

Document Pack



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

MONDAY 25TH FEBRUARY 2019

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. SA31 1JP. AT 10.00 AM, ON MONDAY, 4TH MARCH, 2019** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Mark James CBE

CHIEF EXECUTIVE



PLEASE RECYCLE

Democratic Officer:	Llinos Jenkins
Telephone (direct line):	01267 224088
E-Mail:	LSJenkins@carmarthenshire.gov.uk
Ref:	AD016-001

EXECUTIVE BOARD

MEMBERSHIP - 10 MEMBERS

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

AGENDA

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTEREST.
3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 4TH FEBRUARY 2019 5 - 14
4. QUESTIONS ON NOTICE BY MEMBERS
5. PUBLIC QUESTIONS ON NOTICE
6. LLANELLI WELLNESS AND LIFE SCIENCE VILLAGE 15 - 66
7. ENVIRONMENTAL & PUBLIC PROTECTION SCRUTINY COMMITTEE TASK & FINISH GROUP FINAL REPORT 2017/18 67 - 106
8. OUR APPROACH TO TENANT INVOLVEMENT 107 - 118
9. SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 – POLICY AND PROCEDURES REVISIONS FOR CHARGING ADULTS FOR SERVICES 119 - 144
10. BUSINESS RATES - HIGH STREET AND RETAIL RATES RELIEF SCHEME 2019/20 145 - 152
11. TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2018 TO 31ST DECEMBER 2018 153 - 170
12. HOUSEHOLD WASTE RECYCLING CENTRES POLICY REPORT 171 - 184
13. UNIVERSAL CREDIT FULL PROGRAMME ROLL OUT IN CARMARTHENSHIRE 185 - 214
14. 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.
15. EXCLUSION OF THE PUBLIC

THE REPORT RELATING TO THE FOLLOWING ITEM IS NOT FOR PUBLICATION AS IT CONTAINS EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) (WALES) ORDER 2007. IF, FOLLOWING THE APPLICATION OF THE PUBLIC INTEREST TEST, THE BOARD RESOLVES PURSUANT TO THE ACT TO CONSIDER THIS ITEM IN PRIVATE, THE PUBLIC WILL BE EXCLUDED

FROM THE MEETING DURING SUCH CONSIDERATION.

16. RESIDENTIAL DEVELOPMENT LAND - CROSS HANDS WEST

215 - 222

NB: Reports are only printed in black and white to reduce costs. All reports however are available on-line so that members of the Committee / County Council and the public can view photographs/graphs in colour

EXECUTIVE BOARD

Monday, 4 February 2019

PRESENT: Councillor E. Dole (Chair)**Councillors:**

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

Also in attendance:

Councillor D.M. Cundy and J.G. Prosser

The following Officers were in attendance:

M. James, Chief Executive

J. Morgan, Director of Community Services

C. Moore, Director of Corporate Services

Mrs R. Mullen, Director of Environment

G. Morgans, Director of Education & Children's Services

W. Walters, Director of Regeneration & Policy

L.R. Jones, Head of Administration and Law

J. Morgan, Head of Homes & Safer Communities

D. Hockenull, Marketing and Media Manager

L Morris, Senior Press Officer

K. Thomas, Democratic Services Officer

L. Jenkins, Democratic Services Officer

Chamber, - County Hall, Carmarthen. SA31 1JP. - 10.00 - 11.10 am**1. APOLOGIES FOR ABSENCE.**

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTEREST.

Councillor	Minute Number	Nature of Interest
H.A.L. Evans	8 – Housing Revenue Account Budget 2019/20 to 2021/22 and Housing Rent Setting for 2019/20	Sister is the Chief Executive of a local housing association
H.A.L. Evans	11 – Cartrefi Croeso Cyfyngedig – Financing Requirement	Sister is the Chief Executive of a local housing association
Wendy Walters – Director of Regeneration and Policy	11 – Cartrefi Croeso Cyfyngedig – Financing Requirement	Director of Cartrefi Croeso
Jake Morgan – Director of Communities	11 – Cartrefi Croeso Cyfyngedig – Financing Requirement	Director of Cartrefi Croeso

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 21ST JANUARY 2019

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Executive Board held on the 21st January, 2019 be signed as a correct record.

