLE, AND THEIR PROS AND CONS

None. Proposed scheme requires initial investment to deliver the anticipated savings and outcome focused and person centred approach to care provision.

7 COMMUNITY STRATEGY INTEGRATION TOOL

Not Applicable

8 IMPLICATIONS:

1.FINANCE

Based on the latest profile of spending, it is estimated that there is some £449k available for new projects.

The application is for £289,407, with the fund repayments of £72,352 per annum being made from savings generated.

2.STAFFING

Four posts to be created on a fixed term basis

9 FEEDBACK FROM CONSULTATIONS UNDERTAKEN

Not Applicable

10 LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THE REPORT

Title of Document	File Ref No.	Where available for public inspection
Development Fund Application		County Hall, Carmarthen.

EXECUTIVE BOARD

DATE: 28TH SEPTEMBER, 2015

COMMUNITY NUTRITIONAL STRATEGY FOR CARMARTHENSHIRE INTEGRATED SERVICES

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

- To note the decline in the uptake of meals on wheels by 33% since 2012.
- To agree and implement a community nutritional strategy for Older People in Carmarthenshire to replace the limited impact of the meals on wheels service.
- The current service of meals on wheels should continue as long as it is practicable to do so and people wish to receive the service.
- For Integrated Services to develop an action plan and operationally roll out recommendations based on 5 priority areas
 1. Review current provision
 2. Community Development to meet community needs
 3. Closer integration with health and other stakeholders
 4. Develop Information, Assistance and Advice Services
 5. Education

REASONS:

Carmarthenshire does not currently have a Community Nutritional Strategy and this document is a response to recommendations made by Welsh Government in the Health Promotion Action Plan for Older People. Lack of nutrition and hydration is a significant risk factor for vulnerable adults living in the community. It is estimated that 1 in 10 older people are malnourished or at risk of malnutrition. Meals on wheels have always had a limited impact on this and the model of support needs to improve and be replaced by a comprehensive community strategy to support older people.

Relevant Scrutiny Committee to be consulted: YES

Social Care & Health – 16th September, 2015

Scrutiny Committee Recommendations/Comments:

UNANIMOUSLY RESOLVED to endorse the report for consideration by the Executive Board.

Exec Board Decision Required YES – 28th September, 2015

Council Decision Required TBA

Executive Board Member Portfolio Holder: Cllr. J. Tremlett (Social Care & Health)

Directorate:

Department for Communities

Name of Head of Service:

Rhian Dawson

Report Author:

Julia Wilkinson

Designations:

Interim Head of Integrated Services

Assistant Locality Manager

Tel Nos.

(01267) 228900

(01267) 246858

E Mail Addresses:

Rhian.dawson@wales.nhs.uk

JWilkinson@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

EXECUTIVE BOARD

DATE: 28TH SEPTEMBER, 2015

COMMUNITY NUTRITIONAL STRATEGY FOR CARMARTHENSHIRE INTEGRATED SERVICES

1. BRIEF SUMMARY OF PURPOSE OF REPORT

The Welsh Government's Health Promotion Action Plan for Older People in Wales highlights the importance of prioritising good nutrition for health and well-being and informs the Food and Well Being Nutritional Strategy for Wales. Vulnerable older people are considered by this strategy as a priority group acknowledging that many of them are living with limiting, long term illness and are on a low income.

The report outlines the main barriers to good nutrition for this group in the community and proposes Carmarthenshire implements a holistic community nutritional strategy which focuses on five priority areas and considers available options to support good nutrition for older people. Such a strategy will provide Carmarthenshire with overarching principles for developing services that promote nutritional wellbeing for older people living within our communities.

2. OTHER OPTIONS AVAILABLE AND THEIR PROS AND CONS

Option	Pros	Cons
To not adopt an integrated community strategy and meet nutritional needs through current provision i.e. to continue to rely on an outdated model of meals on wheels to meet this need.	Embed current provision, which would not need additional resources or targeted change process.	Would not address Welsh Government recommendations or best practice. Would leave older people vulnerable.

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: **Rhian Dawson** **Interim Head of Integrated Services**

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

5. Risk Management Issues

Poor nutrition and hydration is a significant risk factor for vulnerable adults living in the community. It is estimated that 1 in 10 older people are malnourished or at risk of malnutrition. The availability of a nutritional strategy for older people in Carmarthenshire would support risk mitigation in this area.

CONSULTATIONS

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

Signed: **Rhian Dawson** **Interim Head of Integrated Services**

1. Scrutiny Committee – Social Care & Health Scrutiny Committee have been consulted on 16th September, 2015.

2. Local Member(s) - Exec Board Member Cllr Jane Tremlett has been consulted during production of this document

3. Community / Town Council - N/A

4. Relevant Partners - The Hywel Dda University Health Board Dietetics department

5. Staff Side Representatives and other Organisations - N/A

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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1 in 10 older people*



are suffering from or are at risk of

malnutrition

 MALNUTRITION
TASK FORCE

www.smallappetite.org.uk

*over 65 in England and Wales (2009)

Community Nutritional Strategy June 2015



Summary

- Carmarthenshire does not have a Community Nutritional Strategy that identifies and promotes the importance of good nutrition and hydration in ensuring the health and well-being of its population.
- This strategy is a response to recommendations made by Welsh Government in the Health Promotion Action Plan for Older People¹, as well as guidelines from the World Health Organisation which clearly states that ‘many diseases suffered by older people are the result of dietary factors’².
- This document outlines an integrated approach to supporting the nutritional needs of vulnerable adults in the community.
- We are currently awaiting official approval from Hywel Dda University Health Board to adopt the strategy as a fully integrated document; initial discussions have been extremely positive.
- The target group identified are vulnerable adults supported by integrated services. The needs of older adults are particularly emphasized however, as research shows that they are a particularly vulnerable group, with around 1 in 10 older people being malnourished or at risk of malnutrition. This equates to around 1 million in the UK and of these 93% are living in the community.
- The aim of the strategy and associated action plan is to ensure that optimum conditions are created to support good nutrition in the community as well as processes to embed malnutrition pathways should someone become at risk of malnutrition.
- The strategy identifies the barriers to achieving good nutrition in the community and recommends the implementation of an action plan that focuses on 5 priority areas.
- The Community Nutritional Strategy will be regularly reviewed and a measurement of effectiveness adopted, this will also include any associated cost saving benefits.

¹ <http://gov.wales/docs/dhss/publications/130521olderpeoplestrategyen.pdf>

² <http://www.who.int/nutrition/topics/ageing/en/index1.html>

Introduction

“Good nutrition is not just about food and meals, but about people, warmth and social inclusion.”³

Good nutrition plays a vital part in the wellbeing and health of older or disabled adults⁴ and can also contribute in delaying and reducing the risk of developing disease.

Due to the significant risk for older adults the quality of the diet is extremely important to ensure that both macronutrient (carbohydrate, fat, protein and energy) and micronutrient (vitamin and mineral) requirements are met, this can be difficult, particularly for the frail older person.

As nutritional care should incorporate information about both dietary intake and promoting independence, this strategy will aim to focus on an individual’s ability to perform activities of daily living, preventing falls and independent living initiatives. The primary outcome of initiatives and interventions will be to make improvements in both a person’s ability to perform activities of daily living as well as their nutritional status.

The strategy will review the barriers to older people meeting their nutritional needs and outline a plan to address the issues. These will include encouraging social eating initiatives, introducing a malnutrition screening tool in the community and a training programme. It also highlights the lack of robust evidence to support effective interventions which may improve the nutritional intake of older adults in the community but will outline specific interventions based on the evidence which is available.

Aims

The aims of this strategy are to:

- Identify the barriers to meeting the nutritional requirements of older people living in the community.
- Identify effective interventions, including interventions to improve food access and nutritional intake for older people to improve health outcomes of this population group; in particular those people who are at risk of nutritional deficiencies, which includes all those who are malnourished, at risk of malnutrition, physically or cognitively frail.

³ The International Longevity Centre –UK (ILC UK) report Personalisation, Nutrition and Community Meals, March 2010

⁴ This strategy will focus predominantly on the needs of older adults however it also supports intervention with other client groups within the department which includes adults with a physical disability, long term health condition and sensory impairment, if they are in need of nutritional support.

- To outline the delivery of a rehabilitative and enabling approach to provision in Carmarthenshire in line with person-centred outcome focused model of care planning supporting people to maintain their independence in the community and reduce their dependence on social services

Principles of the Community Nutrition Strategy

- Good nutrition for older people is an integral part of the prevention and early intervention work stream of Older People's Services.
- Recognition of the social and economic value of supporting older people to remain independent in their own homes with a good nutritional status.
- Raise awareness of the need for good nutrition amongst older people and those working with older people to prevent decline in their health and well-being.
- Provide a variety of opportunities for older people to access a nutritionally balanced diet, both in their own homes and in social settings, and to promote the importance of meal times in reducing social isolation and loneliness.
- Individual needs for a healthy, nutritious and appetising diet should be met by services that are tailored to personal preferences in Carmarthenshire.

Why do we need a targeted approach to community nutrition?

- Ageing is associated with loss of muscle stores and increases in fat stores. A 10% reduction in muscle mass has been shown to decrease functional ability, increase risk of infection and is associated with increased levels of mortality. Additionally, increasing levels of chronic illness and disease, along with a deterioration in taste, smell and teeth can lead to and exacerbate poor nutritional status
- Around 1 in 10 older people are malnourished or at risk of malnutrition. This equates to around 1 million in the UK and of these 93% are living in the community.
- NICE has identified combating malnutrition as the sixth largest potential source of health savings which could save budgets £13 million a year after costs of training and screening which in real terms would save £71,800 per 100,000 people.

- Poor nutrient intake can impact on an older person's functional and cognitive ability and thus their ability to participate in activities of daily living as well as add time and financial costs to illness or operation recovery period amongst older people
- One in three people aged over 65, and half of those aged over 80, fall at least once a year⁵. Falls are the commonest cause of death from injury in the over 65s, and many falls result in fractures and/or head injuries. Falls cost the NHS more than £2 billion per year and also have a knock-on effect on productivity costs in terms of carer time and absence from work⁶. Evidence suggests a strong link between malnutrition and poor nutrition with falls in older adults⁷
- There are some specific recommendations regarding the diets of for older people. Energy requirements are generally lower in older people while vitamin and mineral requirements remain the same. The nutrient density of the diet in older people is therefore of prime importance to ensure that deficiencies do not develop and there seems to be a lack of awareness of this when care planning.
- Under-nutrition could be prevented or treated with the implementation of appropriate nutritional screening and management, but the use of nutrition screening tools in the community in Wales is extremely limited. Whilst nutrition screening tools may not detect all nutritional deficiencies in older people and the cost effectiveness and impact on outcome of nutritional screening in the community have not been quantified, this tool could provide valuable information for the supporting the frailty agenda as well as acting as a pilot for its effectiveness.

Barriers

Recent research has identified a number of factors which affect the ability of older people, living in the community, to meet their nutritional requirements. These barriers are outlined in the table below and other factors explored in a wider context.

⁵ Todd and Skelton 2004

⁶ Snooks et al 2011

⁷ Vivanti et al, 2010

Summary of factors influencing dietary intake⁸

Issue	Description	Evidence
Poverty and economic uncertainty	<ul style="list-style-type: none"> • Poverty can affect food choice and dietary diversity. • Foods that are integral to a healthy diet (e.g. fruit, vegetables and fish) may be perceived as a luxury. • Healthier alternatives to everyday foods can carry a price premium (e.g. wholemeal bread, spreads low in saturates). • Food preparation facilities and skills may be limited in poorer households. 	<ul style="list-style-type: none"> • 16% of pensioners continue to live in poverty in Wales • The Low Income Diet and Nutrition Survey (LIDNS)⁹ () states that in poorer households: <ul style="list-style-type: none"> ➤ The average consumption of fruit and vegetables was half of the recommended five portions per day. ➤ Saturated fat intake was above the (maximum) UK recommendations. ➤ Intakes of non-starch polysaccharides (fibre) fell below the (minimum) UK recommendations. ➤ There was evidence of inadequate nutritional status for iron, folate and vitamin D. • Further analysis of the LIDNS data found that older men and in particular those who live alone may be at even more risk of an inadequate diet (Holmes et al, 2008).
Mobility	<ul style="list-style-type: none"> • Immobility may lead to difficulties with shopping, preparing, cooking and eating foods 	
Mental Health and Wellbeing	<ul style="list-style-type: none"> • Depression can lead to loss of interest in food • Dementia can impact on appetite and food intake 	<ul style="list-style-type: none"> • Depression occurs in one in seven people over the age of 65¹⁰. There are a number of symptoms associated with depression and these may be physical, psychological and/or social. These symptoms include apathy, anorexia, inability to make decisions and refusal of food and fluid¹¹. As a result depression may significantly

⁸ Denny, 2008; Schenker, 2003

⁹ Nelson et al, 2007

¹⁰ Vink et al, 2008

¹¹ NHS Choices, 2009

		<p>impact on activities of daily living and thus dietary intake which can then result in deterioration of nutritional status.</p> <ul style="list-style-type: none"> • Poor nutritional status and deficiency in a number of nutrients has been linked with depression in older people.¹² • Although clinically the types of dementia vary considerably many of the effects which impact on dietary intake and nutritional status are the same. Early stages of dementia impact on nutritional intake through difficulty in shopping and storing food, forgetting to eat and changes in food preferences. As dementia progresses food can be hoarded in the mouth but not swallowed, and mealtimes interrupted due to poor concentration and wandering. In very advanced stages problems may include food not being recognised, refusal to eat, inability to ask for food or drinks and an inability to swallow food and drinks safely due to a deterioration in the swallowing reflex.
<p>Social / Psychological support</p>	<ul style="list-style-type: none"> • Social isolation or emotional trauma can result in disinterest in food • Social interaction may encourage eating 	<p>The “Recipe for Life” project¹³ aimed to find better ways to support older people to eat well, found a number of social and psychological factors which had an impact on dietary intake which included:</p> <ul style="list-style-type: none"> • Eating with others • Cooking for others • Having a good quality meal cooked by someone else • Eating food that looks appetising • Smelling food as it is being cooked • Getting out of the house • Being active • Having exposure to foods and food

¹² Rogers, 2001

¹³ Jones et al, 2005

		<p>ideas</p> <ul style="list-style-type: none"> • Having a varied and suitable diet • Being supported to be spontaneous with food • Support to address losses, low mood or depression
Health problems	<ul style="list-style-type: none"> • Illness and medications can result in reduced appetite and difficulties with shopping, preparing and eating food. • Problems with incontinence may stop individuals eating and drinking normally. 	<ul style="list-style-type: none"> • Malabsorption conditions (i.e. gastritis & pernicious anaemia) reduce ability to absorb B12 from food. • Some medication can contribute to constipation.

Food Poverty

The Welsh Consumer Council¹⁴ has identified key characteristics associated with barriers to meeting nutritional needs in Wales:

Affordability: Low/limited incomes may restrict an older person's ability to afford healthy food;

Accessibility: The proximity, and ease of travelling to, supermarkets and smaller, independent retailers that offer a range of healthy foods;

Education/ Cooking Skills: Some older people, particularly older men, may lack the skills and/or equipment to prepare healthy meals.

Geographical factors

- There are diverse population densities across Carmarthenshire but the difference in dietary intake between people living in urban and rural areas is poorly defined. Those people living in rural areas have access to a smaller variety of foods, in particular fresh produce, have inconsistent food deliveries and the food which is available generally costs more¹⁵. Whether this translates into a poorer nutritional status is not known.
- Levin & Leyland (2005) reported greater health inequalities in remote rural areas than urban areas for both males and females, however how much this can be attributed to in diet is unknown, as there is a paucity of data regarding differences in food intakes between rural and urban areas.

¹⁴ Food Poverty and Older People

¹⁵ Skerratt, 1999

- In the past 20 years there has been a decentralisation of supermarkets to sites out of town centres with large retail parks such as Trostre in Llanelli. This has resulted in many older people experiencing difficulty in accessing food retailers¹⁶. These stores generally require people to have access to a car and in low income groups this is not always available. Although there are still small numbers of local convenience stores available they are generally more expensive and have a poorer variety of fresh produce compared to larger supermarkets.
- Current trends show that as people age, they make less use of private cars and increased use of public transport¹⁷. Access to reliable and convenient public transport is therefore essential to provide older people access to among other things goods, services, and amenities and this enables them the ability to maintain their independence. This is becoming an issue in Carmarthenshire as public transport is being 'streamlined'¹⁸ as a result of lack of funding.

Lack of appropriate provision

- Whilst Carmarthenshire provides supported meal services, there is evidence that the popularity of provision such as Meals on Wheels are declining, with 486 people accessing the service in 2012 compared to 328 in March 2015. It seems that the landscape of community meal provision to those in need has changed radically over the last 5-10 years and that simply a Meals-on-Wheels or food delivery service no longer fits with the needs of a growing number of clients in light of higher expectations. Meals on Wheels is a valued service however it does not provide the social support around eating or monitor consumption.
- An internet search for meal delivery services in Carmarthenshire provided numerous take-away menus with a housing care website dedicated to the needs of vulnerable people provided 4 alternatives however the closest location was in Exmoor in Devon.
- Wiltshire Farm Foods deliver frozen foods to residents of Carmarthenshire, some clients have a private arrangement with the provider and there are also some service users who receive frozen meals via a social work assessment. Frozen meals are delivered to the clients homes and the meals are heated in a microwave, whilst these meals may be re-heated by a carer the delivery service does not address the social and physiological barriers to good nutrition.
- The Recipe for Life project also found that services may often be poorly set up to address the social and psychological factors contributing to an older person's ability to eat well. If these factors are not

¹⁶ Wilson et al, 2004

¹⁷ Scottish Executive 2007

¹⁸ <http://www.carmarthenjournal.co.uk/Funding-cuts-force-buses-axe/story-20998002-detail/story.html>

considered they can provide significant barriers to older people's ability to eat well. In addition to this, the report highlighted a need for further work to be undertaken to explore how services and communities can address these factors more systematically. Prioritising the physical needs of older people over their social and psychological needs may lead to inappropriate targeting of resources with little positive benefit.¹⁹

- Research conducted by the Third Sector Brokers in Carmarthenshire identified support with shopping as an area of unmet need across the county.

Frailty

- A popular approach to the assessment of geriatric frailty²⁰ encompasses the assessment of five dimensions which are: unintentional weight loss, exhaustion, muscle weakness, slowness while walking, and low levels of activity.
- It is well documented that nutritional status deteriorates during a patient's hospital stay²¹ and as a result many patients are discharged from hospital in a poorer nutritional state than they entered. This results in a further group of undernourished individuals being discharged into the community, with the likelihood of entering the frailty cycle. It is possible that such a problem could be prevented or treated with the implementation of appropriate screening and management within the community.

Education

- Lack of skills and training regarding appropriate meal preparation and nutritional needs across the county for service users and carers.
- Lack of digital inclusion training for older adults.
- A significant proportion of the population aged 65+ are prepared to eat food which is past its use by date (FSA 2009b) increasing the likelihood of developing food poisoning. Part of the problem lies in the fact that only 25% of older people aged 65 -74 and 17% of people aged 75 years and over said that food hygiene was important to them when deciding what to buy to eat at home. This is of concern as the number of cases of Listeria poisoning (the number one food poisoning killer) has increased dramatically in the over 65 age group over recent years. Ensuring good food hygiene practice will contribute towards maintaining health and nutritional status in the over 65's
- The convenience of on-line shopping may not be available to older people and particularly those in low income households. As there is generally a delivery charge for this service, the cost of the food bill is increased and more fundamentally the shopper requires access to a computer. In the National Survey for Wales 2013 indicated that 75% of households have access to the internet with

¹⁹ Jones et al, 2005

²⁰ Linda Fried / Johns Hopkins Frailty Criteria

²¹ McWhirter & Pennington, 1994

age is an influencing factor in Internet usage, with 95% of people aged under 45 years old use the Internet, compared with 22% of people aged 75 or over. Digital Inclusion training has not significantly changed this figure.

Identified priorities



1. Review

Review of effectiveness of all provision should be conducted continuously, however a formalized review of the strategy as a whole will be conducted on a bi-monthly basis through the governance group and Senior Management Team meetings of integrated service

- **Conduct a process and outcome evaluation of current services.**

Assess all criteria including delivery coverage, programme utilisation, food intake behaviour and nutrient content of community meals provided, assessed against the Caroline Walker Trust guidelines

2. Community

Interventions addressing whole communities and populations are likely to have the greatest impact in preventing malnutrition amongst older adults the elderly. In the wider environment, initiatives to reduce deprivation and improve housing and local amenities, for example by providing access and advice on benefits and services, also have an essential part to play to positively influence nutritional status, health and well-being of older people living in the community. This strategy will ensure that it engages and supports this wider agenda.

The community initiatives outlined have the potential to directly impact positively on older people's dietary intake and nutritional status and they may also reduce the social isolation that is associated with depression, poor mental and physical health, which in turn are associated with reduced food intake.

- **Social Eating**

To develop with partners, imaginative ways of expanding the range of opportunities for social eating for example pie and pint clubs, buddying with neighbours or lunch clubs.

- **Local Provision**

Deliver training, information and support to care management staff on the availability of meal services in the community and a practice exchange of ideas on how to support clients with their nutritional requirements in a community based way.

- **Transport**

Community transport schemes should be strengthened and encouraged around the provision and promotion of affordable and accessible transport to shops, to enable older people to choose and purchase their own food. Links with DANCER in NPT, Health initiatives as well as community regeneration to be strengthened.

- **Assisted shopping schemes:**
Work with supermarkets with the aim of introducing 'older people shopping days', with 'personal shoppers' on-hand. Approach RLP with idea of Coleg Sir Gar and Trinity St Davids setting-up 'shopping partner' schemes in which student volunteers help older people to do their food shopping.
- **Volunteer-led Services**
Services to be developed in conjunction with volunteering networks / CAVS to address the social aspects of good nutrition and to provide more social interaction with older people both in their homes and in the community to create the warm and friendly atmosphere conducive to eating well. Time banking schemes should be promoted across provision to ensure that this is used effectively.
- **Community food initiatives:**
Community food initiatives must continue but have to be resourced in a sustainable way to meet the needs of an ageing population
- **Intergenerational Activities**
Explore agreements with third sector providers to develop lunch clubs at local schools, College Sir Gar and Trinity St David's.
- **Community Kitchens**
The main aim of the community kitchen schemes are to address barriers to older people eating the foods that they used to enjoy but are now unable to. In addition, it facilitates older and younger people working together in the community to share skills and knowledge about food and eating.

3. Integration

- **Partnerships**
Key partnerships will need to heart the heart of this strategy across all stakeholder groups which will include Public Health Wales, Community Regeneration Schemes and Third Sector Groups.

There is strong evidence that physical activity has a positive effect in functional status of older people. It is possible that a care package, combining diet and physical activity may be more effective than diet alone in improving functional capacity of older people living in the community. A partnership approach is needed to support this objective.

Among the elderly population, poor oral health is an important contributing factor in the development of unintentional weight loss associated with protein-energy malnutrition. Although on their own oral health interventions are not likely to impact on nutritional status, in combination

with dietetic and community interventions, they may produce significant effects on nutritional status.

- **Integrated Assessment**

Include a nutrition-focused section into the assessment with a recommendation that a malnutrition care pathway is developed.

- **Supporting MDTs**

To explore how, through closer joint working between Health and Social Care, signs of malnutrition and dehydration can be more easily identified in older people living at home and support appropriate actions. This should be done by identifying as a project lead within the community setting that will convene a project group to take objectives forward.

- **MUST Nutritional Screening**

Recommendations include extending nutritional screening practices from the acute setting into the community setting, beginning with a pilot. In addition nutritional screening should consider not just nutritional status but also other factors such as barriers an individual has to meeting their nutritional requirements.

- **Training**

All community and social care professionals should receive appropriate training in the importance of nutritional care, how to screen for malnutrition, basic nutritional care measures and the indications for onward referral for nutritional assessment and support. E-learning modules for staff on the principles and practice of 'MUST' are also available.

4. Information, Advice and Assistance

- **iLocal**

Co-ordinate information on variety of options related to meeting nutritional needs on and upload to iLocal

- **Information**

In order to raise awareness of the value of eating well and practical solutions for implementing change, specifically designed information for older people will be produced, made available in a variety of formats to ensure it is readily accessible across the county, for use via statutory and voluntary partnership organisations.

- **Community Development Work**

Ensure that CDC are targeting information regarding nutritional support in their work plans and identify this as a key priority of their work stream.

- **Good Practice Booklet**

To support frontline social work staff to share good practice and to develop ways of working that meet the needs of frail older clients who live alone and have difficulty leaving home to eat well.

5. Education and Training

- **Cookery**

Using the Age UK Fit as a model to develop a sustainable structure of cookery courses across the county. This will enable people to learn how to cook simple nutritious meals and provide an opportunity to make friends and become part of their local community.

Kitchen utensils and equipment have been specifically designed with older people in mind. Information and training about these will be promoted and delivered.

- **Food Hygiene**

Provide opportunity for personalized training in food hygiene to complement accessible fact sheets.

- **Professional Training**

A range of awareness raising sessions to be delivered to front line staff and key stakeholders with a training resource for home care workers on aspects of nutrition in later life to be developed. This intervention will address the importance of assessing older people's food related needs and include three elements:

- a training course on food and nutrition for home carers
- an accompanying leaf resource pack on nutrition in later life for home carers
- a leaflet giving information about nutrition in later life, intended for older people and their carers

- **Carers**

Provide training to carers and/or family that promotes nutritional awareness, appropriate meal preparation and targeted interventions based on the learning resources outlined above.

- **Digital Inclusion**

Promote digital inclusion training and awareness in partnership with specific schemes and third sector.

Recommendations

1. For Integrated Services in Carmarthenshire to implement a holistic community nutritional strategy which focuses on five priority areas:
 - I. **Review** – a process of monitoring will be embedded across all provision and will begin with a wide scale outcome evaluation of current services.
 - II. **Community** - interventions addressing whole communities are likely to have the greatest impact as well as have the potential to directly impact positively on reducing social isolation.
 - III. **Integration** – evidence conducted by the Kings Fund suggests that joint is likely to achieve better results than those that rely on a single or limited set of strategies
 - IV. **Information, Advice and Assistance** - without this service people cannot be truly at the heart of decisions with services appropriate and accessible to all
 - V. **Education** - Older adults and their caregivers need reliable health information and education, promote their health and follow nutritional advice
2. That the strategy is adopted as an integrated policy with clear pathways identified for generalised and specialist support.
3. For an identified manager within Integrated Services to take the lead on delivering the action plan and reporting on progress.
4. For Integrated Services to be represented at the HDUHB Nutrition Board to represent the needs of community provision.
5. For an Integrated Services to create a time limited working group to implement the action plan and ensure that good practice is embedded across all provision.
6. For the following to be achieved within the timescales:

Action	Deadline
Consult with HDUHB and gain decision about integrated approach across Health and Social Care	August 2015
Complete scoping exercise of current provision	September 2015
Run consultation sessions with stakeholders	October 2015
Convene Working Group with associated responsibilities for membership	November 2015
Complete review of all service users who discrete nutritional support such as Meals on Wheels.	December 2015
Complete review of current provision and effectiveness	December 2015
Complete Operational Delivery Plan	January 2016
Feedback on progress of strategy	Ongoing bi-monthly to SMT
Provide 6 monthly report to DMT	June 2016

Conclusion

In Carmarthenshire we currently have a great opportunity to change current practices to enhance the nutritional health of vulnerable adults by developing a more coordinated approach to nutrition and hydration in the community. Enhancing nutritional status should not be considered in isolation but alongside optimising people's ability to perform activities of daily living and as a social interaction. This will have a positive impact on the health and well-being of older people, as well as delay their need for more intensive health and social care intervention.

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EXECUTIVE BOARD 28TH SEPTEMBER, 2015

***Carmarthenshire's Vision for Sustainable Services for Older People
for the Next Decade 2015-2025:
Promoting Independence
Keeping Safe
Improving Health and Well-Being***

Purpose:

To agree the Council's long-term vision and strategy for sustainable services for Older People which have the support of key partners, stakeholders and the residents of Carmarthenshire.

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To recommend the draft Vision and Strategy for approval by Council.

REASONS:

The Vision and Strategy aims to address the challenges faced by Older People's services: demographic trends, increasing demand for services and the rising cost of meeting these needs, over the next decade.

Relevant scrutiny committee to be consulted: Both Social Care & Health & Community Scrutiny Committees were consulted at a joint meeting on 23rd July, 2015 during the consultation period.

Scrutiny Committee Recommendations/Comments:

RESOLVED to RECOMMEND to the Executive Board that:

- **The Communities Department investigates developing a business case for using not for profit or social enterprise models for delivering aspects of services for older people.**
- **The Communities Department investigates which aspects of Primary, Community and Social Care provision would be able to and benefit from pooling the budgets of NHS and Social Care to deliver a more cohesive, cost effective and sustainable service.**

Exec Board Decision Required YES - 28th September, 2015

Council Decision Required YES – 14th October, 2015

Executive Board Member Portfolio Holder:

Cllr. J. Tremlett (Social Care & Health Portfolio Holder)

<p>Directorate for Communities Name of Head of Service: Robin Staines Report Author: Debra Llewellyn</p>	<p>Designations: Head of Public Protection and Housing Assistant Locality Manager</p>	<p>Tel Nos. 01267 228960 E Mail Addresses: RStaines@carmarthenshire.gov.uk DLlewellyn@carmarthenshire.gov.uk</p>
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EXECUTIVE BOARD

28TH SEPTEMBER, 2015

Carmarthenshire's Vision for Sustainable Services for Older People for the Next Decade 2015-2025

Purpose:

To approve a long-term vision and strategy for sustainable services for Older People which have the support of key partners, stakeholders and the residents of Carmarthenshire.

BRIEF SUMMARY:

Over the course of the next 15 years, Older People's services will come under increasing pressure in Carmarthenshire, with over ten-thousand additional older people over the age of 75 living in the county, many of whom will require care and support.

This strategy aims to look in more detail at these challenges and to set out a plan for delivering more sustainable services over the next ten years. The plan must be ambitious to meet the challenges that lay ahead. This will require us to make the best use of the resources that will be available. This plan will be updated annually.

In developing this strategy, we have consulted widely with residents, service users and their families and partners, to ensure that we have considered what is important to older people.

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: Robin Staines

Head of Public Protection & Housing

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

2. Legal

Equality Act 2010 and Local Authority and Public Involvement in Health Act 2007 place a requirement on local authorities to undertake proper consultation to avoid legal challenges to re-structuring of services.

CONSULTATIONS

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

Signed: Robin Staines

Head of Public Protection & Housing

1. Scrutiny Committee - Both Social Care & Health & Community Scrutiny Committees were consulted at a joint meeting on 23rd July, 2015 during the consultation period.

2. Local Member(s)

Yes – During the consultation period.

3. Community / Town Council

Yes – During the consultation period.

4. Relevant Partners

Yes – During the consultation period.

5. Staff Side Representatives and other Organisations

Yes – During the consultation period.

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

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

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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Carmarthenshire's Vision for Sustainable Services for Older People for the Next Decade

Promoting Independence

Keeping Safe

Improving Health and Well-Being

2015-2025

DRAFT V2.0

Carmarthenshire's Vision for Sustainable Services for Older People for the next Decade

Introduction By Councillor Jane Tremlett
Lead Member for Social Care and Health



Older people are important members of society and have the right to be afforded dignity in their senior years. They have skills, knowledge and experience to contribute to society, and the expected growth in the proportion of older people during the coming decade and beyond will provide Carmarthenshire with a valuable resource. Continued participation in older age has benefits for the individual concerned, local communities, and the county as a whole.

Many people stay healthy and independent well into old age, and there is mounting evidence that tomorrow's older people will be even more active and independent than today's. However, as people age, they are progressively more likely to live with complex co-morbidities, disability and frailty.

Over the course of the next 15 years, Older People's services will come under increasing pressure in Carmarthenshire, with over ten-thousand additional older people over the age of 75 living in the county, many of whom will require care and support.

This strategy aims to look in more detail at these challenges and to set out a plan for delivering more sustainable services over the next ten years. This plan will be updated annually.

In developing this strategy, we have consulted widely with residents, service users and their families and partners, to ensure that we have considered what is important to older people. This response to the consultation sums up the way that many of us feel, as we look ahead to our older age.

"Being respected as an older person and not being seen as a burden on the local health and social care system"

We need to zealously continue to work together with Hywel Dda University health board to further develop care in the community, to prevent hospital admission wherever possible and to provide our residents with the right care, at the right time, in the right place for them.

Although the challenges are great, I believe that this strategy will place us in a much stronger position to meet these challenges.

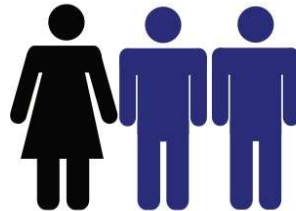
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1. Why Do We Need a Vision for Older People's Services in Carmarthenshire?

1.1 Carmarthenshire is changing

The population in Carmarthenshire is increasing and people are living longer. Today, 28% of the adult population is over the age of 65, and by 2030 the proportion of older adults will increase to 34%. Carmarthenshire also has more older people than the average for Wales.



1 in 3
adults in Carmarthenshire are projected to be 65+ by 2030

We anticipate there will be ten-thousand more people over age 75, an increase of



1 in 6
adults in Carmarthenshire are projected to be over 75 by 2030

58%, which will bring the proportion of people aged 75+ to 1 in every 6 adults by 2030. Nearly four-thousand of these people will be in the 85+ age group.

This increasingly older population will present challenges in meeting the future demand for social services.

Between now and 2030, we anticipate that there will be:

- **5000** more people living with a limiting long-term illness, an increase of approximately **one-third**.
- **1500** more people living with dementia, an increase of approximately **one-half**.
- **1350** more older people who will require community-based services, an increase of at least **one-half**.

These figures are drawn from Daffodil Cymru, a system developed by the Institute of Public Care for the Welsh Assembly Government. The system pulls together in one place the information on what care services might be required in Carmarthenshire in the future.

1.2 What do these changes in Carmarthenshire’s population mean in financial terms?

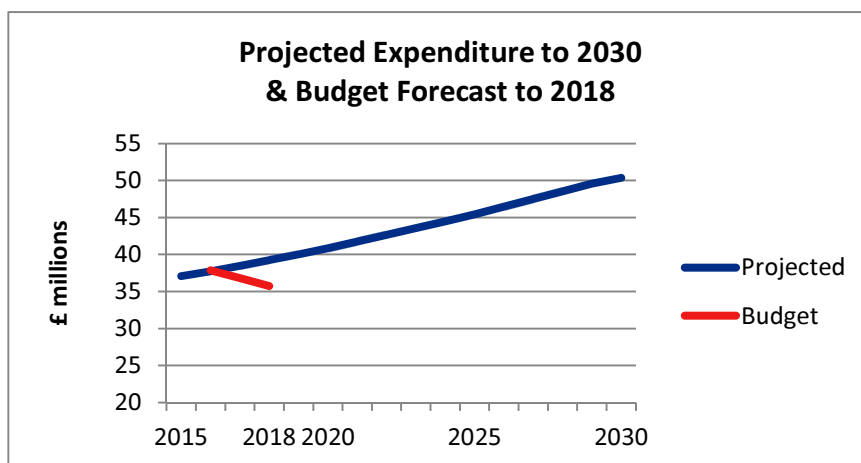
We spent £37 million on social services for older people in 2015. This budget will reduce by at least £2.2 million, because the money that the Council receives from central government is reducing over the next 3 years. When we take into account the growing demand over the next 3 years, we expect a funding shortfall of at least £3.5m by 2018. This means that in 3 years time, we will have at least 10% less resources available to meet the needs of the older people who are currently eligible for services.



Looking longer term, based on the population changes we expect to see in Carmarthenshire, we would need to spend in the region of £50 million to cope with the expected increase in demand by 2030, if we continue to provide services in the same way. This is an increase in funding of at least £13 million on the demographic profile alone. This is broadly consistent with an annual increase in funding of a million a year over the last 10 years. In reality the cost is likely to be much more as we factor in increasing expectations, standards of care and the growing impact of the minimum/living wage on the cost services. For example, the estimated impact on the cost of the living wage for current levels of demand could add up to £3.6m per annum by 2020 in the cost of care home provision.



To illustrate the funding gap projected over the next 15 years, this graph shows the scale of the challenges we face in meeting the demand, with a shrinking budget.

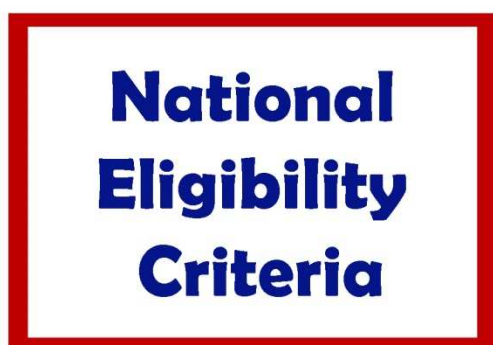


We will have to change the way we provide services if we are going to meet the needs of more people who require services, in the next decade and beyond, within the money that is available. Any plan to improve the sustainability of services for older people must be ambitious and aspirational to meet the challenges that lay ahead. This will require us to make the best use of the resources that will be available.

1.3 The law is changing

A new legal framework for social care in Wales comes into force in April 2016.

The Council and Hywel Dda University Health Board will need to ensure that we provide easy access to information, advice and advocacy to help them take control their own lives and to help people to keep as healthy, active, involved and independent as possible. Working on a regional collaborative basis, by March 2016, we intend to make best use of technological solutions, including mobile and internet technology, in developing the existing information and advice service via an information portal for both the public and our staff.



There will be new national eligibility criteria which will aim to base decisions on what is important to the individual to achieve in life and whether they need managed care and support to achieve this. This approach to eligibility recognises that some people will need their care and support managed and delivered for them.

What this means for older people in Carmarthenshire

Under the new criteria, people will be eligible for a care and support package if their needs **'can and can only'** be met by social services intervention.

The person will be assessed to see if their needs can be 'sufficiently met' by support coordinated by themselves, their family or carer, or by community-based services. If this is not the case, they will be eligible for a care package managed by the Council.

This new approach is a very different way of determining eligibility for services. It is difficult to predict how this might affect the number of people who will receive services in the future but is a factor that could impact on the overall cost of provision.

1.4 We need to make sure services provide what people want and need

We held a public consultation, from 1st June until 31st July, 2015 to ask the people of Carmarthenshire for their views on what would be important to them in older age, what kind of support and activities they thought they would need, and what they would need to help them stay independent.

478
responses

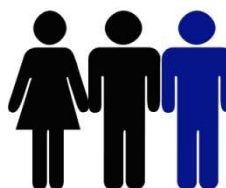
40%
age 65 years

20%
disabled

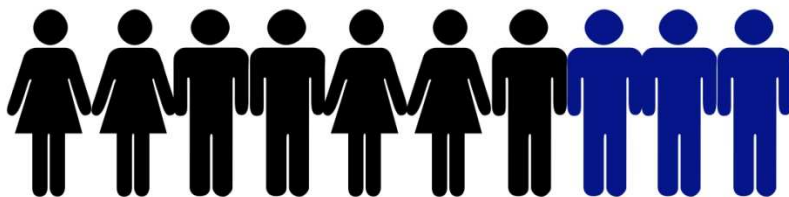
“As you get older, what do you think will be important to you?”



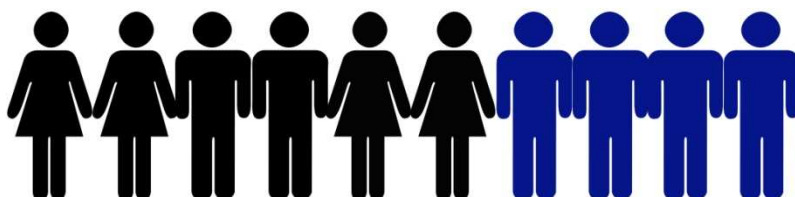
3 in 4
people said
“Staying as
independent
as you can be”



2 in 3
people said
“Being able to make
your own decisions
about care and support”



7 in 10
people said
“Being able to remain
in your own home for
as long as you can”

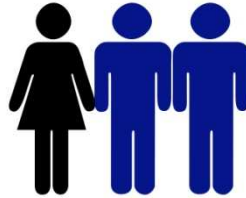


6 in 10
people said
“ In times of ill
health or injury, having
support to regain your
independence quickly”

2. Where are we now?

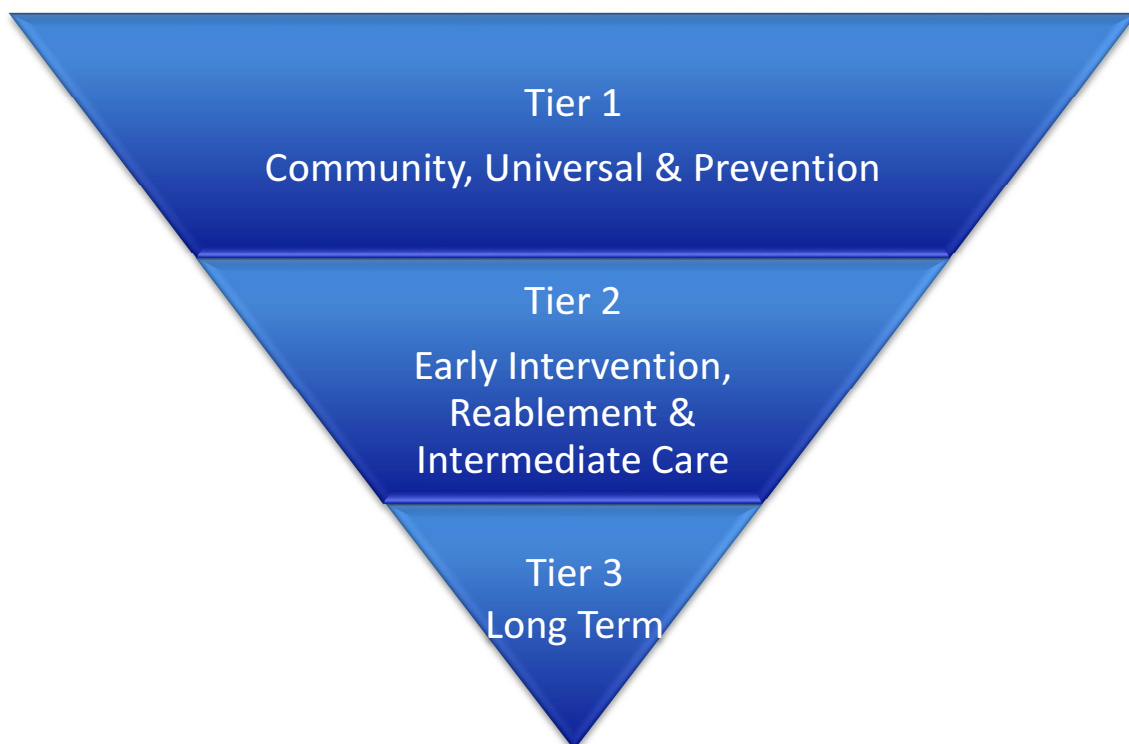
Just over **2500** older people in Carmarthenshire receive social care via the Council. This number has been steadily increasing over the last 3 years, and the forecast is that this trend is expected to continue to rise over the next decade.

A significant proportion of older people receiving care are self-funding.



1 in 3
people in
Carmarthenshire fund
their own care

The Council, in partnership with Hywel Dda University Health Board, provides a wide range of services for older people, which broadly fall into three levels:



Tier 1 – Community, Universal & Prevention Services

Tier 1 services account for around 7% of the budget, or **£2.5 million**. There is a strong and vibrant third sector and community-run range of services in Carmarthenshire, which provides a firm foundation for developing further services to promote and support independence for older people.



These services aim to:

- Ensure services are available and accessible to anyone in our communities;
- Provide people with good quality information, advice and signposting to the services they need.
- Promote independence, community engagement and social inclusion;
- Promote health and well-being of older people;
- Identify those with emerging difficulties and make sure they get effective help quickly, by linking in with Tier 2 services.

Tier 2 – Early Intervention, Reablement & Intermediate Care

These services support people to regain their previous level of independence after an illness or injury. They can also help to prevent an unnecessary admission into hospital, which results in a quicker recovery at home. Around 45% of individuals receiving a Reablement service no longer require long term support at the end of their programme.



Tier 2 services account for 13% of the budget, or **£4.8 million**.

For individuals with needs which cannot be met by Tier 1 support, these services aim to:

- Provide good advice and information so that people get the right services;
- Focus on those who can be helped by early intervention and reablement;
- Respond quickly, flexibly and with sufficiently intensity to have a real impact;
- Work with people to help them build on their strengths;
- Work closely with Tier 1 services, to ensure support is comprehensive and co-ordinated.

Tier 3 – Long-term and Specialist Care

Of the £37 million we spend on services for older people, 80% of the budget or **£29 million** is spent on care for those who have long-term needs. These services aim to:



- Provide good advice and information to enable people to make informed choices about their long-term care and support;
- Provide personal care and support to meet the individual's specific needs;
- Work with people to help them build on their strengths;
- Work closely with Tier 1 services, to ensure that where possible, individuals remain connected to their communities
- Work closely with Tier 2 services, at times of ill-health or injury to help people regain their previous level of independence.

Domiciliary (Home) Care

Around **1030 people** are receiving domiciliary care in their own homes at any time. We commission around **14,000 hours** of care per week at a cost of **£15.3 million** in 2015. This is down from a peak of 1220 in October 2014.

Around 75% of domiciliary care is purchased from the independent and third sectors, with the Council's own domiciliary care service providing around 25% of the total hours.



The Council entered into a new 4-year contract with selected providers. The new contract enables providers to pay their staff better wages and better terms of employment. This should make it easier for providers to recruit and retain skilled care workers, which in turn should enable providers to be able to meet the demand for the service and deliver a high quality service. Monitoring arrangements are also more robust to ensure providers deliver the care at the standard we purchased.

Care Homes

Around **876 people** have been placed by the Council to live in a care home. The Council spent **£13.4 million** on this service in 2015.

However, it is thought that around a third of older people living in care homes have decided to fund their own placement. There are 1589 care home places available in the county, and typically there are between 70 to 100 vacancies at any time. There is an increasing demand for beds specifically for people with elderly mental illness (EMI), such as dementia. This is likely to continue and effective relationships with the independent sector will be critical if we are to meet future demand and give adequate support.

Some Local authority care homes which don't meet modern standards have been replaced with extra care housing developments, where older people with care needs can receive domiciliary care in their own purpose-built flat.

As a result, the number of new admissions into care homes is decreasing at the rate of approximately 3.6% per annum, as the provision of care at home or extra care housing enables people to stay at home much longer, if they choose.

However, from benchmarking information, we know that Carmarthenshire needs to continue to reduce the reliance on care homes, as more people are placed in care homes than some other authorities, and this is reinforced by what older people want.

7 in 10 people said they wanted to remain in their own home as long as they are able

3. How could we deliver services in the future?

With the expected increase in demand, alongside the reduction in public sector spending, continuing with current models of service is not an option. Restricting the number of people receiving support to only those with the greatest need will not secure long term sustainability, neither in terms of supporting individuals to maximise their independence, nor in financial terms.

A 'whole system' approach is required, involving health and social care working together with third sector and private sector partners to intervene swiftly and effectively at times of crisis to promote a return to the individual's previous independence.

There are a number of options for delivering services for older people in a different way, which will ensure long-term sustainability for the next decade and beyond.