4. QUESTIONS ON NOTICE BY MEMBERS

The Chair advised that no questions on notice had been submitted by members.

5. PUBLIC QUESTIONS ON NOTICE

The Chair advised that no public questions had been received.

6. REVENUE BUDGET STRATEGY 2019/20 TO 2021/22

The Executive Board considered a report which brought together the latest proposals for the Revenue Budget 2019/2020, provided indicative figures for the 2020/2021 and 2021/2022 financial years and summarised the latest budgetary position giving an update on the budget validation, spending pressures, the Welsh Government final settlement and the responses from the budget consultation.

The Executive Board Member – Resources outlined to the Board a number of factors influencing the budget, including, the final settlement received from the Welsh Government on the 19th December, 2018 that provided additional funding compared to the provisional settlement announced in October 2018. As a result of that additional funding, it had been possible to revisit some of the initial budget proposals and consider further options including, taking account of the latest pay award offer and supporting services that were demand led and faced continued pressure for service provision, such as Social Care. Whilst the final settlement for Carmarthenshire represented a slightly improved figure on the provisional settlement, it still remained a very challenging budget and represented a reduction in funding in real terms having regard to inflation and other price movements. Furthermore, the Welsh Government had only been able to provide figures at Authority level for one year, restricting scope in relation to medium term forecasting within the Medium Term Financial Plan. In particular, the Authority had to be aware of the Westminster Government's Comprehensive Spending Review to take place in 2019.

The Executive Board Member advised that whilst the full details of the settlement were included within the report, the most salient points were that on an all Wales basis, the funding for Local Government had increased by 0.2%, with Carmarthenshire receiving a flat cash settlement on a like for like basis compared with 2018-19. Whilst the final settlement provided the authority with an additional £1.557m on the provisional settlement, it also came with extra responsibilities including changes in the rates relief scheme and funding to cover additional free school meals eligibility.

The Executive Board was also advised that whilst the majority of the specific grants had been maintained at a cash neutral value, the authority was, as was typical at this time of year, still awaiting confirmation of some significant grants which would support the budget plan particularly, in respect of both waste and

sixth form funding. What was not typical, however, was the level of uncertainty regarding the funding of teachers' pensions. Although informal indications were that the funding would be met in full, as was proposed in England, the uncertainty regarding payment in Wales placed a significant risk on the 2019/20 budget.

The Executive Board Member - Resources advised that the Director of Corporate Services had made a number of adjustments to some of the figures within the strategy as part of the normal practice as clearer and more information became available, with the current total validation adding some £11.3m to the budget. One of those adjustments related to Adult Social Care to meet the increased costs the Council would face as a consequence of the collapse of Allied Health Care and the subsequent decision to bring the service in-house. Although that had been completed with minimal disruption to service users, the 2019/20 budget would need to provide for the harmonisation of employee terms and conditions, including paycales.

As was the case in 2018/19, the most significant validation for the 2019/20 budget related to the pay award offer made by the negotiating body for employees providing a 2% pay award plus the introduction of a new pay spine from April 2019 that consolidated some of the existing spinal points and 'ironed out' some of the current random gaps between pay points. For Carmarthenshire, the lowest paid staff, who were already in receipt of the foundation living wage, would receive a 4.9% increase. It was noted however, that the pay offer did not apply to teachers who were covered by separate national pay arrangements with increases of up to 3.5% on September 2018 and future years providing a 2% annual award.

The Executive Board Member – Resources also drew the Board's attention to the Council's budget proposals, as at November 2018, that assumed a cash neutral settlement for schools. He advised that, as a consequence of additional Welsh Government support received as part of the settlement, the current proposals would not only add £1.8m of grant funding to schools but also a further £0.75m of core funding, taking the total budgetary increase to over £2.57m.