These options will:

- ✓ promote independence and well-being;
- ✓ reduce or delay the demand for long-term services;
- ✓ reduce the cost of meeting the long-term needs of eligible older people, whilst improving consistency in terms of quality or fairness and equity of provision.

In developing these options, we have looked at best practice from other local authorities and health boards. We have also carefully studied the performance of our existing services in order to identify opportunities. Some of these options are 'ideas' that will require further study to determine if they are feasible and viable, whilst other options are more concrete and well-developed proposals.

Given the scale of the challenge, it is highly unlikely that a single or few changes would be sufficient. An ambitious and comprehensive programme of change will be required to deliver long-term sustainability. The options to be considered are set out in 8 sections below.

a) **Develop a new contract with citizens and communities**

Some Councils are beginning to develop a new 'contract' with citizens and communities that means individuals are encouraged to take more responsibility for their own care and families and communities are supported to help individuals to be as independent as possible. This approach links closely with the plan for primary health care to proactively help people to live healthier lifestyles, thus reducing or delaying the need for formal social care services and health interventions. To deliver this new 'contract', there needs to be a fundamental shift in the expectations of individuals, communities and service providers. It is therefore not a 'quick fix', but a long term programme of changing the public's expectations of health and social care services.



b) Develop community, universal and preventative services;

Currently, we spend only 7% of the total budget on 'Tier 1' services. The new law coming into force in 2016 requires much stronger emphasis on these services. We are committed to shift our budget allocation away from long term services towards services that promote well-being and independence.



- There is an opportunity to develop single contracts across the three counties for specific services, such as advocacy;
- We need to work more collaboratively to develop prevention services with the third sector, and commission in a more integrated way with Hywel Dda UHB;
- We are developing the role of the 3rd sector brokers to focus more emphasis on developing community resilience and capacity;
- We intend building on the successful SPICE Time Credits scheme by extending it across the county. For each hour that an individual gives to their community, they earn one Time Credit, which can be spent on an activity or help from another person.

c) Improve the effectiveness of targeted short-term interventions

Just under half of older people receiving the **Reablement** service no longer need a service after completion of their programme. A review of the Reablement service is underway, with the expectation that this should improve with more older people successfully achieving independence.



- The Intermediate Care Fund grant from the Welsh Government will be used to fund the continuation of the **Transfer of Care Advice and Liaison** service, the **Rapid Response** service as well as commissioning 2 additional **Convalescence** beds in the Carmarthen area.
- There is potential to develop a more **integrated approach** to delivering Reablement between the three local authorities and Hywel Dda UHB;
- There is potential for a regional and more strategic approach to the development of **telecare** and **telehealth**;
- There is a comprehensive range of services in Carmarthenshire, both within the hospitals and in the community. There is the scope to develop a **joined-up**, versatile service which links in with primary care developments within the community.
- We need to be able to **measure the effectiveness** of these services in terms of achieving good outcomes for individuals, such as fully or partially regaining their independence, avoiding or reducing the need for long term care and support.

d) **Ensuring that needs are met fairly and equitably across the County**



- **Reduce care packages involving two care staff.** Research shows that the quality of care is better when it is provided one-to-one. We want to ensure that care is only delivered by two staff when there are sound reasons to do so. This enables us to deliver care to more vulnerable people.
- **Reduce the frequency of calls.** Over the last 5 years, the frequency of visits per day by a home care worker to an individual's home has been increasing. We want to ensure that care meets an individual's needs but is not intrusive, or reducing the person's independence. Other community services will need to tackle vulnerable users who are at risk of loneliness or isolation.
- **Improve consistency.** Performance management combined with quality assurance processes will be used to ensure that we reduce the variability across the County and increase confidence that people are treated fairly and equitably.

e) **Developing our approach to Commissioning.**

The service is beginning to develop towards a more personalised service which helps the individual to achieve the outcomes they want to achieve;



- Providers are exploring the potential use of technology and there is an appetite to innovate;
- There is the opportunity to develop a regional contract and service specification with certain large providers;
- There is the scope to commission in a more integrated way with Hywel Dda UHB to be more flexible in response to people's health and social care needs;
- There is a need to develop a more specialised service for people with dementia;
- There is a need to develop collaborative initiatives to focus on delivery in harder-to-reach rural areas.
- There is the opportunity to partner with neighbouring authorities in improving our procurement practice.

Case Study: The Raglan project in Monmouthshire

The service supports 14 people living with dementia in a small rural community. The project moves away from the current model of home care to one that doesn't focus on tasks to be performed at specific times by home carers. The team is given autonomy to support the choices of the service user. Each member of staff is full-time salaried and works flexibly as part of a team. The activities and care undertaken are discussed daily with the service user and their family and respond to how they feel. To deliver flexibility, the care plan is a framework for delivery rather than a prescriptive list of tasks.

The outcomes for individuals supported were better than expected, for example by avoiding permanent residential care. The care hours delivered were 9.5 hours per week fewer than the previous home care service, with better outcomes.

f) Alternatives to the Council providing services

Currently, the Council provides around 25% of the Home Care service and operates 8 care homes, as well as providing the county's Reablement, Rapid Response and Through-the-Night services. In addition, the in-house service also provides services for people with learning disabilities. Our commitment is to retain a mixed economy of care ensuring that along with a vibrant independent sector we retain council owned care homes and domiciliary care at least at the current level we currently do whilst accepting many elements of these services will require reform to meet changing needs.



There are 4 main alternatives we have considered:

- **Remain wholly 'in-house'** - Retain the current Council-run services
- **Outsource** most or all Council-run services to the independent sector
- **LATC** - Develop a Local Authority Trading Company (LATC)
- **CIC** - Develop a Community Interest Company (CIC)

Remaining in-house is not a cost effective option, due to the inability to lower costs to meet the required financial savings to enable us to protect services for the most vulnerable. The other three options are viable but carry risks.

The recommended option is an LATC, which offers the best potential in terms of improving the quality of services, allowing lower costs for the council, satisfying democratic accountability and satisfying stakeholder requirements. It is the least risk option as it offers the Council the opportunities to trade and change services, while still maintaining full control and ownership of our care homes and domiciliary care. This ensures Carmarthenshire retains a provider as last resort to mitigate any risk of provider failure.

It is therefore recommended that a full business case is commissioned to explore and determine that for a wholly Council owned LATC.

**g) Meet the demand for accommodation for older people
Residential Care Homes (quality of the buildings)
Llanelli locality**



The quality of our own care homes has been assessed and it is clear the substantial investment will be needed in the following homes:

- Llys Y Bryn
- Y Bwthyn
- Y Plas
- Caemaen

The Council has currently earmarked £7,000,000 in the capital programme for investment in Llanelli. If this is to proceed, it will provide an opportunity for the Council to invest in the replacement of some provision in the town to offer additional capacity and a building designed to meet the needs of those with dementia. Options regarding this will be considered by the Executive Board in the coming months.

Aman Gwendraeth locality

Plans are already well-advanced for the closure of Tegfan care home in Ammanford later this year, with the opening of the new Ty Dyffryn extra care housing development in January 2016, in partnership with Family Housing Association. Home Care will be provided to older people with eligible needs by the in-house home care service.



Towy, Teifi, Taf locality



The new Cartref Cynnes extra care development will soon be opening in Carmarthen, in partnership with Family Housing Association. This is planned to replace Cartref Tawelan care home which was no longer suitable for today's standards.

Independent Sector Care Homes

Although there are sufficient care home places in the county to meet the current demand, providers are having difficulty meeting the needs of residents with increasing levels of dependence. As the number of older people living in the county increases over the next decade, it is likely that there will be increasing demand for care home places. By 2030, if we continue with the current service models of service, there could be a shortage of around 1100 beds and at least 115 specialist beds for people with dementia. Whilst this demand is likely to attract private sector investment in new care home facilities into the county, it is equally important that we reduce reliance on care homes, in favour of care at home services. A market assessment is being developed in the region to ensure sufficient capacity in the sector is developed.

Sheltered Housing

Sheltered housing schemes across the county have benefitted from improvements through the Carmarthenshire Homes Standard initiative and continue to offer good quality housing for older people.

There is the potential for some of these schemes to incrementally convert into 'extra care' housing, which would support their long term sustainability as well as increasing choices for older people.

h) Collaborative working across the Region

The Mid and West Wales collaborative is developing a regional approach across the Hywel Dda area. There are 6 agreed priorities relating to Older People's services:

1. **Information and Advice for Adult Services.** To secure the provision of an information and advice service, making best use of technological solutions, including mobile and Internet technology.
2. **Preventative Services.** To develop a regional model of preventative services for adults that promotes independence and wellbeing for individuals, preventing or delaying the need for formalised care based on the PIVOT (Pembrokeshire Intermediate Voluntary Organisations Team) model.

*Promote Independence
and Well-Being*



*Promote Independence
and Well-Being*



3. **Intermediate Care Fund.** To assist in the development of new models of delivering sustainable integrated services that maintain and increase people’s wellbeing and independence, promoting improved care coordination across social services, health, housing and other sectors. To support initiatives aimed at improving care for older people and the frail elderly, avoiding unnecessary hospital admissions or inappropriate admission to residential care and preventing delayed discharges from hospital.



4. **Integrated Assessment.** To ensure that effective integrated assessment, care and support planning and review arrangements are used and understood by all professionals in their work with individuals. To improve integrated arrangements locally to help drive better co-ordinated practice across primary, secondary, acute and community care to provide the right care, at the right time, in the right place.



5. **Market Position Statement.** To support the development of a shared vision to transform the way we support individuals, families and communities and the adoption of an integrated model of health and social care and support. Greater integration of commissioning capacity between Local Authorities will be developed to support this analysis.



6. **Social Enterprise mapping and analysis.** To explore opportunities to enhance current social enterprises and/or develop new social enterprises in delivering health and social care services. These services will need to deliver quality, citizen directed services, anchored in the community, which provides a stronger voice and greater control to services users and their carers.



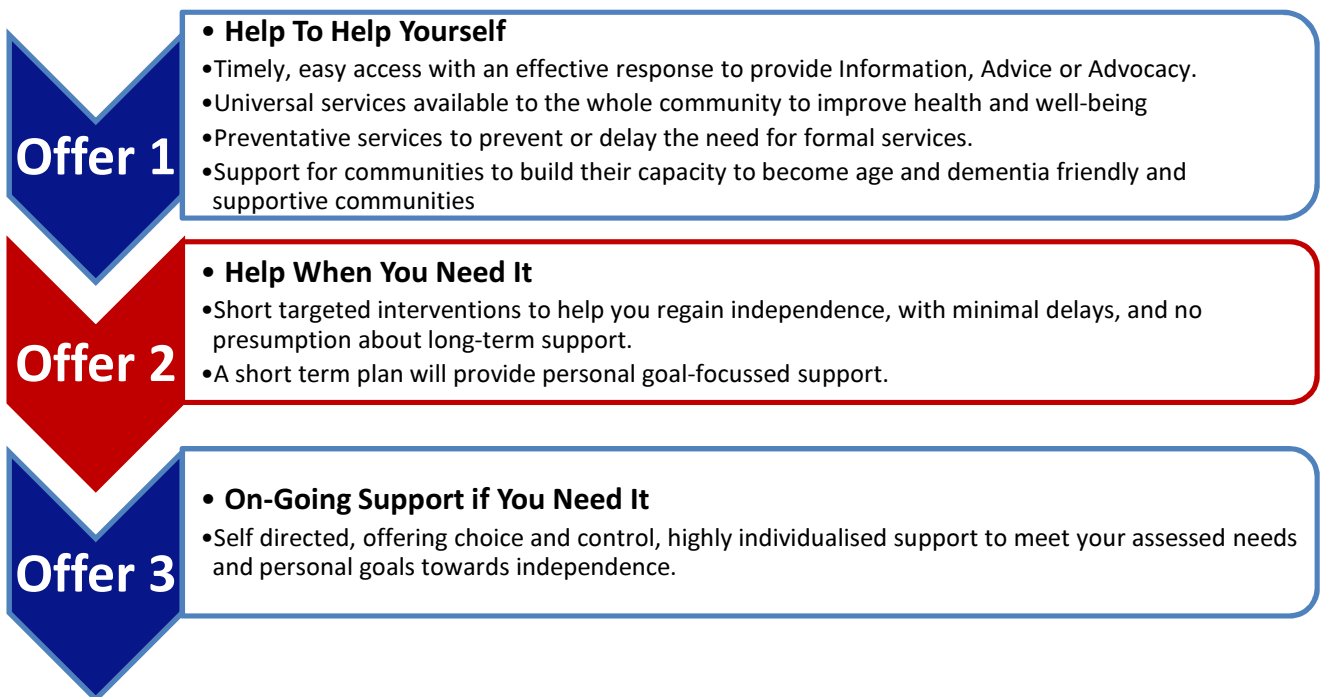
4. Three Offers to the Community Carmarthenshire's Commitment to Promoting Independence for Older People

Older people have the right to be afforded dignity and respect to make decisions about their health and well-being.

Many people stay healthy and independent well into old age, and there is mounting evidence that tomorrow's older people will be even more active and independent than today's. However, as people age, they are progressively more likely to live with complex co-morbidities, disability and frailty.

Three-quarters of people responding to our consultation told us that what would be most important to them as they get older is **staying as independent as they can**.

For older people who need support to regain or maintain their independence, we will adopt the following approach:



What Promoting Independence means....

We will ensure that we respect the right for people to make their own decisions about their health and wellbeing as long as they have capacity to do so, and regardless of whether we agree with them. We will only do what matters to the individual, giving consideration to their carers and family. We will ensure that people have a suitable level of service that will meet their assessed needs and support their goals towards independence, with minimal interference.

We recognise that sometimes the support an individual requires can be found within their own families, communities and within themselves. We will work with each person and their network to find creative ways of meeting personal goals that they wish to achieve. Where people have lost their support networks we will work in partnership to rebuild those networks. Doing this means some people will get back on their feet more quickly, regain their independence and no longer need support, whilst other people may need ongoing support. Decisions about long term care will not be considered until treatment, rehabilitation, reablement and other alternatives have been exhausted.

We will:

Deliver services to people in Welsh and English

Health and social services care for people as individuals, ensuring that they are accurately assessed and their care needs met. Peoples' cultural identity and language needs must be at the heart of this because it is an essential element to good quality care and high professional standards. We will develop a culture where staff are sensitive to people's linguistic needs and users receive services through the medium of Welsh as a natural part of their care. We have implemented the "Active Offer" principle as part of meeting the requirements of the Welsh Government's strategy "More than just Words". We recognise that older people are a priority group within this strategy, especially those who are living with dementia.

Value the role of carers

Many people with social care needs will have these needs met mainly through the carers by whom they are supported. We will ensure that carers are informed of their right to have a carer's assessment. We value the support provided by carers and will work with them to meet the personal goals that they wish to achieve.

Spend public money wisely

With the combination of growing social care demand and reduced resources available from central government, it is vital money is spent fairly and wisely. We will focus on achieving value for money, and the standard of quality our service users require, for every service we commission on behalf of service users. We will aim to achieve equity of outcome for individuals across the county. We will use community resources innovatively to find creative ways of supporting individuals to be more independent. We will avoid duplication and aim to 'do it once, do it right'. We will use evidence based and reflective practice to continually challenge, review and evaluate services and drive improvement. We aim to save £2.2m over the next 3 years by doing so.

Develop a knowledgeable and skilled workforce

We will ensure our staff understands how to work with service users in ways that promote their independence and support their recovery. We will support staff to work within multi-

disciplinary teams, respecting others professional judgement. We will help staff develop their professional practice in ways which will assist them to empower our service users. We will aim to maintain continuity of professional involvement with clients. We will expect staff to adhere to their professional standards and support and guide them to work autonomously. We will seek to understand and adhere to legislation. Through clear leadership, we will ensure our workforce and our providers' workforce have a relentless focus on promoting independence rather than creating dependency.

Work in partnership with the health board

We will continue to develop an integrated and outcome-focused approach to our work with Hywel Dda University health board. We will ensure that, together, we share common goals in assisting people to remain independent in their own homes. This means that where possible we will have shared health and social care assessments and a single plan that will help people to retain independence in the community.

Work in partnership with providers

We will work with our care and support providers to build a philosophy of care that focuses on achieving better outcomes for individuals. We will ensure the performance of services we commission is centred on the desired outcomes and interests of our service users and provide value for money.

5. Recommendations

It is recommended that members approve this Vision for Sustainable Services for Older People for the next Decade.

In particular, it is recommended that members endorse the **3 Offers to the Community**:

Offer 1

- **Help To Help Yourself**
- Timely, easy access with an effective response to provide Information, Advice or Advocacy.
- Universal services available to the whole community to improve health and well-being
- Preventative services to prevent or delay the need for formal services.
- Support for communities to build their capacity to become age and dementia friendly and supportive communities

Offer 2

- **Help When You Need It**
- Short targeted interventions to help you regain independence, with minimal delays, and no presumption about long-term support.
- A short term plan will provide personal goal-focussed support.

Offer 3

- **On-Going Support if You Need It**
- Self directed, offering choice and control, highly individualised support to meet your assessed needs and personal goals towards independence.

It is further recommended that members endorse the 8 options for changing the way that services are delivered.

The following five-year Delivery Programme which follows would result in an ambitious and comprehensive plan, to be updated annually.

TECHNICAL ANNEXES

Annexe A: Carmarthenshire's Demographic Projections to 2030

Annexe B: Service Performance Trends over the last 5 years (2010 – 2015)

Annexe C: Summary of the Public Consultation Response

Annexe D: Summary of Policy Drivers

These documents are available on request.

A Glossary of terms is included at the end of this document.

6. Five- Year Delivery Plan 2015-2020

Promoting Independence & Well-Being for Older People

Five-Year Delivery Programme - Draft

CARMARTHENSHIRE PROJECTS	2015	2016	2017	2018	2019	2020
FOUNDATION PROJECTS						
<i>a. 3 Offers to the Community: Culture Change & Workforce Training</i>						
OFFER 1: HELP TO HELP YOURSELF						
<i>b. Develop community, universal and preventative services</i>						
• Develop single regional contracts for specific services						
• Develop prevention services with 3 rd sector, with Hywel Dda UHB						
• Develop role of 3 rd sector brokers and extend Time Credits scheme across county						
• Community Resilience Strategy: to build community and 3 rd Sector capacity						

<ul style="list-style-type: none"> Community Nutritional Strategy: to develop effective interventions to improve health outcomes for older people 	Red	Blue	Blue	Blue	Blue	Blue
OFFER 2: HELP WHEN YOU NEED IT	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
<i>c. Improve the effectiveness of targeted short-term interventions</i>	Blue	Blue	Blue	Blue	Blue	Blue
<ul style="list-style-type: none"> Reablement service review 	Red	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
<ul style="list-style-type: none"> Reablement regional approach 	Blue	Red	Red	Blue	Blue	Blue
<ul style="list-style-type: none"> Telecare & telehealth regional approach 	Light Blue	Red	Red	Light Blue	Light Blue	Light Blue
<ul style="list-style-type: none"> Development of TOCALs / ART / SCRAMS / Rapid Response into an integrated multi-disciplinary service 	Blue	Red	Red	Blue	Blue	Blue
<ul style="list-style-type: none"> Developing robust measures in order to evaluate the effectiveness of services 	Red	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
OFFER 3: ONGOING SUPPORT IF YOU NEED IT	Blue	Blue	Blue	Blue	Blue	Blue
<i>d. Ensuring that needs are met fairly and equitably across the County</i>	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
<ul style="list-style-type: none"> Reducing Double Handed Calls & Frequency of Calls 	Red	Blue	Blue	Blue	Blue	Blue
<ul style="list-style-type: none"> Consistency of Outcomes 	Red	Red	Light Blue	Light Blue	Light Blue	Light Blue

e. <i>Developing our Approach to Commissioning</i>						
• Outcome-based Commissioning for Domiciliary Care Framework Providers						
• Regional contracting with providers						
• Integrated commissioning with Hywel Dda UHB						
• Improving outcomes for people with Dementia						
• Collaborative initiatives for hard-to-reach areas						
• Pilot “Raglan Project” approach – Maximising independence / flexible approach to support						
f. <i>Alternatives to Council providing services</i>						
• Develop the business case for a Local Authority Trading Company						
g. <i>Meet demand for accommodation for older people</i>						
• Agree a proposal with the Executive Board to develop a site in Llanelli for care						

provision						
• Reduce the reliance on care homes						
• Undertake feasibility study on converting Sheltered Housing schemes to Extra Care schemes						
MWW COLLABORATIVE PROJECTS						
<i>h. Collaborative working across the Region</i>						
OFFER 1: HELP TO HELP YOURSELF						
• Information and Advice for Adult Services, (including the review of Careline Plus service)						
• Preventative Services based on PIVOT model						
OFFER 2: HELP WHEN YOU NEED IT						
• Intermediate Care Fund – new models of care						
OFFER 3: ONGOING SUPPORT IF YOU NEED IT						
• Integrated Assessment						
• Market Position Statement						
• Social Enterprise mapping and analysis						

GLOSSARY OF TERMS

Reablement – This service helps people to regain their independence with daily living activities after a period of illness or an injury.

Daily living activities – These include activities such as feeding, toileting, dressing, grooming, maintaining continence, bathing, walking and transferring (such as moving from bed to chair).

Intermediate Care – This term is used to describe a range of short-term treatment or rehabilitative services designed to promote independence, reduce the length of time spent in hospital, or help to avoid unnecessary admissions to hospital. Intermediate care can be provided in a hospital, a special unit or at home for a short time (usually no longer than six weeks). They are paid for by the NHS.

Convalescence – Convalescence beds in care homes are an example of Intermediate Care. These offer people therapies to assist them to regain their previous function and independence.

Domiciliary Care – also known as home care, this service provides personal care and support to people in their own home.

SPICE – This is a registered charity which has developed a Time Credit scheme. For each hour that an individual gives to their community, they earn one Time Credit, which can be spent on an activity, help from another person, or gifted to others.

Provider – This is an organisation which is registered with the Care and Social Services Inspectorate Wales to provide care services, such as domiciliary care, residential or nursing care homes. The Council contracts with approved providers to deliver services on its behalf.

TOCALs – Transfer of Care Advice and Liaison Service. This new service is based in West Wales General Hospital and Prince Philip Hospital, and has been set up with funding from the Intermediate Care Fund grant from the Welsh Government. The service aims to avoid unnecessary admissions to hospital, reduce the length of stay in hospital and facilitate safe and timely discharges.

Rapid Response – This service provides personal care for people in their own home in order to avoid admission into hospital or to provide short term support after discharge from hospital.

ART – Acute Response Team. This service provides acute nursing care for people who do not need to be hospitalised. The service provides intense care for a short period and is estimated to avoid hospital admission for around 1200 patients per annum.

SCRAMS – South Carmarthenshire Rapid Assessment Multi-disciplinary Service. Based in Prince Philip Hospital, the service provides urgent assessment by geriatricians and community multi-disciplinary professionals to avoid hospital admissions. Since its introduction, SCRAMS has seen a 71% reduction in emergency department attendance or admissions of recurrent fallers and shortened the length of stay in those admitted.

Telecare and telehealth – These use technology to help people to live more independently at home. They include personal alarms and health monitoring devices. Telecare and telehealth services are especially helpful for people with long-term conditions, as they can give peace of mind that the individual is safe in their own home and that their health is stable.

Primary care – This is the first point of contact and principal co-ordinator of continuing care within the health care system. Patients receive primary care from their GP or nurse practitioner, dental practice, community pharmacies, optometrists and hearing care provider.

LATC – Local Authority Trading Company is a wholly owned company, controlled by the Council (or Councils) to deliver social care services to people who need them and to those who wish to purchase services.

Carmarthenshire Homes Standard Plus - A homes standard for Council tenants which continually evolves to improve the quality of housing, and services, for tenants and residents, with the flexibility to help meet future housing needs and exploit opportunities as they arise, and to deliver as many health and well-being benefits as possible to get the biggest impact from investment.

Integrated Assessment – This is the framework for delivering integrated health and social care for older people with complex needs in Wales.

Market Position Statement – This sets out the Council’s current and future position on the commissioning of services for older people.

EXECUTIVE BOARD 28TH SEPTEMBER, 2015

Alternative management options for Leisure

Recommendations/Key Decisions required:

1. That Carmarthenshire County Council seeks to enter into a partnership with an existing or hybrid Not for Profit Distributing Organisation (NPDO or Trust) through a procurement process using competitive dialogue, which has the key parameters set out in the procurement strategy within the main report, and which will seek to deliver the relevant services' 3 year PBB savings, in line with the affordability levels set out in the report. The procurement process would not include a bid submission from a newly established 'internal' NPDO.
2. The initial scope of the partnership would be for the Sports and Leisure portfolio (including facilities from Llanelli, Carmarthen, Ammanford, Newcastle Emlyn, St. Clears and Llandovery), plus Theatres services (from Llanelli, Carmarthen and Ammanford), with further consideration of other services by Council at a later date after the contract has been operational for a period of time.
3. If there is no interest in some or all of the services, Carmarthenshire County Council should then seek to develop a business case to consider establishing a new NPDO for the services to deliver the financial savings.
4. It is proposed that the tender specifies that the partner organisation has to apply for admitted body status to the Dyfed Pension Fund, closed to existing employees at the point of transfer.
5. The tender includes a requirement to cost for the replacement of Llanelli Leisure Centre through a Design, Build, Operate, and Maintain model (DBOM)

Reasons:

1. There are both financial and operational (in terms of existing expertise, market experience and ability to effect change quickly) advantages in opting for a partnership with an existing trust as opposed to setting up an in-house trust, as detailed within the main report. It is proposed that this option will reduce costs and protect services that are non-statutory and are thus likely to otherwise face considerable reductions in scale as central government funding reduces.

<p>2. The proposals are based on a detailed options appraisal, which has considered all available options. All of these options remain open for members to consider including the status quo, however, it is recommended that an alternative delivery partner is sought for the delivery of Sport, Leisure and Theatre services initially. Certain Leisure facilities, such as Dinefwr and Bro Myrddin Indoor Bowls Centres are in the process of being transferred to the voluntary sector, whilst Newcastle Emlyn Pool is already operated through an external funding arrangement.</p> <p>3. The advantages of operating through a trust would still merit consideration for an in-house trust, if there was limited interest or benefit from the initial tender process where only external bids are to be considered. This is unlikely, given the level of interest from the soft market testing exercise that has been undertaken to gauge interest from potential partners.</p> <p>4. To ensure the best possible terms for any staff transferring over to a new entity through TUPE (Transfer of Undertakings – Protection of Employment).</p> <p>5. The need to replace the existing Llanelli Leisure Centre is recognised as part of the authority’s strategic asset management planning.</p>		
<p>Relevant Scrutiny Committee to be consulted: YES – Community Scrutiny Committee 14th September, 2015</p>		
<p>Scrutiny Committee Recommendations/Comments:</p> <p>RESOLVED to:</p> <p>6.1 Support the proposal that this Council seeks to enter into a partnership with an existing or hybrid Not for Profit Distributing Organisation for Sports and Leisure services plus Theatre services as recommended within the report.</p>		
<p>Executive Board Decision Required: YES – 28th September, 2015 Council Decision Required: TBC</p>		
<p>Executive Board Member Portfolio Holder: Cllr. Meryl Gravell (Regeneration & Leisure)</p>		
<p>Directorate: Communities</p> <p>Name of Head of Service: Ian Jones</p> <p>Report Author: Ian Jones</p>	<p>Designations:</p> <p>Head of Leisure & Sport</p>	<p>Tel Nos. / E-Mail Addresses:</p> <p>01267 228309 ijones@carmarthenshire.gov.uk</p>

EXECUTIVE SUMMARY

EXECUTIVE BOARD

28TH SEPTEMBER, 2015

Alternative management options for Leisure

1. Introduction & Background

- 1.1 Back in 2013, as part of the Authority's work in examining more efficient ways of delivering services, officers were asked to undertake a review of alternative management options for the leisure portfolio.
- 1.2 Due to the complexity of the process, it was necessary to bring specialist expertise to the Council to assist with this work; RPT Consulting were appointed in November 2013 to:
- Review all potential management options for the leisure and cultural facilities portfolio
 - Identify potential operational and capital enhancements
 - Review the potential delivery and funding solutions for a new or re-furbished Llanelli Leisure Centre (LLC)
 - Assess the financial, legal, people and risk issues involved with each of the potential management options
 - Recommend preferred options, solutions and timescales for members consideration
- 1.3 An initial options paper was subsequently presented to Executive Board Members and further work was undertaken to examine options around:
- A new Not for Profit Distributing Organisation (NPDO) or Trust to operate some or all of the services, or
 - A partnering arrangement with an existing NPDO to deliver services
- 1.3.1 Soft Market Testing was undertaken to establish interest from the market in terms of running the range of services within the Leisure portfolio. Eleven expressions of interest were returned, five of which were interested in the whole of the Leisure portfolio. Potential partners were keen to explore capital investment opportunities in the portfolio and were generally looking for 10-20 year contract agreements.
- 1.3.2 The main interest, however, was around the Sports & Leisure, and Theatre services (main income generating services, with large buildings).

1.3.3 In terms of the 2 options of setting up an in-house trust or partnering with an existing trust, it was felt that there were both financial and operational (in terms of existing expertise, market experience and ability to effect change quickly) advantages in opting for a partnership with an existing trust, as detailed within the main report.

2. Policy Context

- 2.1 Any alternative delivery model would need to assure members that services will be aligned to deliver on the corporate objectives of the authority, and able to deliver efficiency targets in line with the Council's mid-term financial strategy (MTFS or PBB targets).
- 2.2 As such any contractual agreement would be based on an agreed outcomes based tender framework.

3. Existing Budget & PBB targets for Leisure

Table 1 – Current Budget (excluding Archives, and Outdoor Education, but including notional R&M allocation of £320k)

£'000's	2014/15	2015/16	2016/17	2017/18
Net Controllable Cost	7,294	7,002	6,645	6,342
Total Cost of Service	11,288	10,818	10,461	10,159
Related PBB Savings	N/A	-469	-357	-303

- 3.1 As can be seen the PBB target for the services covered above over the next 3 years is £1.129 million, taking into account additional costs such as increments and asset rental charges.
- 3.2 Of these savings, over £300k has been identified in 2017/18 to be delivered through alternative delivery models for the service. Thus if the Council decide not to progress with an alternative delivery model, consideration will have to be given to alternative means of delivering these significant savings, which may include reductions in services or closures.

4. Initial scope of potential partnership with an NPDO or Trust

- 4.1 Taking into account the response from the soft market testing, the key services which are recommended to be transferred would be Sport and Leisure and Theatres. Consideration may be given to other services if this proves successful.
- 4.2 The Sport & Leisure and Theatre services account for the majority of the financial savings and also have the opportunity to operate in the most commercial way, with the levels of income generated.

4.3 The financial savings which are estimated from tax benefits (i.e. by simply transferring Sport & Leisure facilities and Theatres to a trust) are circa £191,000 pa with additional savings likely through operational and commercial improvements, and also through the potential redevelopment of Llanelli Leisure Centre (LLC).

5. Affordability Level

5.1 Typically if a Council seeks to procure an alternative management partner then they will set an affordability level, which they will present to the market so that expectations can be set on the level of future bids that would be received to deliver on the expected savings.

5.2 It is proposed that Carmarthenshire County Council sets an affordability limit for any future procurement which is set to deliver the savings within the 3 year PBB period and then an efficiency saving beyond this period.

5.3 Typically the affordability limit would be set for the management fee required as opposed to the overall Council budget. In this case it is assumed the management fee would include the following costs

- Net Controllable Budget for Carmarthenshire County Council
- Notionally allocated Revenue Maintenance Costs

5.4 These areas would effectively be the areas transferred to the partner, with the Council retaining the support services charge and also the capital charges. Thus the affordability levels would be as follows

Table 2 – Future Affordability Levels

Complete Service

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	6,645	6,342	6,063		61,493
20 Year Contract	6,645	6,342		5,772	116,890

Sport & Leisure plus Theatres

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	2,627	2,306	2,205		22,571
20 Year Contract	2,627	2,306		2,099	42,714

- 5.5 In addition to this there is the potential to include an affordability level for Llanelli Leisure Centre, through the identification of a capital level and current revenue cost which bidders must deliver on. An example of this would be
- The Council could identify say £9m of capital
 - Further capital will be made available through prudential borrowing if the costs of the borrowing can be funded through revenue savings (estimated at £411k) on the existing cost of running LLC i.e. the annual revenue saving releasing around an extra £7m of capital.
- 5.6 In this way the Council can seek to get the best commercial offer for the redevelopment of LLC, which is likely to cost in excess of £16m.
- 5.7 In addition to these affordability levels there would be set up costs of circa £50,000 for the year 2015/16.
- 5.8 Typically in the market we would expect the affordability level to be the maximum and the market in general tends to be significantly less than the affordability level, with examples of up to £500,000 per annum lower than the affordability level being achieved.
- 5.9 Further central re-charge savings should also be realised, however, this is a matter for internal corporate consideration, with recommended savings of at least 20% suggested within the detail of this report.

6. Scrutiny Committee are requested to recommend to Executive Board – Key Recommendations/Way Forward

1. *It is recommended that Carmarthenshire County Council seeks to enter into a partnership with an existing or hybrid Not for Profit Distributing Organisation (NPDO or Trust) through a procurement process using competitive dialogue, which has the key parameters set out in the procurement strategy within the main report, and which will seek to deliver the relevant services' 3 year PBB savings, in line with the affordability levels set out in the report. The procurement process would not include a bid submission from a newly established 'internal' NPDO.*
2. *The initial scope of the partnership would be for Sports and Leisure services (from Llanelli, Carmarthen, Ammanford, Newcastle Emlyn and St. Clears Leisure Centres; Llandovery Pool; and Coedcae / Gwendraeth Sports Centres), plus Theatres services (from Y Ffwrnes, Lyric and Ammanford Miners Welfare theatres), with further consideration given to other services once the contract has been operational for a period of time.*
3. *If there is no interest in some or all of the services, Carmarthenshire County Council should then seek to establish a new NPDO for the services to deliver the financial savings.*

4. *It is proposed that the tender specifies that the partner organisation has to apply for admitted body status to the Dyfed Pension Fund, closed to existing employees at the point of transfer.*

5. *The tender includes a requirement to cost for the replacement of Llanelli Leisure Centre through a Design, Build, Operate, and Maintain model (DBOM)*

6.1 If this recommendation is agreed then the future procurement strategy has been developed to achieve the key outcomes, with a new partner in place for July 2016 at the earliest.

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: Ian Jones Head of Leisure & Sport

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

1. Policy, Crime & Disorder and Equalities – Services delivered by means of alternative management model would be required to conform with the Authority’s equalities policies, with the funding ‘contract’ aligned to deliver on corporate outcomes consistent with the Authority’s strategic aims and objectives.

An initial equalities impact assessment has been undertaken, however, this would need to be updated and developed as the project moves forward, if members are minded to support the recommendation within this report

2. Legal – In the event of the Authority deciding to transfer its leisure service to an NPDO or Trust a procurement process will need to be followed, and once a provider has been chosen a raft of legal agreements and documents will be needed. Other issues to be considered at that time will include staff transfers and asset transfers related issues.

3. Finance – Potential savings are identified as follows, however, true costs / savings will only be known through formal market testing:

- Annual saving of £191k by transferring Sport, Leisure and Theatre Services to an existing or Hybrid NPDO (potentially £380k if the whole of Leisure were outsourced), which is based on £343k of NNDR relief off set by additional costs of £13k for VAT and £140k for additional support services costs
- £50k one-off set up cost in 2015/16 (£25k of which is already budgeted for)
- Delivery of current 3 year service specific PBBs and an assumption of further 1% efficiencies year on year thereafter (Officers / Members may wish to alter / increase the 1% figure in light of likely ongoing PBB targets)
- Potential tender price savings of £500k below affordability threshold on services on a scale similar to Carmarthenshire County Council’s Leisure Division
- Potential for capital to be made available through prudential borrowing for a new Llanelli Leisure Centre, based on further revenue savings on the existing running costs of the Llanelli Leisure Centre
- Any future management fee agreed through a new arrangement would be linked to an indexation, which is typically CPI
- There is also the need to secure a performance bond for pension liabilities

4. ICT – In the event of the Authority deciding to transfer its leisure service to an NPDO or Trust a procurement process will need to be followed, and once a provider has been chosen a raft of legal agreements and documents will be needed. Other issues to be considered at that time will include IT asset transfers related issues.

5. Risk Management Issues – Should the Authority decide to transfer its Leisure Service to an NPDO or Trust, Risk Management issues relating to this proposal will be included as part of the procurement process

6. Physical Assets – In the event of the Authority deciding to transfer its leisure service to an NPDO or Trust a procurement process will need to be followed, and once a provider has been chosen a raft of asset-related agreements and documents will be needed which will include defining responsibilities for maintaining any building and grounds transferred.

7. Staffing Implications – HR issues relating to this proposal have been considered and are outlined in the main report. It is proposed that any tender specifies that the partner organisation has to apply for admitted body status to the Dyfed Pension Fund. Consideration needs to be given to whether the Welsh Government's Code of Practice on Workforce Matters (2014) will be applicable, which we are advised by Leading Counsel, has statutory effect.

CONSULTATIONS

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

Signed: Ian Jones Head of Leisure & Sport

1. Scrutiny Committee – Community Scrutiny Committee was consulted on 14th September, 2015.

2. Local Member(s) – N/A

3. Community / Town Council – N/A

4. Relevant Partners – N/A

5. Staff Side Representatives and other Organisations – An internal project team has been meeting to oversee this project. The following Divisions have been represented: Legal; Finance; HR; Risk; Policy; Corporate Property; Property Maintenance; H&S; & IT

Staff have been involved in discussions at workshops considering future management options for Leisure. This was initially undertaken at the Leisure staff conference, held on the 16th September 2014. A further update was provided at the staff conference on the 2nd June 2015.

Initial discussions have been held with Trade unions at a DMT / ERG group meeting on the 23rd February 2015, and a further meeting on the 15th July 2015. Detailed discussions have yet to be held, pending members' decision on a way forward.

**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
Appendix A – Report on the work to date as of May 2014 (Background information)	C/O Head of Leisure & Sport, Parc Myrddin, Carmarthen



LEISURE SERVICES BUSINESS CASE

A

REPORT

BY



JULY 2015

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Introduction

- 0.1 Carmarthenshire County Council (CCC) are currently reviewing the future provision of its Leisure and Cultural Services. Following an options appraisal report in June 2014, the Council agreed an in principle decision to progress with either
- Establishing a new Not for Profit Distributing Organisation (NPDO) or Trust to operate the services, or
 - Partner with an existing NPDO to deliver the services
- 0.2 This report sets out the business case and future delivery plan to progress with one of these options, based on the current scope of the service which includes
- 11 Leisure Centres
 - 30 Cultural Facilities (including libraries)
 - 5 Main Countryside sites
- 0.3 Specifically excluded from the current scope is the archives, outdoor education centre and the legal aspects of rights of way (ROW).

Current Budget and MTFS

- 0.4 We summarise in the table below the current budget and future MTFS targets and priority based budgeting (PBB) for the period up to 2017/18.

Table 0.1 – Current Budget, excluding Archives, ROW and Outdoor Education

£'000's	2014/15	2015/16	2016/17	2017/18
Net Controllable Cost	6,974	6,682	6,325	6,022
Total Cost of Service	10,968	10,498	10,141	9,839
Net Savings	N/A	-469	-357	-303

- 0.5 As can be seen the future savings identified in the MTFS amount to £469,000 in 2015/16, and a further £357,000 (2016/17) and £303,000 (2017/18), giving a total savings of £1.13 million by 2017/18, taking into account additional costs such as increments and asset rental charges.
- 0.6 Of these savings a total of £330,000 has been identified in 2017/18 to be delivered through either closure of facilities or an alternative model of delivery, with a further £35,000 identified in 2016/17.
- 0.7 Thus if the Council decide not to progress with an alternative model of delivery or the future delivery cannot deliver savings of £330,000, consideration will need to be given to closure of services or facilities in order to meet the PBB targets.

Soft Market Testing

- 0.8 A soft market testing process was undertaken to establish whether there was interesting the market in partnering with CCC to deliver some or all of the services.

0.9 11 organisations responded to the opportunity including existing NPDO's. The key findings from the soft market testing included

- The sport and leisure area was of greatest interest to the market with all of the companies saying they would be interested in operating this area of the business.
- There were 5 companies who responded saying they were definitely interested in the complete scope of the portfolio, with all of those interested saying they were possibly interested in the other areas.
- All of the companies identified a contract length of at least 10 years with the majority of them also seeking up to 20 years, with two companies suggesting a longer lease (circa 50 years).
- All of the companies would be prepared to invest capital in the facility portfolio, and anticipated being able to improve the financial performance.

0.10 Thus there is significant interest from existing NPDOs in partnering with CCC to deliver the services.

Existing v New NPDO

0.11 We summarise in the table below the advantages and disadvantages of both an existing NPDO and a new NPDO.

Table 0.2 – Advantages and Disadvantages

Newly Established NPDO Option	
Benefits	Disadvantages
<ul style="list-style-type: none"> • Access to external funding (including people's time) • Speed of reaction to market • Less bureaucracy • Tax Advantages • Security of provision • Single focus body • Reinvestment in service • Ability to 'grow' the business • Local focus 	<ul style="list-style-type: none"> • Control through funding agreement and lease – potentially limited due to independence • Lack of wider corporate support • Longer to vary service • Possible difficulty in recruiting Trustees • Slower to deliver financial savings

Existing NPDO or Hybrid NPDO Option	
Benefits	Disadvantages
<ul style="list-style-type: none"> • Access to funding • Speed of reaction to market • Less bureaucracy • Financial benefits • Security of provision • Single focus body • Commercial input • Greater speed in delivering the financial benefits • Greater Control through funding agreement and lease • Greater capital investment opportunities 	<ul style="list-style-type: none"> • Possible lack of full financial advantages (eg VAT) • Leakage of surpluses away from Carmarthen • Possible lack of local knowledge and 'buy in' • Competing Priorities with other contracts

0.12 Overall there are a number of advantages which an existing or hybrid NPDO option has over a new NPDO and in addition to this is likely to save the Council circa £380,000 per annum as opposed to £314,000 per annum for a new NPDO.

0.13 These savings are based on tax advantages only and do not factor in future operational improvements other than those already factored in to the PBB savings.

0.14 This suggests that CCC should seek to partner with an existing NPDO due to the advantages and also the delivery of the financial savings.

Scope of Partnership

0.15 Consideration has also been given to the scope of any partnership through an alternative delivery model. Taking into account the response from the soft market testing, the key services which should be transferred would be sport and leisure and theatres.

0.16 These areas account for the majority of the financial savings and also have the opportunity to operate in the most commercial way, with the levels of income generated.

0.17 The financial savings which are estimated from tax benefits are circa £191,000 with additional savings through operational and commercial improvements and also through the redevelopment of LLC.

0.18 Consideration may be given to initially entering into a partnership with Sports & Leisure and Theatres and then further consideration to other services if this proves successful.

Affordability Level

0.19 Typically if a Council seeks to procure an alternative management options then they will set an affordability level, which they will present to the market so that

EXECUTIVE SUMMARY

expectations can be set on the level of future bids that would be received to deliver on the savings expectations.

- 0.20 It is proposed that CCC set an affordability limit for any future procurement which is set to deliver the savings within the MTFS and then an efficiency saving beyond this period.
- 0.21 Typically the affordability limit would be set for the management fee required as opposed to the overall Council budget. In this case we have assumed the management fee would include the following costs
- Net Controllable Budget for CCC
 - Maintenance Costs
- 0.22 These areas would effectively be the areas transferred to the partner, with the Council retaining the support services charge and also the capital charges. Thus the affordability levels would be as follows

Table 0.3 – Future Affordability Levels

Complete Service

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	6,645	6,342	6,063		61,493
20 Year Contract	6,645	6,342		5,772	116,890

Sport & Leisure plus Theatres

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	2,627	2,306	2,205		22,571
20 Year Contract	2,627	2,306		2,099	42,714

- 0.23 In addition to this there is the potential to include an affordability level for LLC, through the identification of a capital level and current revenue cost which bidders must deliver on. An example of this would be
- The Council will provide at least £4.5 million of capital, plus any further capital within the joint venture with Welsh Government
 - Further capital will be made available through prudential borrowing if the costs of the borrowing can be funded through revenue savings on the existing cost (2016/17 budget) of LLC (£555,585)
- 0.24 In this way the Council can seek to get the best commercial offer for the redevelopment of LLC.
- 0.25 In addition to these affordability levels there would be set up costs of circa £50,000 for the year 2015/16.
- 0.26 Typically in the market we would expect the affordability level to be the maximum and the market in general tends to be significantly less than the affordability level, with examples of up to £500,000 per annum lower than the affordability level being achieved.

Recommendations and Way Forward

- 0.27 Taking these issues set out above and the overall review of the previous study as set out in the report we set out below the key recommendations for the future development.

Key Recommendations

It is recommended that CCC seek to enter into a partnership with an existing or hybrid NPDO through a procurement process using competitive dialogue, which has the key parameters set out in the procurement strategy below, which will seek to deliver the MTFS financial savings, in line with the affordability levels set out above. The procurement process would be without a bid submission from a newly established NPDO.

The initial scope of the partnership would be for Sports and Leisure plus Theatres, with further consideration given to other services once the contract has been operational.

If there is no interest in some or all of the services, CCC should then seek to establish a new NPDO for the services to deliver the financial savings within the MTFS.

- 0.28 The rationale for entering into a procurement process with an existing NPDO only as opposed to a process with a newly established NPDO bidding is as follows

- There is a need for a procurement process to be followed and if a newly established NPDO is bidding then the Council will need to establish both an evaluation team and bidding team, which could increase resources required
- Bidders may be put off bidding if a newly established NPDO is also bidding
- An existing NPDO is likely to deliver improved financial savings and in addition, experience has shown that these can be delivered more quickly.
- The Council may well be able to assert more control over an existing NPDO
- The soft market testing process suggests that some bidders may come forward with innovative new models which bring local input and operation to the future delivery

- 0.29 If this recommendation is agreed then the future procurement strategy has been developed to achieve the key outcomes, with a new partner in place for July 2016.

Background

- 1.1 Carmarthenshire County Council's (CCC) Leisure Services portfolio plays a key strategic role in delivering services that contribute to corporate priorities and the community strategy including
 - Healthy and Active Living
 - Lifelong learning
 - Sustainable Communities
 - Strong Economy
- 1.2 Due to the increasing financial pressures facing the public sector and the need for CCC to make reductions in its revenue subsidy over the next few years, CCC is seeking to undertake a review of the management options in respect of the leisure and recreation portfolio.
- 1.3 Currently CCC operate its leisure and recreation portfolio directly through the Council.
- 1.4 CCC undertook a leisure options review in May 2014 which considered a number of different management options for the future operation, which broadly fall into 5 different types of organisation,
 - **In house option** – where the service is continued to be managed through an organisation on which the Council has total control, in effect maintaining the status quo in terms of control and governance. This would include direct provision and an organisation wholly owned by CCC.
 - **A new Not for Profit Distributing Organisation (NPDO)** – where the service is managed by a newly established NPDO specifically set up to run CCC services. The NPDO is established by CCC from the existing Leisure Services Department. The NPDO could be one of a number of different types including a Company Limited by Guarantee (CLG), Industrial Provident Society (IPS), Charitable Incorporated Organisation and could be a co-operative or mutual.
 - **An existing NPDO** – where the service is managed by an existing NPDO which operates services for other Councils, such as Celtic Community Leisure (managing Neath Port Talbot Leisure Facilities) or HALO Leisure (managing Bridgend Leisure Services). Typically these trusts have developed following an initial transfer of services through the creation of NPDO to deliver leisure services. They are usually either a CLG or an IPS but can be other types of NPDO and could be consider to be a co-operative
 - **Hybrid Trusts** – where the service is operated by a private sector Leisure Management Contractor, such as 1 Life (previously Leisure Connection), Places for People (previously DC Leisure), SLM, through a NPDO organisation. It should be noted that within the private sector all of the major operators also have different operating models which enable the benefits of NNDR savings and VAT to be realised, commonly known as Hybrid Trusts. Indeed some of the organisations are now established as registered charities, such as Active Nation. Typically these organisations are CLG's

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- **Private Sector** – where the service is operated by a private sector Leisure Management Contractor, such as 1 Life, Places for People, SLM, without the use of a NPDO organisation. All the operators offer this potential as well as their NPDO organisation (Hybrid Trusts). In addition there are a number of major FM companies who are now running services such as libraries and other facilities as part of a major outsourcing approach. A joint venture approach could also fall into this category
- 1.5 The previous study identified a number of key recommendations for the future delivery of the leisure service including
- Two management options, a new NPDO or an existing NPDO (or Hybrid NPDO) have the potential to deliver significant revenue savings for the Council
 - There appears to be less interest in an existing NPDO operating other services than leisure, due to the established market for sports and leisure facilities
 - The establishment of a new NPDO may better serve the cultural and countryside facilities, whereas an existing NPDO would deliver greater savings for the sports and leisure facilities
 - There are opportunities to deliver significant revenue savings and reduced capital costs through a Design, Build, Operate and Maintain (DBOM) approach to the replacement of Llanelli Leisure Centre (LLC)
 - The private sector option and retaining the service in house were not recommended as the most cost effective approach to delivery of the outcomes.
- 1.6 Cabinet agreed the recommendation in June 2014 and RPT Consulting was appointed in January 2015 to review the previous study and further develop a business case with recommendations as to the way forward.
- 1.7 This report presents the business case for the service and recommends a preferred management option which will deliver the outcomes that CCC are seeking, having reviewed the previous study and updated the information based on a number of key actions
- Document review of the previous information and assessment of any key changes
 - Soft Market Testing – through an advert in the leisure press to identify the level of interest in operating the facilities
 - Legal implications – a review of the key legal implications and approach to the future management options, in particular procurement issues
- 1.8 This business case sets out our review and the approach to the work based on consideration of the more detailed issues relating to the two recommended management options, either establishing a new NPDO or partnering with an existing NPDO (or Hybrid NPDO).
- Scope**
- 1.9 The focus of the previous leisure services options appraisal is on CCC's leisure and recreation portfolio which includes
- Sport & Leisure

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- Sports and Leisure Centres
- Health and Activity
- Sports Development Unit
- Cultural Services
 - Town Libraries
 - Community, Mobile & School Libraries
 - Theatres
 - Museums
 - Arts and Galleries
 - Archives
- Countryside
 - Public Rights of Way
 - Millennium Coastal Park
 - Pembrey Country Park
 - Other Country Parks
- Other
 - Pendine Beach
 - Motor Sports Centre, Pembrey

1.10 Within all these services there are a number of services which are statutory services such as libraries.

1.11 Since the previous study there have been a number of changes to the structure of CCC and the following services are now considered to be outside of the scope of review, based on where they sit within the Council and the role and function. Thus the services listed below are not included in this business case

- Archives
- Public Rights of Way
- Outdoor Education

1.12 We have also considered the potential opportunities and implications for future cross border collaboration within neighbouring authorities and potential issues arising from the Williams review.

Approach

1.13 The business case has been developed in partnership with CCC and has involved,

- Consultation with key officers in the Council, including finance, property, legal, personnel and leisure services, through the project team
- Document review
- Soft Market Testing
- Legal Implications
- Financial analysis

1.14 The business case work has not involved any primary research or detailed consultation with customers or non users, but has drawn upon other studies undertaken.

1.15 Our focus has been to ensure that whichever route is chosen for the future of the service, the service outcomes remain at the forefront of the delivery option,

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together with identifying appropriately “commercial approaches” which can generate financial savings, to deliver social objectives.

1.16 The remainder of the report is structured as follows

- Section 2 – Soft Market Testing – setting out the process and response to the Soft Market Testing undertaken
- Section 3 – Options Analysis – a summary of the analysis of the future option and potential implications, including key issues, such as governance and procurement, through the legal implications
- Section 4 – Financial Implications – an analysis and update of the financial implications, taking into account the medium term financial strategy
- Section 5 – Conclusions and Way Forward – including a detailed action plan

SECTION 2 – SOFT MARKET TESTING

Process

- 2.1 In order to consider the future management options, in particular the operation by an existing or hybrid NPDO, a soft market testing process has been undertaken, which involved the following key steps
- Advert placed in Leisure Press and also Sell2Wales inviting responses and expressions of interest
 - Preparation of a background document outlining the service and seeking responses to some key questions including
 - Level of interest in operating some or all of the facilities and services – is there a preference for parts of the service or for all of the service as described in section 2.
 - Would you be prepared to invest in the facilities and on what basis
 - Is there the potential to improve on the current performance
 - Would you have a preferred contract length for any partnership - the Council may consider long term arrangements (20 years plus)
 - Do you believe there are opportunities to bring in new or innovative approaches to the future operation – building on other opportunities elsewhere?
- 2.2 In particular CCC is keen to understand what the response to the market was for each aspect of the overall portfolio. The results from the soft market testing would not only help establish the level of interest but also inform the future procurement of any future option.

Analysis of Responses

- 2.3 There were 15 enquiries for a pack to be sent, of which 11 organisations responded to the pack and expressed an interest.
- 2.4 Those organisations expressing an interest included local to major national leisure management operators and a developer.
- 2.5 We summarise in the table below the responses to the key questions which were asked in the soft market testing pack.

Table 2.2 – Summary of Responses

Organisation	Areas of Interest			Length of Term (Years)	Capital Investment
	Sport & Leisure	Culture	Countryside		
Company 1	✓	✓	✓	15-20	Yes
Company 2	✓	?	?	10-20	Yes
Company 3	✓	✓	✓	10 + 10	Yes
Company 4	✓	?	?	10-15 minimum	Yes
Company 5	✓	✓	✓	10 - 20	Yes
Company 6	✓	?	?	20 +	Yes

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Company 7	✓	✓	✓	15 - 20	Yes
Company 8	✓	✓	?	10-15	Yes
Company 9	✓	?	x	15-20	Yes
Company 10	✓	✓	✓	Not stated	Yes
Company 11	✓	?	✓	Long Lease	Yes

Notes/Key

✓ = definitely interested in operating this area

? = possibly interested in operating this area

x = not interested in this area

2.6 As can be seen from the table above there are a number of key findings from the soft market testing, including

- The sport and leisure area was of greatest interest to the market with all of the companies saying they would be interested in operating this area of the business.
- There were 5 companies who responded saying they were definitely interested in the complete scope of the portfolio, with all of those interested saying they were possibly interested in the other areas, with the exception of Company 9 who weren't interested in Countryside.
- All of the companies identified a contract length of at least 10 years with the majority of them also seeking up to 20 years, with two companies suggesting a longer lease (circa 50 years).
- With the exception of Company 11, who are interested in a long lease on an asset transfer basis, the remaining companies were interested in leisure management contracts.
- All of the companies would be prepared to invest capital in the facility portfolio.

2.7 In addition to this feedback, all of the companies indicated that they are likely to be able to improve the financial performance, although this is based on their experience on other contracts, as opposed to a detailed analysis of the current financial performance.

2.8 Company 7 also presented an option where they would seek to partner with the Council through use of a local Trust supported and wholly owned by Company 7, but utilising the benefits of local trustees.

2.9 Overall there is significant interest in the CCC portfolio, which has implications for any future procurement which is discussed in the next section. In particular the level of interest in Sports & Leisure and Theatres is the most significant.

Introduction

- 3.1 The previous study undertaken identified two principle options for the future delivery of the leisure management, which are
- Establishment of a new NPDO for Carmarthenshire
 - Partnering with an existing NPDO or hybrid NPDO
- 3.2 Both of these options have the potential to deliver revenue savings of between £318,000 and £385,000 per annum, which we review in the next section.
- 3.3 In addition the previous report considered the future redevelopment and investment in Llanelli Leisure Centre (LLC), which indicated the potential for a new build option which could be delivered through a Design, Build, Operate and Maintain (DBOM) approach, with a new capital build of circa £16 million.
- 3.4 Funding for this could be provided through a combination of capital reserves and funding through invest to save opportunities, with future revenue improvements enabling the Council to borrow capital against these savings.
- 3.5 Within this section we consider the two options having reviewed a number of different aspects, including
- Governance and approach
 - Procurement
 - Legal Implications
- 3.6 By reviewing these areas, we have been able to identify potential issues with the future options and then consider the financial implications within the next section.

Governance and Approach

- 3.7 There are a number of key differences between governance and Council relationship between the two management options, in particular the key difference being that the new NPDO is a new start up organisation as opposed to an existing organisation.
- 3.8 Typically the new NPDO is established as either a Company Limited by Guarantee (CLG) with charitable status or an Industrial and Provident Society (IPS). An existing NPDO or Hybrid NPDO will also have a similar company structure and could be a CLG or IPS.
- 3.9 We set out some of the key differences in the table below.

Table 3.1 – Governance Approach Comparison

Area	Newly Established NPDO	Existing NPDO/Hybrid NPDO
Governance	<ul style="list-style-type: none"> • A CLG or IPS, with surpluses reinvested in service, • Memorandum and articles will determine the business of the NPDO, to include where they can do business and what they can deliver, for example whether it is limited to Carmarthen. • Governed by an independent Board of Directors, with limited (less than 20%) Council representation, typically 11 Board member. • Local people on Board appointed by CCC • A charity – regulated by charity commission 	<ul style="list-style-type: none"> • A separate company (charitable structure in place) • Board are unlikely to be local people – although there is the possibility they could be, through different structures and local board representation (for example through a subsidiary NPDO) • No Council representation on the board
Council Relationship	<ul style="list-style-type: none"> • Lease of the buildings granted on peppercorn rent to partner, freehold ownership of the facilities remains with Council • Management Agreement attached to lease requiring partner to deliver outcomes and service standards, linked to a performance monitoring system if underperform • Management Agreement includes for annual service development plans to be produced and agreed by Council • Council pays management fee for the delivery of the outcomes • There is a need to potentially limit the level of control to ensure independence of the NPDO 	<ul style="list-style-type: none"> • Lease of the buildings granted on peppercorn rent to partner, freehold ownership of the facilities remains with Council • Management Agreement attached to lease requiring partner to deliver outcomes and service standards, linked to a performance monitoring system if underperform • Management Agreement includes for annual service development plans to be produced and agreed by Council • Council pays management fee for the delivery of the outcomes

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Area	Newly Established NPDO	Existing NPDO/Hybrid NPDO
Service Delivery	<ul style="list-style-type: none"> • Council specifies prices, outcomes and service quality through specification and contract, however there is a need to ensure independence of the NPDO and as such there may not be the same level of control with an existing NPDO • Operational risk sits with the NPDO, however in the early years they may not have the reserves and as such the Council may have to fund any shortfall • Maintenance responsibility will be with partner, level of responsibility (full repair and renewing or operational maintenance) to be decided • partner need consent of Council for any capital works or variation to building use 	<ul style="list-style-type: none"> • Council specifies prices, outcomes and service quality through specification and contract • Operational risk sits with partner • Maintenance responsibility will be with partner, level of responsibility (full repair and renewing or operational maintenance) to be decided • partner need consent of Council for any capital works or variation to building use
Staffing Arrangements	<ul style="list-style-type: none"> • Partner employs staff , after an initial TUPE transfer – staff transfer on same terms and conditions, including pension. This may include staff not within Leisure Centres budgets (such as central support) • Pension to be admitted body status or similar. Council responsible for contributions relating to pension deficit up to transfer. Partner responsible for any deficits arising from their own actions 	

SECTION 3 – OPTIONS ANALYSIS

Area	Newly Established NPDO	Existing NPDO/Hybrid NPDO
Support Services	<ul style="list-style-type: none"> • NPDO decides on support services they need and where they purchase these services from • NPDO can purchase services from Council through SLA but NPDO decision • Savings in the central support services through no longer delivering support to leisure services can be achieved • There will be a need for a proportionate commissioning/ client role in the Council 	<ul style="list-style-type: none"> • Existing NPDO will have their own central support services – thus no option for continued provision by Council • There will be a need for a proportionate commissioning/ client role in the Council?

3.10As can be seen from the table there are a number of similarities for both options in that there will be a similar management agreement which the Council is able to specify the outcomes. Some of the key differences between the two options are

- A new NPDO will have a local Board of Directors and any surpluses (at least initially) will be invested in the leisure services within Carmarthenshire. Longer term the surpluses may be invested in other aspects of the NPDO portfolio.
- There is potentially more opportunities for the Council to control the service with an existing NPDO, as they do not have to consider the independence of the organisation. Increasingly the Charities Commission are scrutinising agreements between the Council and newly established NPDO's to ensure there is independence. This means that the level of control may not be as great with a new NPDO.
- There is greater risk transfer with an existing NPDO, at least initially until reserves have been established by the newly established NPDO
- There is greater opportunity for the Council to enter into a support services agreement with a new NPDO as opposed to an existing NPDO which will have its own support services.

3.11 Thus some of the decisions over the future options will be linked to the approach CCC wish to take in delivering the leisure services. Both options can potentially deliver financial savings (Section 4) and have demonstrated with other Councils improvements to the service.

Procurement

3.12 One of the key issues to consider within the future options is the approach to procurement.

3.13 The key issues identified in procurement for consideration include the following

- The new Public Contracts Regulations 2015 have removed the previous Part B services contract exemptions (which leisure was part of) and there is a general need for some form of market testing
- It is unlikely that the Council could set up a newly established NPDO without going through some form of procurement process

3.14 Following the soft market testing process undertaken (as summarised in the previous section) there is clearly market interest in the leisure portfolio and as such it would appear that CCC will need to follow a procurement process, which could take one of two forms

- Procurement for an existing NPDO, without a bid submission from a newly established NPDO
- Procurement for both an existing NPDO, with a bid from a newly established NPDO

3.15 If the Council decided to progress with the procurement to include a newly established NPDO, then consideration will need to be given to managing both a procurement process and also supporting the establishment of a new NPDO. In particular this will mean that the Council is likely to have two different teams which operate in parallel, meaning greater resources.

3.16 An alternative approach would be to undertake a procurement process which does not have a newly established NPDO within the process, but if there is no interest from the market or indeed no suitable bids coming forward, then the newly established NPDO is a fall back position.

Legal Implications

3.17 We summarise below some of the issues

- **Local Authority Powers**

The powers of CCC to establish a new NPDO or enter into a partnership are based on both the wellbeing powers of an Authority and the ability to run leisure and cultural services. The establishment of NPDOs and partnerships is well established in the Local Authority market and a number of new NPDOs and Existing NPDOs operate in the leisure sector.

- **TUPE**

Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) apply in any transfer to any of the delivery options presented, except in house. This means that staff that spend the majority of time providing the

services are entitled to transfer on their existing terms and conditions with no break in service.

This clearly applies to those staff who work directly for the services being transferred (predominantly the leisure services staff), but it may also apply to other staff who work in other departments but spend the majority of their time on leisure services work. Typically this would relate to staff spending more than 50% of their time, but each case would need to be looked at individually.

It is possible that in CCC's case there are staff in central support (such as finance, IT, Personnel) and possibly the property/maintenance teams to whom this may apply to in addition to the staff within the leisure service. If the Council decides to transfer the service to either a new or existing NPDO then detailed analysis of timesheets and roles of central support teams will need to be undertaken to identify any potential TUPE transfers. However this may be mitigated through the continuation of the provision of support services for the initial years, meaning that any TUPE transfer may be undertaken for these staff in a few years.

The other key area in relation to TUPE is to ensure effective staff consultation and management of staff concerns during the transfer process.

- **Pensions**

If CCC enters into a partnership then there is a requirement for the contract to include pension protection for all transferring employees, which is defined as the right to acquire pension benefits which are the same or broadly comparable. In practice this would typically mean that a new NPDO would gain admitted body status to the Local Government Pension Scheme (LGPS).

For existing and hybrid NPDOs their positions on pensions will vary with some of them providing their own similar schemes and others joining the LGPS, although typically most hybrid NPDO's will provide broadly comparable as opposed to gaining admitted body status. The Council can however require that a partner gains admitted body status.

Typically existing and hybrid NPDOs will also if they have joined the LGPS seek to make it a 'closed' scheme that is only available to existing employees. Often newly created NPDOs will also make the schemes closed.

The normal approach to costs is that the Council is responsible for contribution costs which relate to any deficit and the partner would be responsible for any changes in contribution as a result of their actions. In effect however the net cost of pensions does not change across any of the delivery options.

- **Property**

In order to gain NNDR relief the property must be occupied and used for mainly charitable purposes. A lease is a presumption of occupation therefore in general to ensure maximum rate relief is achieved it is recommended a lease is entered into with the partner.

The other key issue in relation to property is whether the lease is a full repairing and renewal lease or whether the maintenance responsibilities are split with the Council retaining structural maintenance and major equipment replacement responsibility and the partner undertaking all other maintenance.

Typically most contracts would tend to be with a maintenance split, although increasingly existing and hybrid NPDO's are taking on full repair and renewal responsibilities. However this will come at a price as the operator will usually price in a risk factor, although sometimes this would be offset by economies of scale they can achieve.

We recommend that if a transfer is considered by the Council then the current approach is retained where the Council continues to undertake maintenance at the sites with the partner undertaking day to day maintenance.

- **Asset Transfer**

There are a number of assets which may need to be transferred in any new partnership, including equipment, ICT, supply contracts, intellectual property, operational manuals, membership databases, user information. It is important in the transfer that CCC's position is protected and we recommend that CCC either loan or licence the assets rather than transferring them.

In this way the partner has an obligation to maintain and repair them as appropriate and then return the asset at the end of the agreement in a good state of repair or updated as necessary.

To ensure this works properly an inventory of the assets will need to be undertaken prior to transfer.

- **NNDR**

There are two ways in which NNDR relief can be achieved, either mandatory or discretionary relief. Mandatory relief is granted to charitable organisations and is 80%. In general to achieve mandatory NNDR relief there needs to be occupation by a charitable organisation and the facilities used for predominantly charitable purposes. The establishment of a NPDO with charitable purposes would satisfy this requirement. In addition there is the potential for additional top up discretionary relief to 100%.

Discretionary relief is granted by the Local Authority and up to 100% relief can be granted, which could also include a 20% top up where mandatory relief is granted.

Whilst there is local retention of business rates in England which impact on these savings, this is not the case in Wales and we understand is not likely to be introduced in the near future.

- **VAT**

Fees for sport and recreation can qualify as exempt from VAT if supplied by an eligible body, which is typically a non profit making body, such as a NPDO. It should however be recognised that if the fees are exempt from

SECTION 3 – OPTIONS ANALYSIS

VAT it does also mean the VAT on expenditure (Input Tax) cannot be recovered, so would be an additional cost to the organisation.

Some of the hybrid NPDO's have also promoted structures which enable them to claim back VAT through not for profit organisations. If the Council enter into a partnership with a private sector operator then detailed assessment of these structures should be undertaken.

- 3.18 The overall approach is that there is the legal ability to undertake a procurement process and a number of issues that will need to be managed as CCC progresses the project. These will be factored into the project plan.

Summary

- 3.19 Both of the future management options identified in the earlier report would be able to deliver improved opportunities for CCC leisure services portfolio, with a number of advantages and disadvantages for each option as summarised in the table below

Table 3.2 – Advantages and Disadvantages

Newly Established NPDO Option	
Benefits	Disadvantages
<ul style="list-style-type: none"> • Access to external funding (including people's time) • Speed of reaction to market • Less bureaucracy • Tax Advantages • Security of provision • Single focus body • Reinvestment in service • Ability to 'grow' the business • Local focus 	<ul style="list-style-type: none"> • Control through funding agreement and lease – potentially limited due to independence • Lack of wider corporate support • Longer to vary service • Possible difficulty in recruiting Trustees • Slower to deliver financial savings

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Existing NPDO or Hybrid NPDO Option	
Benefits	Disadvantages
<ul style="list-style-type: none">• Access to funding• Speed of reaction to market• Less bureaucracy• Financial benefits• Security of provision• Single focus body• Commercial input• Greater speed in delivering the financial benefits• Greater Control through funding agreement and lease• Greater capital investment opportunities	<ul style="list-style-type: none">• Possible lack of full financial advantages (eg VAT)• Leakage of surpluses away from Carmarthenshire• Possible lack of local knowledge and 'buy in'• Competing Priorities with other contracts

3.20 Of particular relevance is also the need to undertake a procurement process and as such the Council will need to consider whether to include a newly established NPDO within the process.

SECTION 4 – FINANCIAL IMPLICATIONS

Introduction

4.1 In this section we consider the financial implications for both of the future options that are being considered through the following analysis

- Analysis of the current medium term financial strategy (MTFS) and budgets
- Review of the previous financial analysis, including any key changes
- Identification of a future affordability level for the service

Existing Budget and MTFS

4.2 We summarise the current budget and MTFS for the complete service in the table below.

Table 4.1 – Existing MTFS (Complete Service)

£'000's	2014/15	2015/16	2016/17	2017/18
Income	-5,959	-6,047	-6,221	-6,663
Controllable Expenditure	13,384	13,111	12,936	13,084
Net Controllable Cost	7,425	7,064	6,715	6,421
Capital Charges	3,172	3,011	3,011	3,011
Support Services	1,143	1,126	1,126	1,126
Total Cost of Service	11,739	11,201	10,853	10,559
Net Savings	N/A	-538	-348	-294

4.3 Thus the net cost of the service in 2017/18 would be £10.559 million a savings of £1.18 million on the 2014/15 budget. This is for the complete service and we summarise in Table 4.2 below the net cost and savings excluding Archives, Rights of Way (ROW) and Pendine Outdoor Education Centre which are considered outside of the scope of the review.

4.4 It should also be noted that within the MTFS savings there are savings of £330k identified in 2017/18 from alternative delivery models, thus any savings identified would be to deliver on these savings and not be additional.

Table 4.2 – MTFS excluding Archives, ROW and Outdoor Education

£'000's	2014/15	2015/16	2016/17	2017/18
Net Controllable Cost	6,974	6,682	6,325	6,022
Total Cost of Service	10,968	10,498	10,141	9,839
Net Savings	N/A	-469	-357	-303

4.5 Bearing in mind the level of interest in Sports and Leisure plus Theatres from the soft market testing, we also consider the future MTFS for Sport & Leisure plus theatres.

Table 4.3 – MTFS Sports & Leisure plus Theatres

£'000's	2014/15	2015/16	2016/17	2017/18
Net Controllable Cost	2,755	2,687	2,467	2,146
Total Cost of Service	4,530	4,091	3,871	3,550
Net Savings	N/A	-439	-220	-321

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- 4.6 In addition to these costs there is a notional allocation for maintenance costs on revenue of £320,000 in 2014/15 for the department (which includes properties from Economic Development and Pendine Outdoor Centre, although the apportionment of these costs is relatively small. There is also a notional capital budget allocation of circa £400,000
- 4.7 The net cost of the service excluding the out of scope services in 2017/18 would be £9.839 million, a saving of £0.568 million on 2014/15 (or £2.146 million in 2017/18 for Sport & Leisure plus Theatres). The savings presented above are based on a number of savings and costs as summarised below.

Table 4.4 – Summary of Savings and Additional Costs

£'000's	2014/15	2015/16	2016/17	2017/18
Efficiency Savings				
Policy	n/a	-59	-158	-428
Managerial	n/a	-330	-344	0
Additional Costs/(Savings)	n/a	-80	145	125
Net Costs/(Savings)	n/a	-469	-357	-303
Net Costs/(Savings) – Sport & Leisure + Theatres				

Note:

1. The additional costs/savings include increments, validations, housekeeping (virements), asset rental changes, etc
 2. A negative number is a saving or income
 3. These savings and costs are only for the services which are considered in scope
- 4.8 The additional costs or savings are effectively linked to additional costs such as increments or costs which are unavoidable and non controllable. The key cost in 2015/16 is a reallocation of the ROW budget so that the legal statutory duties are out of scope but maintenance of the ROW remains in scope and hence the additional costs, due to a budget realignment.
- 4.9 There are however a number of efficiency savings which have been identified and summarised in the table presented above. These include the following

Sport and Leisure

- Increased income through health and fitness memberships
- Review of wet and dry programme leading to realignment and reduction in costs at the main Leisure Centres.
- Transfer of bowls centres to voluntary organisations with a reducing subsidy, with CCC retaining maintenance responsibility
- Reduction in some opening hours potentially at dual use facilities (shared with school sites)

Countryside

- Service and staff review as part of service realignment, resulting in a reduction in the staffing levels

Culture and Heritage

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- Service and staff review as part of service realignment, resulting in a reduction in the staffing levels
- Oriol Myrddin transferred to independent Trust from 2016/17
- Review of delivery models for community and mobile libraries, including electronic / on line solutions and co-location of premises.
- Reduction in service specification and review of theatres delivery model

Department

- Closure of a number of leisure facilities or alternative service delivery model, such as Trust model.

4.10 Thus there are a number of opportunities leading to a number of revenue savings through changes to operations, however of particular importance to this process is the savings identified to come from either an alternative delivery model or through closure of facilities.

4.11 The level of savings identified for this are £35,000 in 2016/17 financial year and a further £330,000 in 2017/18. We review these amounts in comparison to the savings identified from the earlier work below.

Financial Savings

4.12 The previous report identified a number of savings for each of the two options. We have reviewed these savings based on the amendments to the scope and also updated the budget based on the amended 2014/15 budget, to reflect the corporate re-validation for only partial delivery of the efficiency savings associated with recharging schools.

4.13 The previous financial analysis was based on the approved 2014/15 budget and as such is still relevant. The table below summarises the savings compared to the previous report.

Table 4.5 – Financial Savings Compared

Service Area	Financial Savings/(Costs) (£'000's)			
	Previous Report		Revised Analysis	
	New NPDO	Existing/ Hybrid NPDO	New NPDO	Existing/ Hybrid NPDO
Countryside	55	70	52	67
Sports and Leisure	163	200	163	200
Cultural Services	139	149	137	147
Other	(13)	(9)	(5)	(1)
Complete Service	318	385	314	380

Note: the complete service is not the total of all of the others, due to the VAT calculations

4.14 It can be seen that the savings previously identified are still broadly the same once the revised positions have been taken into account. There is still the opportunity for partnering with an existing NPDO to deliver circa £380,000 of

SECTION 4 – FINANCIAL IMPLICATIONS

savings per annum and for a new NPDO, circa £314,000 of savings. Thus the existing NPDO delivers greater savings.

4.15 Transfer of Sports and Leisure plus Theatres to an existing NPDO would account for circa £191,000 of the savings.

4.16 Within the MTFS a figure of £330,000 has been used for the savings attributable to alternative delivery models from 2017/18.

4.17 These savings are based on the following key assumptions and factors

- **NNDR Relief** – a NPDO can gain up to 80% mandatory relief from NNDR, with the potential for a further 20% discretionary relief. This is the case for new, existing and hybrid NPDO's. It will be important that if the Council progresses with a hybrid or existing NPDO utilising this structure, then the risk of tax relief is taken by the partner and that the legal structure proposed is reviewed in some detail.

The level of NNDR that the Council will save is based on 80% mandatory relief it saves plus a further 25% of any top up discretionary relief. Thus a total of 85% could be saved, however we have assumed the mandatory relief of 80% only is saved in our analysis.

The total potential savings allowed for NNDR relief are £510,000 per annum across the service.

- **VAT Benefits** – an analysis of the VAT implications is presented in the attached spreadsheet and represents the savings made through income which was standard rated now being exempt. The supply by a non profit making body to individuals or services for sport, physical activity and education can be exempt, as can the supply of cultural services be exempt through a non profit making body and includes entrance fees and charges. This does not apply to a Local Authority, albeit some charges made are exempt. It is assumed the prices would remain the same to the customer and the NPDO would make the savings on the move from standard rated income to exempt. Set against these savings is the irrecoverable VAT on expenditure (including maintenance) which the NPDO cannot recover due to its level of exempt income.

There may also be the possibility that if the NPDO makes the capital investment the NPDO cannot claim back the VAT on the capital giving rise to a significant VAT cost. If the Council can use prudential borrowing then it will be important a structure is place where the Council invests the capital but the NPDO takes the risk on repayments and capital cost overrun.

It should also be noted that there may be implications if currently organisations who hire facilities recover VAT, however the VAT analysis at present suggests that the majority of standard rated activities appear to be end users.

- **Central Support Costs** – if the services are transferred to a partner (whether existing NPDO, hybrid or private sector) then there is no longer the need for the Council to provide central support services, however there will be a need for additional services which the partner will need to provide. For a new NPDO typically the Council will continue to provide support services to

SECTION 4 – FINANCIAL IMPLICATIONS

the new NPDO through a service level agreement (SLA) for a period of 1-2 years.

The financial implications associated with support services will be dependent on a number of issues

- The level of reductions which the Council can make in the support services if they are no longer providing support services to leisure services
- The costs of support services which are required for each of the different management options.

The difference between the reductions and the costs will provide the financial implication for the Council. At this stage of the analysis we have assumed a 20% reduction in the Council budget if support services are no longer provided. This 20% reduction is based on examples from elsewhere and allows for the fact that there will be circa 80% of costs which cannot be saved. This will need further work as the project develops and should be a target for savings.

We have then used market comparisons to assess the future support service costs required under each option (typically existing NPDO uses 5% of turnover and for a new NPDO this is circa 6%).

If the Council decide to transfer the service then a more detailed assessment will need to be made of the level of savings that can actually be made, through detailed timesheet analysis. There may be TUPE implications for staff who spend the majority of their time on leisure services.

It should also be recognised that whilst the transfer of leisure services may not have a significant impact on the central support charges, if other services are transferred in the future, then it may be a greater impact and lead to a fundamental shift in the central support structure.

- **Set Up Costs** – these have been excluded from the savings presented above but have been included within the attached spreadsheet. These would apply to the service in year 1 (2015/16) of any transfer and relate to the costs associated with either a procurement process (in the case of an existing/hybrid NPDO) or the establishment of a new organisation (new NPDO). We have estimated these costs at £50,000 (procurement of existing NPDO) and £75,000 (new NPDO) based on our previous experience of undertaking similar projects. This relates to the costs of external advice (such as legal, financial and project management) as opposed to officer time, and would incorporate current costs of RPT Consulting.

For the establishment of an existing partnership the set up costs would be in the region of £50,000 which are predominantly for legal and external advice, to include the already commissioned leisure and financial advice.

- **Future Operational Enhancements** – there is the potential for different management options to deliver improved revenue and reduced expenditure in comparison to the in house, for a number of reasons, including:

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- Commercialism – an existing NPDO/Hybrid and a new NPDO will have the potential to develop additional revenue through a more commercial approach.
- Health and Fitness – the management and approach to health and fitness has shown to improve significant revenue enhancements through a more proactive and established management of facilities with a sales focus. This has been shown on numerous examples
- Economies of Scale – for the existing partner there is the potential for economies of scale reducing costs, such as utilities or maintenance/equipment reduction in costs
- Flexibility – there is the ability for new NPDO's and existing organisations to be more flexibility in the operation, for example, the ability to operate with a flexible workforce in facilities which require it (such as theatres) where events can mean that there is a need to be flexible to get resources to meet the needs of the market. Other examples could include sales incentives for staff such as fitness staff.
- Additional investment schemes such as energy efficiency and other investment schemes to generate income can also be delivered

4.18 Both options therefore still have the potential to deliver significant financial savings, simply through the delivery of tax advantages, and in addition there is the potential to deliver further revenue savings through a more commercial operation.

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LLC Redevelopment

4.19 The previous study identified a number of options for LLC and potential opportunities for the future development of LLC, which are summarised below.

Table 4.6 – LLC Development Options

	Option 1 (Minor Refurbishment)	Option 2 (Major Refurbishment)	Option 3 (New Facility – Existing Site)	Option 4 (New Facility – Old Castle Works Site)
Capital Cost (£m)	3.2	18.6	16.0	16.0
Potential Funding (£'m)	-	-	4.5	9.0
Net Capital Required (£'m)	3.2	18.6	11.5	7.0
Revenue Cost/(Surplus) (£'000's)	354	191	(56)	(56)
Revenue Savings (£'000's)	-	163	410	410

4.20 There are a number of options which the Council would be able to develop through the revenue savings of £410,000 which would fund the capital shortfall of circa £7.0 million.

4.21 The overall development of LLC should be viewed as a potentially stand alone scheme which could be factored in to any procurement process to work in partnership with an alternative provider to deliver future developments. For example, the initial stage of the procurement process could ask for input from the market as to the most appropriate way to develop the LLC and the level of capital required.

4.22 The Council could then determine the most appropriate way forward once receiving this feedback. We discuss this further in the next section.

Affordability Levels

4.23 CCC currently has identified in its MTFS a number of savings which is expected to be delivered through changes to the operation of the Leisure Services, as set out earlier in this section (Table 4.2), excluding Archives, Public Rights of Way and the Outdoor Education. Equally there are similar levels for Sport & Leisure plus Theatres (Table 4.3)

4.24 Typically if a Council seeks to procure an alternative management options then they will set an affordability level, which they will present to the market so that expectations can be set on the level of future bids that would be received to deliver on the savings expectations.

4.25 It is proposed that CCC set an affordability limit for any future procurement which is set to deliver the savings within the MTFS and then an efficiency saving beyond this period.

SECTION 4 – FINANCIAL IMPLICATIONS

4.26 Typically the affordability limit would be set for the management fee required as opposed to the overall Council budget. In this case we have assumed the management fee would include the following costs

- Net Controllable Budget for CCC
- Maintenance Costs

4.27 These areas would effectively be the areas transferred to the partner, with the Council retaining the support services charge and also the capital charges.

4.28 The earliest any new arrangement could be introduced is April 2016 and as such the MTFs from 2016/17 illustrates the following level of budgets

Table 4.6 – MTFs Budgets

£'000's	Whole Service		Sport & Leisure plus Theatres	
	2016/17	2017/18	2016/17	2017/18
Net Controllable Budget	6,325	6,022	2,467	2,146
Maintenance Allocation	320	320	160	160
Net Cost	6,645	6,342	2,627	2,306

4.29 The figures presented above exclude Archives, ROW and Outdoor Education Centre. We have assumed that 50% of the maintenance budget is attributable to Sports & Leisure plus Theatres.

4.30 In addition to these figures the Council could consider an efficiency target of a further 1% of savings per annum over the life of the contract. Thus we summarise the affordability levels for a 10 and 20 year contract in the table below

Table 4.7 – Future Affordability Levels

Whole Service

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	6,645	6,342	6,063		61,493
20 Year Contract	6,645	6,342		5,772	116,890

Sport & Leisure plus Theatres

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	2,627	2,306	2,205		22,571
20 Year Contract	2,627	2,306		2,099	42,714

4.31 In addition to this there is the potential to include an affordability level for LLC, through the identification of a capital level and current revenue cost which bidders must deliver on. An example of this would be

SECTION 4 – FINANCIAL IMPLICATIONS

- The Council will provide at least £4.5 million of capital, plus any further capital within the joint venture with Welsh Government
- Further capital will be made available through prudential borrowing if the costs of the borrowing can be funded through revenue savings on the existing cost (2016/17 budget) of LLC (£555,585)

4.32 In this way the Council can seek to get the best commercial offer for the redevelopment of LLC.

Summary

4.33 Both options still have the potential to deliver significant revenue savings and there is still the potential to deliver the redevelopment of the LLC as part of any procurement

4.34 We consider the future approach and key conclusions within the next section.

Delivery of Outcomes

- 5.1 A key focus of the service that CCC is seeking to deliver is to identify the outcomes which the service should deliver and the success of the service be measured against.
- 5.2 Our review of the previous study has confirmed that the conclusions identified are still relevant in that
- Both a new NPDO and an existing NPDO have the potential to deliver significant revenue savings (up to £379,000 per annum) through a partnership, which focuses on delivering the outcomes
 - A partnership with an existing NPDO is likely to deliver greater financial savings
 - There is the potential to deliver a new or refurbished LLC through using revenue savings to fund capital required
- 5.3 In addition our review has identified a number of other key factors which may impact on any future decision making, including
- The new public contracts regulations 2015 suggest that there is a need for CCC to undertake some form of procurement process whether establishing a new NPDO or partnering an existing NPDO
 - There would appear to be two options for procurement, either with or without a bid submission from a newly established NPDO
 - Soft market testing has identified a significant level of market interest in the leisure services portfolio, in particular the sport and leisure centres
 - The MTFs has identified a number of savings for the service up until 2017/18
- 5.4 Taking these issues set out above and the overall review of the previous study as set out in the report we set out below the key recommendations for the future development.

Key Recommendations

It is recommended that CCC seek to enter into a partnership with an existing or hybrid NPDO through a procurement process using competitive dialogue, which has the key parameters set out in the procurement strategy below, which will seek to deliver the MTFs financial savings, in line with the affordability levels set out below. The procurement process would be without a bid submission from a newly established NPDO.

The initial scope of the partnership would be for Sports and Leisure plus Theatres, with further consideration given to other services once the contract has been operational.

If there is no interest in some or all of the services, CCC should then seek to establish a new NPDO for the services to deliver the financial savings within the MTFs.

SECTION 5 – CONCLUSIONS AND WAY FORWARD

5.5 The rationale for entering into a procurement process with an existing NPDO only as opposed to a process with a newly established NPDO bidding is as follows

- There is a need for a procurement process to be followed and if a newly established NPDO is bidding then the Council will need to establish both an evaluation team and bidding team, which could increase resources required
- Bidders may be put off bidding if a newly established NPDO is also bidding
- An existing NPDO is likely to deliver improved financial savings and in addition, experience has shown that these can be delivered more quickly.
- The Council may well be able to assert more control over an existing NPDO
- The soft market testing process suggests that some bidders may come forward with innovative new models which bring local input and operation to the future delivery

5.6 If this recommendation is agreed then the future procurement strategy is set out below to deliver on the future outcomes, as well as consideration of the LLC redevelopment.

Future Procurement Strategy and Way Forward

5.7 We consider a number of key issues for the procurement strategy, which sets the framework for the overall process, including.

- Key Outcomes
- Bid Options and Structure
- Affordability Levels & Financial Implications
- Evaluation Criteria

5.8 The overall approach and timetable is based on a new contract being in place for April 2016 and is based on a competitive dialogue process and will consist of the following stages

- Pre Qualification (PQQ)
- Invitation to Submit Detailed Solutions (ISDS)
- Invitation to Submit Final Tenders (ISFT)
- Preferred Bidder and Contract Award

Key Outcomes

5.9 There are a number of key outcomes which the future Leisure Management Partnership is expected to deliver, which include

- *Facility Investment*
 - Refurbishment or replacement for LLC, based on the feasibility studies undertaken

SECTION 5 – CONCLUSIONS AND WAY FORWARD

- Investment in other leisure and cultural facilities to ensure long term sustainability and delivery of commercial opportunities
- Life Cycle costs responsibility to sit with the contractor, although it is recognised that some costs and issues which are difficult to predict may sit better with the Council

- *Service Delivery*
 - Maintain the level of quality of provision as current as a minimum, with continuous improvement
 - Deliver on the Council's key outcomes which include
 - People can access opportunities to be active
 - More children are hooked on leisure/cultural activity for life (0-18)
 - More People (18+ years) are active in Leisure and Culture
 - People are affiliated to clubs/community groups or facilities
 - People are given the skills to become physically and creatively literate for life
 - People achieve their potential
 - Our facilities and services are well managed and efficient
 - Provision of pricing for disadvantaged groups and core prices and maintaining current pricing levels

- *Financial Implications*
 - Affordability levels to be based on existing revenue costs, and the savings identified in the MTFS
 - Any capital investment to be funded through revenue savings over and above those levels of capital identified for LLC.
 - Surplus Share to be included based on simple 50:50 share of surplus above management fee submission, to provide income generation for the Council.
 - Utilities benchmarking to be included based on price benchmarking only – Contractor responsible for energy consumption

5.10 We consider the affordability level later in this section.

Bid Options and Structure

5.11 We set out in Table 5.1 overleaf the structure of the bid (both mandatory and optional submissions) for the ISDS phase which will mean bids which will enable the Council to consider the future options before narrowing down the options at ISFT.

Table 5.1 – Bid Requirements

Bid	Requirements
Mandatory Solution (MS)	<ul style="list-style-type: none"> • Operation of the portfolio of sport and leisure plus theatres portfolio to include <ul style="list-style-type: none"> ○ Design, Build, Operate and Maintain for either a refurbishment or new build for LLC ○ Investment in other facilities to deliver on the outcomes and affordability levels • Full responsibility for the buildings including operational delivery (in accordance with specification) and life cycle costs • 20 Year Contract Term from 1 April 2016 • Bidders should include construction programme and should price for interim operation of the existing facilities until the new facilities are open • Bidders can include any additional commercial facilities which improve the overall financial offer.
Mandatory Variants (MV)	MV1 – As per the MS but with operation of the existing facilities with no capital investment
Optional Variants (OV)	<p>The bidder can submit any additional variant bids which provide added value to the Council and deliver either an improved service or better value for money. In particular some of the areas which the Council has identified as possible added value items include</p> <ul style="list-style-type: none"> • Commercial development (such as soft play, extreme sports, climbing) which deliver enhanced opportunities and finances • Differing contract terms (either longer or shorter) • Different risk profiles, such as life cycle costs • Different prices to customers • Only certain facilities

5.12 The bid structure presented above would be refined following the PQQ stage.

Affordability & Financial Implications

5.13 We summarise over the following paragraphs the affordability and financial implications, with further detail presented in Section 4.

5.14 Currently the Council has developed a MTFS which delivers future savings and on the assumption that a new delivery model will be in place for 2016/17 then there is the potential to deliver an improved model which can deliver the following future cost to the Council

SECTION 5 – CONCLUSIONS AND WAY FORWARD

Table 5.2 – Future Affordability Levels

Sport & Leisure Plus Theatres

£'000's	2016/17	2017/18	Annual Average		Total
			Years 3 - 10	Years 3 - 20	
10 Year Contract	2,627	2,306	2,205		22,571
20 Year Contract	2,627	2,306		2,099	42,714

5.15 In addition to this there is the potential to include an affordability level for LLC, through the identification of a capital level and current revenue cost which bidders must deliver on. An example of this would be

- The Council will provide at least £4.5 million of capital, plus any further capital within the joint venture with Welsh Government
- Further capital will be made available through prudential borrowing if the costs of the borrowing can be funded through revenue savings on the existing cost (2016/17 budget) of LLC (£555,585)

5.16 There will then be additional (non controllable) costs which are within the Council and remain as budgets in the Council.

5.17 It will be important to set out for the bidders this affordability position which considers a number of different factors including the revenue position of the Council and the capital input the Council is prepared to make.

5.18 We recommend that affordability position for the Council is set out as follows:

SECTION 5 – CONCLUSIONS AND WAY FORWARD

Council Affordability

£4.5 million of capital and a revenue budget for the 20 year term of £42.714 million have been identified as the affordability limit. If bidders require any additional capital funding the Council have the ability to provide further capital assuming that the scheme stays within the affordability limits, for which bidders will need to account for repayment costs in accordance with the amounts set out below.

The £4.5 million identified is allocated to the refurbishment or redevelopment of LLC, with further potential from the joint venture.

At this stage of the project the Council has identified the potential to borrow the capital identified above but it will be dependent on overall affordability at the time and subject to any changes in legislation, etc when the capital is required.

The affordability evaluation will be undertaken based on the capital being provided by the Council through prudential borrowing.

For any capital that is provided through prudential borrowing the following repayment costs should be clearly shown within bidders submissions.

- Based on interest rate of 3.63% with a 25 year term
- £59,378 per annum per £1 million borrowed

Thus if a bidder is borrowing £3 million then they should include a repayment of £178,134 per annum in their financial submission.

The actual interest rates (including the provision for MRP) which will be used for any borrowing will be determined at the time of drawdown, but for the purposes of evaluation bidders should use the above figures.

5.19 The Council can then also consider what length and level of borrowing it undertakes once bids have been received, for example, other councils have borrowed over the life of the asset as opposed to the contract (such as 40 years). There will also be a need to consider the cashflow for the project once bids have been received and the borrowing can be factored to accommodate this.

Evaluation

5.20 The approach to evaluation will be to deliver a bidder who provides the most economically advantageous bid to take into account any design and capital build, service quality and commercial arrangements.

5.21 Bidders' Detailed Solutions will be scored against the evaluation criteria set out in the Evaluation Model. The Evaluation Model also sets out the maximum weightings that have been given to each criteria.

5.22 Tenders will be evaluated against the award criteria set out below, with more detailed criteria developed under each of these principle areas as the project develops.

SECTION 5 – CONCLUSIONS AND WAY FORWARD

Evaluation Criteria	Weighting
Services	40%
Technical	10%
Commercial	50%
Total	100%

5.23 An Evaluation Team shall be responsible for evaluating the Detailed Solutions and raising clarification issues with Bidders and ultimately making short listing recommendation(s) to the Council's Project Boards and Members.

5.24 The Evaluation methodology and Evaluation Model will be applied by the Council to score and rank Bidders and will be used to determine which Bidders and Detailed Solutions will be short-listed for the detailed dialogue phase leading to call for Final Tenders.

5.25 Bidders should note that at the Final Tender stage it will be a submission requirement that Bidders submit a solution that reflects the dialogue to date and does not step back or renege from the solution proposed in dialogue.

5.26 The Council will score the Detailed Solutions (and Final Tenders) against the Tier 2 (and where applicable Tier 3) sub-criteria. Each response, will be marked out of a total possible score of 10.

Score	Rating	Criteria for Awarding Score
0	Unacceptable	Does not meet any of the Council's requirements.
1-2	Very Weak	Insufficient information provided / unsatisfactory.
3-4	Poor	Fails to meet the minimum standard, some major concerns
5-6	Acceptable	Satisfactorily achieves the minimum standard, acceptable, no major concerns
7-8	Very Good	Exceeds the requirements, good, full and robust response, gives confidence and will bring added value/benefit to the Council
9-10	Excellent	Considerably exceeds requirements, outstanding, and will bring significant added value/benefit to the Council, shows innovation and the Council has full confidence in response.

5.27 The pass mark for the following evaluation areas is 5 out of 10 and any responses scoring less than 5 for any area listed below will be considered to not meet the requirements and therefore fail the evaluation and the submission will be rejected. These evaluation areas are

- Health & safety
- Staffing

5.28 For the evaluation of affordability the following scoring mechanism will be used, and will apply to the overall annual average Management Fee, to include any costs of capital through prudential borrowing requirements.

SECTION 5 – CONCLUSIONS AND WAY FORWARD

5.29 The Council is expecting that the overall cost of the Detailed Solutions submitted will be within the Council's affordability threshold.

5.30 The Council reserves the right to reject any Detailed Solutions which exceed the affordability threshold as being non-compliant.

5.31 At ISDS the overall annual Management Fee of the Detailed Solution will be scored on a scale which is fixed as follows:

- (a) an overall annual Management Fee which achieves the affordability threshold will score 1
- (b) an overall annual Management Fee that exceeds the affordability threshold will score 0.
- (c) an overall annual Management Fee of £500,000 under the affordability threshold or less will score the maximum score of 10

5.32 The scores will be calculated to one decimal place. A worked example is shown below based on a management fee which is £350,000 below the affordability level:

- Receives 1 mark for achieving the affordability level
- receives a further 6.3 marks for the pro rata'd amount between affordability level and £500,000 below, i.e. $350,000/500,000 = 0.7 \times 9$ marks (difference between 1 & 10) = 6.3
- total marks received is 7.3 marks (1+6.3)

5.33 A project plan, setting out actions and timescales, will form part of the process and is structured to allow flexibility throughout the process including dialogue with any potential partners (if appropriate) to ensure that CCC achieve a solution that not only delivers the financial savings but also will deliver the outcomes.

EXECUTIVE BOARD 28TH SEPTEMBER 2015

Llanelli Car Parks

Purpose: For Executive Board to Consider a Council Motion to Pilot Free Two Hour Car Parking for a Six Month Trial Period.

Recommendations / key decisions required:

Executive Board are presented with a number of options for consideration and determination.

Reasons:

County Council of the 15th April, 2015 considered the following motion :

"This Council acknowledges the current challenges facing Llanelli Town Centre and; to show its support for local businesses and traders, to generate footfall within the Town Centre and compete with out-of-town retail parks, requests the Executive Board to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre."

County Council resolved that the Motion be supported and the proposal to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre be referred to the Executive Board for consideration.

Relevant scrutiny committee to be consulted NO

Exec Board Decision Required YES

Council Decision Required YES

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Councillor Hazel Evans

Directorate :

Environment

Name of Head of Service:

S.Pilliner

Report Author: S.Pilliner

Designations: Head of
Transport and Engineering

Tel Nos. 01267 228150

E Mail Addresses:

SGPilliner@Carmarthenshi
re.gov.uk

EXECUTIVE BOARD

28th SEPTEMBER 2015

Llanelli Car Parks

County Council at its meeting on 15th April 2015 considered the following motion:

"This Council acknowledges the current challenges facing Llanelli Town Centre and; to show its support for local businesses and traders, to generate footfall within the Town Centre and compete with out-of-town retail parks, requests the Executive Board to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre."

County Council resolved that the Motion be supported and the proposal to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre be referred to the Executive Board for consideration.

This report provides information along with options for Executive Board to consider, relative to the resolution made. The report provides information on :

- Parking Policy
- Information and evidence on car parking performance for Llanelli.
- Research undertaken on the impact of parking charges on town centres
- Implications that will arise should Executive Board decide to introduce free car parking.
- Information on car park budget decisions that are currently held in abeyance, whilst the motion is being considered.

The report also requests Executive Board to consider the motion within the context of the wider support provided for town centres, together with the current budget decisions that need to be implemented.

The provision of free car parking will reduce revenue for the Council which would result in a reduction in investment for other highway and transport related services leading to further loss of services. It may also not have the desired outcome in terms of trade for the town. However it is recognised there is a need to respond to the concerns of the town centre traders and Members. A number of options are therefore set out for consideration. The options for consideration are :

6.2.1. Executive Board may wish to accept the motion and address the minimum £130,000 revenue impact by imposing deeper cuts to services which may have a disproportionate impact on others, such as those who use the public transport network. This option would also generate similar demands from town centres across Carmarthenshire with additional minimum revenue implications of £586,434. The County Council would also have to invest in modifying ticket machines and undertaking detailed surveys to measure the impact of the change, if it is approved.

6.2.2 Executive Board may wish to retain the existing charges together with those charges that are held in abeyance and then encourage the town centre to maximise the take up of the free car parking days available to the town centre. This would help address a current budget pressure of £109,000 on the parking account.

6.2.3 Alternatively Executive Board may wish to retain the existing charges but postpone the introduction of evening charges and the 20p increase for the current year, but introduce next year. The revenue implication is £109,000 within the current financial year.

6.2.4. Executive Board may wish to introduce a two hour period of free car parking between 3:00 p.m. and 5:00 p.m. each day for a period of one month in October. Such an initiative would enable a further analysis of demand to measure the impact of free parking.

6.2.5 Retain all current and planned charges but seek town centre trader support for the introduction of a scheme whereby traders are able to discount the cost of their goods/services where users have produced evidence of parking on the day of purchase. This can be facilitated with a double ticket issue. This could benefit trade for shops and help sustain existing services that are important to the town centre.

6.2.6. Retain all charges but explore an option to introduce a pay on exit system at the multi storey car park in lieu of the pay and display / pay on foot system. Such an option would require capital investment of circa £61,000 and further investment in staffing resource of approximately circa £54,000 to ensure there was permanent cover on site for addressing customer payment problems and ensuring cash machines are topped up.

6.2.7. The Leisure Centre car park at Llanelli is under constant pressure as the public are using the facility as a long stay general car park to the detriment of leisure centre customers and the leisure centre. It is therefore proposed that charges are introduced at the leisure centre, to discourage non centre users to park at more appropriate locations. Appropriate dispensations for leisure centre users are accommodated within the charging system.

6.2.8. Executive Board may wish to reintroduce the Llanelli Task Force to be chaired by the Leader.

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: S G Pilliner

Head of Transport & Engineering

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

Should Executive Board decide to accept the motion, the proposal would fall outside the scope of the council budget approval and the principles of the wider transport strategy in regards to the key objectives :

- Encourage safer, healthier and more sustainable travel.
- Improve the sustainability of transport by improving the range and quality of, and awareness about transport options including those which improve health and well being.
- Improve the efficiency, reliability of the movement of people and freight within and beyond south west Wales to support the regional economy.
- Improve integration between polices, service provision and modes of transport in south west Wales.
- Implement measures which make a positive contribution to improving air quality and reducing the adverse impact on health and climate change including reducing carbon emissions.

2. Legal

Should Executive Board decide to introduce free car parking, formal Council approval will be required and the Orders for the car parks may need to be amended, depending on the preferred option.

3. Finance

A number of options are presented for consideration which has a financial implication as set out in the report. There is no current budget allocation for the options that carry a financial implication.

4. ICT

The back office system will need to be updated depending on the option preferred.

5. Risk Management Issues

Full Council has asked Executive Board to consider the introduction of free two hour car parking at Llanelli for a trial period of six months. There are financial risks arising from the budget strategy decisions and potential reputational risks.

6. Physical Assets

A number of the options if selected will require changes to car park infrastructure such as metering or more detailed engineering works as set out in the report.

7. Staffing Implications

There will be a staffing implication for some of the options, as set out in the report.

CONSULTATIONS

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

Signed: S.G.Pilliner

Head of Transport and Engineering

1. Scrutiny Committee N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

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

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

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
County Council Minutes		http://online.carmarthenshire.gov.uk/agendas/eng/CO20150415/index.asp
Integrated Parking Strategy		Environment Department , Parc Myrddin
Regional Transport Plan		Environment Department , Parc Myrddin
Local Transport Plan		Environment Department , Parc Myrddin

Report of the Interim Director of Environment

Executive Board
28th September 2015

Llanelli Car Park

For Executive Board to consider a Council Motion to Pilot Free Two Hour Car Parking for a Six month Trial Period

Head of Service & Designation. S G Pilliner Head of Transport & Engineering	Directorate Environment	Telephone No. 01267 228150
Author & Designation As above	Directorate	Telephone No

1.0 INTRODUCTION AND BACKGROUND

1.0 County Council at its meeting on 15th April 2015 considered the following motion:

"This Council acknowledges the current challenges facing Llanelli Town Centre and; to show its support for local businesses and traders, to generate footfall within the Town Centre and compete with out-of-town retail parks, requests the Executive Board to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre."

1.1 County Council resolved that the Motion be supported and the proposal to implement a 6 month trial of 2 hour free parking in Council car parks in Llanelli Town Centre be referred to the Executive Board for consideration.

1.2 This report provides information along with options for Executive Board to consider, relative to the resolution made. The report provides information on :

- Parking Policy
- Information and evidence on car parking performance for Llanelli.
- Research undertaken on the impact of parking charges on town centres and
- Implications that will arise should Executive Board decide to introduce free car parking

1.3 The report also requests Executive Board to consider the motion within the context of the wider support provided for town centres, together with the current budget decisions that need to be implemented.

2.0 PARKING POLICY

2.1 The County Council Policy on parking and charging is set out in the Integrated Parking Strategy (IPS). The Strategy reflects wider national and regional transport policy which aims to strike a balance between the economic, environmental and social priorities for a modern day society.

2.2 The IPS acknowledges that parking charges help balance the needs of local communities, individuals who rely on public transport, local economies and business needs with the needs of the environment. The Integrated Parking Strategy sets the following aims and objectives to help the authority achieve this :

- To facilitate parking provision and management that maximises the use of existing stock by encouraging churn.
- To ensure that parking facilities are safe, accessible and convenient and that they comply with the Disability Discrimination Act
- To promote more sustainable travel choices through parking provision and pricing at the same time as maintaining economic viability.
- To be consistent with national and regional parking objectives and with the strategic transport policy in the Council Local Development Plan

2.3 The strategy prioritises actions to achieve the objectives. The actions include the following:

- To prioritise short stay car parking in town centres. This maximises the number of vehicles that can use the space in one day and thus the economic benefit to the local business community. This is supported by long stay car parking on the periphery of towns.
- To encourage Shopmobility in Town Centres to support the Disabled
- To improve integration with public transport e.g. facilities near rail and bus stations.
- To provide coach and other parking.

2.4 The County Council's Integrated Parking Strategy is consistent with the Wales Transport Strategy, the former Regional Transport Plan and now the Local Transport Plan for the Swansea Bay City Region. These important strategies and plans seek to:

- Encourage safer, healthier and more sustainable travel.
- Improve the sustainability of transport by improving the range and quality of, and awareness about transport options including those which improve health and well being.
- Improve the efficiency, reliability of the movement of people and freight within and beyond south west Wales to support the regional economy.
- Improve integration between polices, service provision and modes of transport in South West Wales.
- Implement measures which make a positive contribution to improving air quality and reducing the adverse impact on health and climate change including reducing carbon

emissions.

The former Regional Transport Plan also confirmed that the local authorities should work collaboratively to adopt a consistent approach to charging relative to economic activity and the availability of public transport or other alternatives in the specific area.

3.0 CONTEXT

3.1 In working to these objectives, the County Council supports a mix of transport interventions and services within town centres. For example, investment is made into the maintenance and support of highway and parking infrastructure, the public transport system through direct revenue support for services and concessionary fares, bus stations and publicity, cycling and walking facilities and Shopmobility.

3.2 The Council recognises price is also a key demand management tool to encourage turnover of parking space, thereby reducing congestion, stimulating traffic flow to improve air quality and road safety. The greater the churn of cars parking, the more people are spending money in town centres. Charges are also set relative to the socio economic factors of town centres. There are different charge rates and charge bands for Carmarthen, Llanelli and the rural towns

3.3 The Council motion suggests that the introduction of free car parking will demonstrate council support for businesses to generate footfall and to help the town centre compete with out of town retail parks. It reflects the typical perception of the impact of charges on town centres without the wider benefit and consideration of why charges are levied in town centres. There is generally a considerable amount of opinion and speculation over the relationship between car parking provision and town centre prosperity.

The perception that charges have a detrimental impact on town centres is not unusual and several studies have been undertaken to examine whether there is any evidence to demonstrate a link.

3.4 The British Parking Association undertook research in conjunction with the Association of Town and City Centre Management. Their work concluded that there is no clear relationship between car parking charges and the amenities on offer in a location.

3.5 The Transport Research Laboratory (TRL) undertook a review of parking measures and policies in 2010. The TRL work recognised the importance of parking and pricing policy and confirmed that modern car parking policies strive to use parking facilities efficiently by linking optimal parking supply and price and that *too much supply is as harmful as too little, prices that are too low are as harmful as those that are too high.*

The TRL review confirmed that there are two roles of parking :

1. To balance supply and demand
and
2. Use parking to meet other policy objectives such as Traffic management goals,

accessibility for business and shoppers.

3.6 The TFL report recognised there are often conflicting perspectives on parking whilst parking charges represent only a relative small proportion of a journey's cost. It also confirmed that if parking policy is viewed independent of transportation policy and as long as on and off street parking is treated independently, there will be a dysfunction, leading to a degradation of public transport services and infrastructure.

3.7 Whilst charging for parking has been traditionally treated as a step function, with prices increasing incrementally at infrequent intervals, parking demand is a continuous function, having experienced steady growth over recent years due to increases in traffic growth. As a result, parking charges tend to lag behind increases in demand so pressure is continuously placed on the highway network. In this way parking pricing policies applied in isolation from other interventions may not be an effective management measure.

3.8 Other studies undertaken have also arrived at a similar conclusion i.e. the main motivation for choosing parking location is convenience rather than expense. Research undertaken by the RAC identified that the average annual parking cost is circa £42 per vehicle registered and £47 per household. By contrast, the amount spent on fuel is circa £1,600 per annum. A typical family motor car averaging 10,000 miles per annum will cost between 37 and 42 pence per mile travelled to own and run.

3.8 There is therefore a need for careful application of policy if the right balance is to be achieved. The right balance will assist with:

1. Sustaining a public transport network as much as possible
2. Ensuring there is no excess of demand over supply for parking.

3.9 From a Carmarthenshire perspective revenue from car park charges has helped sustain:

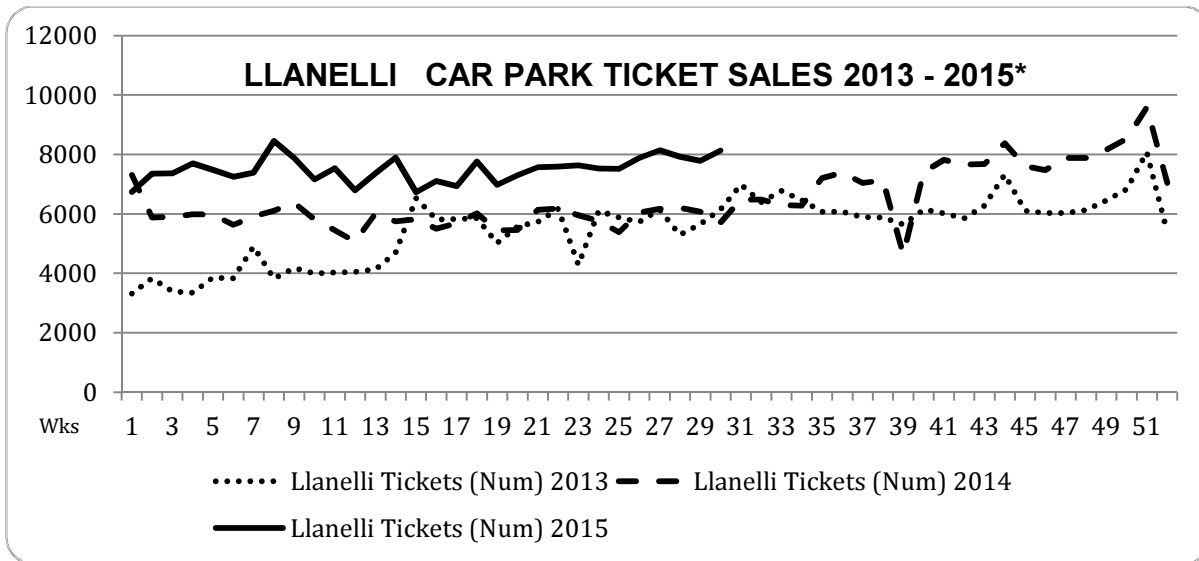
- public transport
- major capital investment into the Multi Storey car park
- the highway infrastructure
and
- Shopmobility

thereby ensuring the authority is able to support a mix of transportation options for the town centre. This is consistent with the policy objectives set out above and good practice identified in the research.

4.0 LLANELLI TOWN CENTRE

4.1 The performance of the Llanelli car parks has been analysed to establish trends on usage and the implications of introducing a pilot scheme for free two hour car parking for six months. The competitive position of Llanelli Town Centre car park charges relative to other towns across South West Wales has also been explored

4.2 The trend in terms of overall ticket sales for the Llanelli car parks is positive both for year on year sales and in year sales, as demonstrated in the graph below:



* Changes were introduced in late August 2014 with the introduction of charging for Sundays and Blue Badge holders.

4.3 There are seasonal variations across the year, sales are also influenced by the free car parking days introduced for events run by the town centre outside of the core Christmas trading period.

4.4 The average income per week, relative to ticket sales for the calendar year 2013 was £7,240 compared to £8,948 in 2014 and to in 2015 to date it is £10,227 per week.

4.5 There are four price bands for tickets ranging from one hour to 4+ hours in the short stay car parks. The distribution of sales by price band in Llanelli is:

- 17.81% of ticket sales related to a 1 hour charge band.
- 14.90 % sales relate to the 2 hour charge band.
- 5.18% relate to a 3 hour charge band.

and

- 61.11 % relate to the four hour plus charge band.

People are purchasing tickets for a longer stay charge band in Llanelli. This may be due to the marginal difference of 40p between the 2 hour and the four hour charge band. This may also suggest that people are not overly price sensitive when making a choice around parking at Llanelli as they opt for a 4 hour band at a twenty percent premium.

4.6 Llanelli Competitive Position.

A comparison of car park charges in Llanelli compared to similar towns across South Wales is

set out below.

Town	1 Hour Charge	2 Hours Charge	3 Hour Charge	4 Hour Charge
Llanelli	1.20	1.60	1.80	2.00
Neath	1.30	1.80	2.30	2.80
Port Talbot	1.30	1.80	2.30	2.80
Aberystwyth	1.30	1.80	2.50	3.50
Carmarthen	1.60	2.20	3.40	3.40

The charges for Llanelli are extremely competitive when compared with towns of a similar demographic and function.

5.0 CURRENT ISSUES.

5.1 An analysis of the revenue reduction for Llanelli indicates that free 2 hour car parking for a period of 6 months will lead to an estimated revenue reduction ranging from a minimum £130,000 and greater if people change parking behaviours as income generated from the 3 and 4 hour band amounting to circa £249,000 would get reduced. Other towns are also likely to demand a similar reduction. Should this happen a further minimum revenue reduction of £586,434 would arise.

5.2 Revenue from car parking sustains key highway and transportation related services for the Council, any reduction in revenue will therefore have an impact on service provision such as public transport. Public transport support helps sustain over 800,000 passenger journeys per annum , with many of the journeys concluding at town centres. A reduction in revenue for public transport will impact on visitors to the towns and also have a longer term impact on Social Care and Health system as keeping people mobile helps sustain independence for longer. Many elderly people rely on public transport.

5.3 There are also a number of initiatives that are in abeyance due to ongoing uncertainty following receipt of the Council motion. The initiatives include:

- price increase of 20 pence per charge band for the current year to date
- evening charges for 2 car parks (John Street Carmarthen and Eastgate Llanelli)
- charging at Llanelli Leisure Centre that have not been introduced to date.

5.4 The County Council has approved a policy whereby town centres are offered five free car parking days per year out of the core period

Llanelli town did not make use of all free car parking days in 2014/15. Only three of the five free days were taken up by the town and to date no request have been received for 2015/16.

6.0 CONCLUSION and OPTIONS for CONSIDERATION

6.1 Whilst there is a perception that parking pricing spoils economic activity by discouraging customers, there is evidence that parking pricing provides economic benefits as it increases turnover of parking spaces. It makes finding a space easier, reduces the number of parking spaces required at a location which can provide longer term financial benefits and reduce traffic problems such as congestion and air quality. General levels of provision may also affect modes of travel, in turn impacting on the quality of the shopping environment.

6.2 The provision of free car parking will reduce revenue for the Council which would result in a reduction in investment for other highway and transport related services leading to further loss of services. It may also not have the desired outcome in terms of trade for the town. However it is recognised there is a need to respond to the concerns of the town centre traders. A number of options are therefore set out for consideration. The options for consideration are:

6.2.1. Executive Board may wish to accept the motion and address the minimum £130,000 revenue impact by imposing deeper cuts to services which may have a disproportionate impact on others, such as those who use the public transport network. This option would also generate similar demands from town centres across Carmarthenshire with additional minimum revenue implications of £586,434. The County Council would also have to invest in modifying ticket machines and undertaking detailed surveys to measure the impact of the change, if it is approved.

6.2.2 Executive Board may wish to retain the existing charges together with those charges that are held in abeyance and then encourage the town centre to maximise the take up of the free car parking days available to the town centre. This would help address a current budget pressure of £109,000 on the parking account.

6.2.3 Alternatively Executive Board may wish to retain the existing charges but postpone the introduction of evening charges and the 20p increase for the current year, but introduce next year. The revenue implication is £109,000 within the current financial year.

6.2.4. Executive Board may wish to introduce a two hour period of free car parking between 3:00 p.m. and 5:00 p.m. each day for a period of one month in October. Such an initiative would enable a further analysis of demand to measure the impact of free parking.

6.2.5 Retain all current and planned charges but seek town centre trader support for the introduction of a scheme whereby traders are able to discount the cost of their goods/services where users have produced evidence of parking on the day of purchase. This can be facilitated with a double ticket issue. This could benefit trade for shops and help sustain existing services that are important to the town centre.

6.2.6. Retain all charges but explore an option to introduce a pay on exit system at the multi storey car park in lieu of the pay and display / pay on foot system. Such an option would require capital investment of circa £61,000 and further investment in staffing resource of approximately circa £54,000 to ensure there was permanent cover on site for

addressing customer payment problems and ensuring cash machines are topped up.

6.2.7. The Leisure Centre car park at Llanelli is under constant pressure as the public are using the facility as a long stay general car park to the detriment of leisure centre customers and the leisure centre. It is therefore proposed that charges are introduced at the leisure centre, to discourage non centre users to park at more appropriate locations. Appropriate dispensations for leisure centre users are accommodated within the charging system.

6.2.8. Executive Board may wish to reintroduce the Llanelli Task Force to be chaired by the Leader.

EXECUTIVE BOARD 28TH SEPTEMBER 2015

Pre-application Fees

Recommendations / key decisions required:

To consider and agree an option for introducing charges for pre-application advice prior to the potential submission of applications for planning approval.

Reasons:

Nationally set fees are to be introduced, having been the subject of a Welsh Government consultation earlier in 2015, and more recently as part of an additional ongoing consultation that frames a charging schedule. However in order to benefit from increased income to the authority, it is proposed that the charges be introduced immediately.

Relevant scrutiny committee to be consulted YES

Scrutiny committee and date: Community Scrutiny – November 2015

Exec Board Decision Required YES

Council Decision Required NA

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Councillor M Gravell

Directorate Environment Name of Head of Service: Report Author: E Bowen	Designations: Interim Director of Environment	Tel Nos. 01267 224647 E Mail Addresses: EBowen@carmarthenshire.gov.uk
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**EXECUTIVE SUMMARY
EXECUTIVE BOARD
28TH SEPTEMBER 2015**

Pre-application Fees

One of the central themes of the Welsh Government's reform on the planning system in Wales is to "frontload" the Development Management process, and the Planning Act introduces new pre-application processes that will be key to the delivery of effective frontloading. Section 18 of the Bill introduces a new statutory requirement for Local Planning Authorities (LPAs) to provide pre-application services to applicants.

The statutory service would apply to development proposals that would need an application for planning permission in order to be implemented, and would require LPAs to provide a written response to pre-application enquiries, when submitted on a standardised form with the correct fee, within a given timeframe. The proposed timescale for a response to be provided from the LPA to the applicant is 21 days from the receipt of a valid pre-application enquiry. For more complex cases, provision is made to allow an extension of time when this is agreed in writing by the LPA and applicant.

Only enquiries submitted on the pre-application enquiry form will be able to access this statutory pre-application service. The minimum requirements to be included in the written response are set out in the consultation paper; and a proposed schedule of charges appears in the document.

Any additional written advice or meetings from LPAs to applicants regarding their pre-application enquiry will not form part of the statutory service. However, LPAs will be encouraged to provide a pre-application service over and above the statutory minimum, and it is recognised that this may be subject to a discretionary charge under section 93 of the Local Government Act 2003. Clarity around what this may encompass will, hopefully, emerge from the consultation process.

The authority have been considering introducing such charges, following the trend set by a number of planning authorities; indeed, there could be a perception that the Authority is currently acting in isolation of authorities in the region in this regard. However, as the proposal appeared in the Bill, the decision to introduce charges in Carmarthenshire has been deferred until the nationally proposed charges were known. Some authorities have set the fee above the proposed in the consultation paper and may well be required to reduce them should the proposals as consulted on be implemented. One example is the City and County of Swansea, who do not charge for householder development (proposed to be £25 in the consultation document), but levy a £750 charge for major developments, with the proposal for a national charge for major schemes being £300. This compares with £600 levied by Neath and Port Talbot and a sliding scale for major applications within the Brecon Beacons National Park ranging from £1200 to £3000.

LPA's will also be required to provide a pre-application service for a new category of applications, Developments of National Significance (DNS), a national fee of £1,000 is proposed. LPA's will have 28 days to provide a response with provision made to allow an extension of time when this is agreed in writing by the LPA and applicant.

A nationally set scheme of charges is seen as a rational approach to ensure consistency, coupled with a nationally set standard of service.

The authority already offer a pre application service however given the trend to charge and the proposed national fees, it is timely for Carmarthenshire to introduce charges, options include:

Option 1: Await the outcome of the consultation (closes September 11th) and implement charges when they are set by Welsh Government. No date set however it will require secondary legislation.

Option 2; Introduce the charges as proposed in the consultation document; with the risk that these could be increased or reduced, the latter is unlikely, however the issue can be overcome by placing a caveat on any proposal that they will reflect the nationally set levels once these have become law.

Option 3: as with 2 however add other charges on issues not covered by the nationally listed developments, such as work on Tree Preservation Orders, and review existing charges such for High Hedge disputes.

The proposed fees will not apply to Nationally Significant Infrastructure Projects, as the legislation relating to NSIPs (Planning Act 2008) applies to England and Wales and work is presently being considered on two schemes in Carmarthenshire and. Both relate to the Brechfa West wind farm and discussions are ongoing on a Planning Performance Agreement to resource the consideration of these matters.

DETAILED REPORT ATTACHED ?	NO
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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: E Bowen

Director of Environment

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

Legal

The Planning Act 2015 received Royal Assent in July; Section 18 of the Act introduces a new statutory requirement for LPAs to provide pre-application services to applicants.

Under section 93 of the Local Government Act 2003 Local Authorities may charge for discretionary services.

Finance

While a pre-application service is already provided it is difficult to assess take up once a fee is in place; any income received will fund graduate posts and the position will be reviewed in two years.

Staffing Implications

Two graduate planning trainees are in the process of being recruited for a temporary period of two years, to ensure the statutory deadlines quoted are met.

CONSULTATIONS

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

Signed: E Bowen

Interim Director of Environment

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

1. Scrutiny Committee – N/A

2. Local Member(s) - N/A

3. Community / Town Council – N/A

4. Relevant Partners - N/A

5. Staff Side Representatives and other Organisations – N/A

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

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

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

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EXECUTIVE BOARD 28TH SEPTEMBER 2015

Syrian Vulnerable Person's Relocation Scheme

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

It is recommended that, with immediate effect, we will:

1. Appoint a member 'champion' and lead officer to be responsible for developing the Council's approach
2. Initiate a cross sector task force of interested partners to deliver a co-ordinated programme
3. Work with neighbouring authorities, public sector colleagues and the third sector (including advice agencies, voluntary, charitable and religious organisations) to ensure a co-ordinated and effective regional approach
4. Play a full part in national conversations and initiatives, working closely with Welsh Government and the WLGA
5. Prepare a detailed action programme for consideration by the Executive Board, including the financial implications
6. Regularly report back to Executive Board on progress regarding the delivery of the re-settlement and support programme

REASONS:

On the 9th September, 2015 County Council recognised the plight of Syrian refugees and made clear its wish to participate in the international humanitarian relief effort.

Scrutiny Committee recommendations / comments: N/A

Exec Board Decision Required	YES
Council Decision Required	NO

Executive Board Member Portfolio Holder: Cllr. E Dole - Leader

Directorate Name of Head of Service: Robin Staines	Designations: Head of Housing and Public Protection	Tel Nos. 01267 228960 E Mail Addresses: rstaines@sirgar.gov.uk
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EXECUTIVE SUMMARY

EXECUTIVE BOARD

28TH SEPTEMBER 2015

Syrian Vulnerable Person's Relocation Scheme

1. Background and context

The purpose of this report is to inform Members about the Syrian Vulnerable Person's Relocation Scheme (SPVR scheme) with a view to Carmarthenshire considering how we can support, and actively participate, in the Scheme.

County Council agreed on 9th September that the desperate situation faced by the refugees fleeing the war in Syria was tantamount to a humanitarian disaster and the Council would play a part, and meet its moral obligations, in delivering relief to those affected.

More than 300,000 people have crossed the Mediterranean to Europe so far this year. These people came from different countries under different circumstances. Some are economic migrants while many are refugees fleeing conflict. There has been a vast increase in the numbers arriving across the Eastern Mediterranean from Turkey – more than 150,000 people have attempted that route since January. The majority of these are Syrian refugees where more than 11 million people driven from their homes.

The Prime Minister announced the UK Government's approach to Parliament on Monday 7th September 2015. The key points of the announcement are that the UK will:

- Resettle up to 20,000 Syrian refugees over the rest of this Parliament.
- Not take part in the European Union's relocation initiative and will decide its own approach.
- Continue to re-settle refugees from the camps and from elsewhere in Turkey, Jordan and Lebanon. The belief is that it provides refugees with a more direct and safe route to the UK, rather than risking the hazardous journey to Europe which has tragically cost so many lives.
- Continue to use the established UNHCR process for identifying and resettling refugees and grant a 5 year humanitarian protection visa when they arrive.
- Significantly expand the criteria for the existing Syrian Vulnerable Persons Relocation scheme.
- On the advice of the UNHCR, prioritise vulnerable children (including orphans) when their needs are best met by relocation.
- Meet the full cost of supporting Syrian refugees in the UK through aid spending (for the first year).

Setting out the Welsh Government's position, the First Minister has written: "Wales has a long history of providing refuge to people feeling persecution and refugees from many countries have been welcomed by people in Wales over the years. We are very willing to play our part in supporting the implementation of the Vulnerable Person Relocation Scheme." The First Minister also noted the importance of planning for arrivals and appropriate resourcing of specialist services and support that would be required.

Local authorities have also recently received correspondence from a coalition of third sector and faith based organisations on the SVPR Scheme, seeking their will and commitment to participate and provide sanctuary to those eligible and asking for feedback on any plans to proceed.

A multi agency, multi sector summit is being planned by the Welsh Government to be held on Thursday 17th 2015 to plan Wales' contribution to the scheme. This is very much based on voluntary participation rather than a compulsory quota.

Local authorities who participate in the Scheme are being asked to identify how many individuals or families could be accommodated and over what period. There is no minimum number. A process for referrals would be agreed with the assumption that local authorities will be given a minimum of 4 weeks notice of new arrivals and longer for any complex care needs.

The SPVR scheme has been in operation for some time. A number of authorities in England and Scotland are participating and have already received individuals under the Scheme (187 people at the end of March 2015). Generally these have been families, but with some couples and single people too. As by way of example, Coventry has received 57 Syrian people so far under the Scheme (and are expecting more) and in general it has operated smoothly, with no major difficulties. Specific health care and specialist needs are identified in advance to aid planning and support for involvement in the Scheme was sought from key partners. Integration support in the main is delivered through a commission of third sector bodies (CAB, Law Centre, Migrant Centre). Many of the new arrivals are very resilient people and have also supported themselves through this transition. Other local contacts, for example, Syrian people studying in local Universities have also been involved for additional help and support. The authority has taken a low- key approach to their participation in the Scheme to aid a smooth settlement process for those who have arrived.

2. Implications for Carmarthenshire.

By taking part in the scheme, we would have to commit to providing or sourcing appropriate accommodation for the households. This could range from single people to families. We would also have to make provision in a number of other areas such as social care and education. There is also the need for a co-ordinating role in terms of the economic, health and general well being of the refugees. The full participation of other public, and independent sector, partners will be critical to deliver an appropriate, caring and proportionate response.

The UK Government's commitment stands at 20,000 people over the life of the next Parliament (until 2020). If we assumed households comprised 2.5 people, this would entail the resettlement in the UK of 8,000 households. If our offer was based pro rata on our population, Carmarthenshire would offer to re-settle 60 people or 24 households (based on Carmarthenshire being 0.3% of the UK total population). This level could be relatively easily accommodated within the social housing sector. However health, education and social care needs could only be assessed on an individual basis and it is therefore difficult to estimate the immediate demand for these services.

From a refugee's perspective, Carmarthenshire may not have the infrastructure to sustainably support resettlement. There is no existing discernible Syrian population in the county at present and no community resilience infrastructure. There is a deficit of developed community services, including translation, advice, general welfare and spiritual/religious places of worship. This is amplified by a lack of specialist services reflecting the needs of refugees leaving a war zone. This may make Carmarthenshire less appealing. Depending on dispersal, 24 households may not provide the safety, security and sanctuary that refugees may need after the trauma they have experienced.

It is, therefore, worth considering a number greater than 24 households to ensure a resilient and thriving community could be enabled. Between ourselves and our housing association partners, we make approximately 1,100 new lettings a year. We have already contacted local housing associations to gain their views regarding participation. This number does not include our social lettings agency and our relationship with private landlords which could also be called upon. Of the lettings, in the region of 500 are made to homeless households.

The Council could set aside a number of the remainder for the resettlement programme. Careful consideration would have to be given in terms of the type, size and locality of the individual properties required and their proximity to each other and local services (such as health and education which would reflect individual households). Fifteen properties per year for the duration of the scheme would be both reasonable and sustainable. This would deliver homes for 60 households as opposed to 60 persons on the basis of the pro rata to population. This would also provide a basis for a more sustainable, safe and self supporting community. Planning would need to be instigated in terms of the co-ordination of other public services and the support voluntary, charitable and religious organisations can offer.

Recommendations

In order to respond quickly and efficiently to the situation it is recommended to:

1. Appoint a member 'champion' and lead officer to be responsible for developing the Council's approach.
2. Initiate a cross sector task force of interested partners to deliver a co-ordinated programme. This will include education, social care and housing colleagues in the council together with the NHS and other interested parties.
3. Work with neighbouring authorities, public sector colleagues and the third sector partners (including advice agencies, charitable organisations and religious interests) to ensure a co-ordinated and effective local and regional approach.
4. Play a full part in national conversations and initiatives, working closely with Welsh Government and the WLGA.
5. Prepare a detailed action programme, including confirmation of potential re-settlement figures and the resulting financial and other implications for existing services, for consideration by the Executive Board.
6. Regularly report back to the Executive Board on progress regarding the delivery of the re-settlement and support programme.

Appendix 1: Overview of the Syrian Vulnerable Person's Relocation Scheme

1. The SVPR Scheme will run in parallel with the UNCHR's Syria Humanitarian Admission Programme (HAP) and is based on need. In particular, the Scheme will prioritise help for survivors of torture and violence, and women and children at risk or in need of medical care. For planning purposes, the UK is working on the basis that the UK would take around 20,000 people over the next four. The expectation is that the caseload will include families (with both parents) and women and children at risk cases (i.e. single parent families, female headed).
2. Those eligible for the Scheme are allowed to bring their immediate family with them, limited to one spouse/partner (who must be over 18) and their minor dependent children (under 18). Generally, families will comprise of 4-6 people.
3. All applicants will be subject to the usual immigration checks and screening prior to a visa being granted (those with a criminal past or links to war crimes or extremism are excluded from the Scheme). Those accepted under the Scheme will be granted humanitarian protections giving them leave to remain for 5 years with full access to employment and public funds (including benefits) and rights to family reunion comparable to refugees. If at the end of 5 years they are not able to return to Syria, they may be eligible to apply for settlement in the UK. Usual immigration rules apply in terms of criminal offences, being a danger to the public, or to national security.
4. Local authorities who choose to participate in the Scheme take the lead in working with other key local partners to ensure that arrivals are provided with suitable accommodation and the specific needs of these vulnerable individuals are met. This includes securing the prior sign up of local partners: health (primary and secondary healthcare providers); education and housing providers. Some may wish to commission support services from the third sector (e.g. to deliver orientation services). Consideration will also need to be given to specialist support providers subject to the individuals' specific requirements.
5. The UK Government will meet the costs of the arrivals in terms of accommodation and integration support and education for the first year of arrival. Staffing costs to cover administration of the scheme will also be considered. The funding provided will be based on actual spend by local authorities, for example, the payment of education costs will be on a unit cost basis (which would include language support). A one off cash and clothing allowance for new arrivals of £200 per person is also provided. The amount provided to support orientation and integration support is not known will some funding for these activities would be provided.
6. It is unclear at the moment whether and how health costs will be covered in Wales. The Minister for Communities and Tackling Poverty will write to the Health and Social Care Minister seeking clarification on whether the Welsh Government will reimburse health costs for the same timescale and inform the WLGA.

DETAILED REPORT ATTACHED ?

NO

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: Robin Staines

Head of Housing & Public Protection

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NO	NO	YES	NO

1. Policy, Crime & Disorder and Equalities

It will be critical to understand the wishes of the refugees to support a resilient community and ensure community cohesion with the existing community. Examples elsewhere suggest that communities have been welcoming of the refugees given their experience and plight.

2. Legal

Consideration would need to be given to amend the Housing allocations policy. This could be achieved quickly potentially through the development of a local lettings policy. Consideration could also be given to using alternative legislation to make the allocation and letting in social housing.

3. Finance

Financial implications will be considered through the development of the project and on clarification from both the UK and Welsh Governments.

4. ICT

None

5. Risk Management Issues

None

6. Physical Assets

Use of council housing stock.

7. Staffing Implications

None

CONSULTATIONS

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

Signed: **Robin Staines** Head of Housing and Public Protection

1. Scrutiny Committee

None

2. Local Member(s)

None

3. Community / Town Council

None

4. Relevant Partners

None

5. Staff Side Representatives and other Organisations

None

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers ed in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
None		

4. HYWEL DDA INFORMATION & CONSULTATION STRATEGY FOR CARERS – ANNUAL REPORT 2014-15

The Chair welcomed Peter Llewellyn (Assistant Director of Strategic Partnerships, Hywel Dda University Health Board) to the meeting.

The Committee considered the Hywel Dda University Health Board's Information & Consultation Strategy for Carers Annual Report for 2014/15. The Assistant Director of Strategic Partnerships gave a brief presentation, outlining the work undertaken during 2014/15 and the key challenges and priorities for 2015/16. The presentation focused on the work of the following groups and initiatives:

- Strategy Implementation Group
- Investors in Carers
- Information Sub-Group
- Young Carers
- Training Group / Carer Aware E-Learning Module
- Performance Monitoring
- Mental Health and Learning Disabilities

The following issues were discussed during consideration of this item:

The repealing of the Carers Measure and the impact of new legislation on the Health Board's future responsibilities in relation to carers was discussed and it was asked why the measure was established in the first place. The Assistant Director of Strategic Partnerships informed the Committee that the measure had originally been introduced to give guidance to the National Health Service in Wales on engaging with carers. However, with the increase in legislation currently proposed by the Welsh Government (e.g. Future Generations Bill and Health & Well Being Act), Ministers were seeing this as an opportunity to repeal the old measure. Officers were concerned that with the loss of the measure, specific support for carers would be lost in the new legislation.

The difficulties faced by young carers were discussed and clarification was sought as to the type of support provided for carers in this age group. The Assistant Director of Strategic Partnerships acknowledged that this was a key group and that it was essential to try and identify individuals in order to establish intervention and support for them as soon as possible. The Health Board and its partners worked with a variety of agencies including schools and school nursing services in order to identify young carers. Support for young carers included providing short breaks so that they could concentrate on their studies or spend time with friends. It was thought that there were approximately 1,000 young carers in Carmarthenshire although in reality it was likely that the figure was greater.

In response to a suggestion that school governors should receive training on the needs of young carers, the Assistant Director of Strategic Partnerships stated that the Health Board would continue to work with schools via Head Teacher Forums to highlight the needs of young carers and how schools could assist in supporting them. He welcomed the suggestion and agreed to include this in future work programmes.

SOCIAL CARE & HEALTH SCRUTINY COMMITTEE
3rd JULY 2015

The Committee welcomed the progress outlined in the report but expressed concern at the proposed loss of the Carers Measure funding worth £130,900 from April 2016 and the resulting impact on the current fixed term posts and Young Carer services. It was suggested that the reduction in funding would have a detrimental impact on the current work being undertaken and that the Executive Board should be asked to lobby the Welsh Government to stress the importance of this resource and request that it should not be cut. The Committee agreed to the proposal.

In response to a further question on the overall funding allocation being reduced in 2014/15, the Assistant Director of Strategic Partnerships informed the Committee that it been necessary to revisit the initial Implementation Plan halfway through the year. This had resulted in a number of key aims being reduced and revised. This had impacted on the planned development of a comprehensive Carers Outreach Service and employment of a dedicated Project Support Officer to take forward the Young Carers agenda.

The role of neighbours undertaking a 'caring' role, especially in rural areas was highlighted and it was asked how they were supported. The Assistant Director of Strategic Partnerships stated that an individual assisting an elderly or frail neighbour could be registered as a carer via their GP (subject to agreement from the individual and their family) and in turn receive the relevant support for carers.

In response to a question on how funding for carers was allocated to other Health Boards, the Assistant Director of Strategic Partnerships confirmed that funding was allocated according to population and that this did disadvantage the rural counties with smaller populations which were spread out over large areas.

Clarification was sought as to the age of those young carers known to the Health Board and Social Services. The Assistant Director of Strategic Partnerships informed the Committee that the statistics included in the report covered young carers up to 18 years old but that there were some as young as 7-8 who were known to the Health Board and its partners. He agreed to circulate more information about young carers to the Committee.

It was asked whether the pilot undertaken by the pharmacy at Worthybush Hospital to include Carers Information leaflets in all 'take home' medicine bags for discharge medicines, would be rolled out to all hospitals within the Hywel Dda region. The Assistant Director of Strategic Partnerships stated that this scheme was going to be extended across all pharmacy sites during the year ahead following the successful pilot in Haverfordwest.

UNANIMOUSLY RESOLVED that:

4.1 The report be endorsed.

4.2 The Executive Board be requested to lobby the Welsh Government to stress the importance of the Carers Measure funding and to request that it not be cut from April 2016 onwards.

TUESDAY, 1 September 2015

PRESENT: Councillor E. Dole (Chair)

Councillors:

H.A.L. Evans, L.D. Evans, D.M. Jenkins, T.J. Jones, PA Palmer, LM Stephens and J Tremlett

The following Officers were in attendance:

M. James, Chief Executive
R Sully, Director of Education & Children
R. Staines, Head of Housing and Public Protection
R. Edgecombe, Legal Services Manager
A. Parnell, Treasury and Pensions Investments Manager
D. Williams, Press Manager

Chamber, County Hall, Carmarthen - **10.00** - 10.40 am

1. APOLOGIES FOR ABSENCE.

Apologies for absence were received from Cllrs. M. Gravell and G.O. Jones.

The Chair referred in sympathetic terms to the death of Councillor Keith Davies and expressed his sympathy to Councillor Davies's family.

2. DECLARATIONS OF PERSONAL INTEREST.

There were no declarations of interest.

3. MODERNISING EDUCATION PROGRAMME - PROPOSAL TO CHANGE THE LANGUAGE CATEGORY OF YSGOL BRO MYRDDIN FROM BILINGUAL (2A) TO WELSH MEDIUM (WM).

The Executive Board considered a report outlining a proposal to change the language category of Ysgol Gyfun Gymraeg Bro Myrddin. The Education & Children Department fully supported the school's desire to continue along the Welsh language continuum and to change the language category to Welsh Medium (WM). Whilst informal consultation with pupils, governors, staff and parents of existing and prospective pupils had recently been completed and indicated support for the proposal the 2014 School Organisation Statutory Code required a regulated alteration such as a change in the language category of a school to be published to formalise arrangements. The Authority was therefore required to complete a statutory consultation process which, if approved, would commence in the Autumn Term 2015.

The Education and Children Scrutiny Committee fully supported the proposal to proceed with the statutory consultation.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that

3.1 the above proposal, as outlined in the consultation document, be approved;

3.2 to authorise officers to initiate formal consultation on the

proposal during the Autumn Term 2015;
3.3 that a report be submitted to the Executive Board at the end of the statutory consultation period.

4. REVIEW OF COMMUNITY COUNCIL BOUNDARIES AND ELECTORAL ARRANGEMENTS - LLANGENNECH COMMUNITY COUNCIL (LLANGENNECH WARD) AND LLANELLI RURAL COUNCIL (BYNEA WARD)

The Executive Board considered a report detailing the outcome of a consultation on a review of the Community Council Boundaries and Electoral Arrangements for Llangennech Community Council (Llangennech Ward) and Llanelli Rural Council (Bynea Ward). All the comments received supported the draft proposals and had been formulated into the final proposals.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT

4.1 the views of those consulted be noted;

4.2 It agrees to formally submit the findings of this review to the Local Democracy Boundary Commission for Wales for its consideration;

4.3 the outcomes of the review, as decided by the Local Democracy Boundary Commission for Wales, be noted.

5. OUR COMMITMENT TO AFFORDABLE HOMES.

The Executive Board considered a report detailing the outcome of an extensive consultation exercise with the public and partner organisations on the issue of affordable homes which had resulted in more than 800 responses. The report also outlined the background in terms of housing need and demographic trends which the Authority had to respond to, such as:

- The growth in the number of older people;
- The growth in the number of single people and smaller household sizes generally;
- Shortages of different types of accommodation in different parts of the County;
- Affordability problems and how these vary throughout the County.

The intention was to set a clear policy direction and set of principles before developing a delivery plan in the autumn. The report had been endorsed at a joint meeting of the Community and Social Care and Health Scrutiny Committee.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that the Strategic directions paper 'Our Commitment to Affordable Homes' be approved.

6. QUARTERLY TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2015 TO 30TH JUNE 2015

The Executive Board considered an update on the treasury management activities from 1st April 2015 to 30th June 2015.

UNANIMOUSLY RESOLVED that the report be approved.

7. MINISTRY OF JUSTICE'S CONSULTATION ON PROPOSAL ON THE PROVISION OF COURT AND TRIBUNAL SERVICES IN WALES.

The Executive Board considered the Ministry of Justice's consultation on the proposed provision of Court and Tribunal Services in Wales. The proposals for Carmarthenshire's courts were:

- to close the Carmarthen Civil, Family, Tribunal and Probate Hearing Centre (Hill House) and to transfer the work to Llanelli Civil and Family Court and Haverfordwest Law Courts and Aberystwyth Justice Centre;
- to close the Carmarthen Law Courts (The Guildhall) and to transfer the Crown Court work to the Crown Court at Swansea, and the Magistrates Court hearings to Llanelli.

Whilst the Board recognised that the Guildhall was underused concerns were expressed that the closure of *both* the Carmarthen Courts would reduce access to services locally and in some cases involve longer journeys to the replacement courts, particularly from the rural areas, and the ability to attend the courts by the appointed times would be dependent upon the availability of public transport for non- car owners. It was considered that the longer journeys to the identified courts would also add to the financial strain on people and the Travel Time Data included in the consultation document was disputed.

UNANIMOUSLY RESOLVED that the Ministry of Justice be informed that, for the reasons outlined above, the Carmarthen Civil, Family, Tribunal and Probate Hearing Centre (Hill House) should remain open and incorporate Crown Court work from the Guildhall.

8. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 27TH JULY 2015.

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Executive Board held on the 27th July, 2015 be signed as a correct record.

CHAIR

DATE

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