The Executive Board Member - Resources advised that in light of the Authority having benefitted from a more positive settlement than originally anticipated, and after allowing for changes in validation, the sum of £528k was available to make some critical adjustments to the budget strategy. Accordingly, the following amendments were proposed to be made to some of the report's budget and efficiency proposals:-

- The budget reduction of £32k for winter gritting be removed
- That £186k of the Rural Road Sweeping proposal be re-established to mitigate against the most severe impacts of the proposed reduction;
- The proposed reductions to Youth Support Services and Educational Psychology be deferred by one year to recognise both the negative public response and concerns raised by councillors during the member seminar sessions;
- That in recognising the pressure placed upon the car parking service an additional £160k be provided to allow for more flexibility in the service and to limit any parking charges increases across Carmarthenshire;
- The Communities Department, over the next year revisits the proposal to close the Pendine Outdoor Education Centre and tries to identify a change

in service provision, which would allow the facility to continue to operate whilst providing the cost reductions proposed;

- The school meal prices be frozen for 2019/20

The Executive Board Member also referred to the negative sentiments received to the budget reductions on highways resurfacing and advised that the additional £1.5m grant per annum for three years secured by the Council, [as detailed in the five year capital programme] more than compensated for the proposed revenue budget reduction.

In concluding, the Executive Board Member recommended that the Council Tax increase for 2019/20 be set at 4.89% to enable the Council to deliver the strategy whilst having regard to the above amendments.

Reference was made to the year 2 efficiency proposal to amend the frequency of Council meetings from monthly to quarterly. It was suggested that as that proposal had not received wide spread member support, it be withdrawn and other avenues be examined to identify alternative ways of working.

Reference was also made to the efficiency proposal for Post 16 School Transport Policy whereby it was suggested the proposed efficiency savings for years 2 and 3 be withdrawn to enable a review to be undertaken of the usage, especially in regard alleged spare/ unused seats.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:-

- 6.1 that the Budget Strategy for 2019/20, be approved subject to the amendments and proposals detailed above;**
- 6.2 that the Band D council Tax for 2019/20 be set at £1,255.17 (an increase of 4.89% for 2019-2020);**
- 6.3 That the £528k recurrent funding available balance be allocated, as detailed above**
- 6.4 That the provisional medium term financial plan be approved as a basis for future years planning.**
- 6.5 That the efficiency proposals to amend the frequency of council meetings from monthly to quarterly [year 2] and the Post 16 School Transport [years 2 and 3] be withdrawn**

7. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) - 2019/20 TO 2023/24

The Executive Board considered a report which brought together the latest proposals for the Five Year Capital Programme (Council Fund) 2019/20 to 2023/2024 taking into account the consultation exercise undertaken and the revenue implications arising from the capital programme.

The Board noted that the capital programme proposed gross expenditure for 2019/20 of £104.708m, with projected funding of £59.109m from the County Council through the use of borrowing, capital receipts, reserves and general capital grant and the balance of £45.599m coming from external sources. The Board was advised that the capital programme was projected to be fully funded over the five year period from 2019/20 through to 2023/24

The Executive Board Member – Resources informed the Board that, in total, the five year rolling programme would realise investment of nearly £261m (County Council funding estimated at £133m and £128m external funding). However, as with the revenue settlement, the authority had not been provided with any forward indicators from the Welsh Government in respect of general capital funding beyond 2019/10. As a consequence, the programme was based on future years supported borrowing and general grant being at the same level as 2019/20. There had however been additional capital grant for general purposes made available by the Welsh Government over a three year period from 2018/19 to 2020/21 amounting to some £6.6m, which had been included within the 5 year capital programme.

The Executive Board noted that as part of the programme a number of new additional schemes had been included for example:

- Communities Department - there was new funding for the Amman Valley Leisure centre together with the continued support for private sector housing in 2023/24 for Disabled Facilities Grant
- Environment Department – continued support for highways improvements, bridge maintenance and road safety schemes into 2023/24 and also for the Tywi Valley Path in 2019/20. Also, as a consequence of additional Welsh Government Funding, the budgeted spend for roads refurbishment had been increased by a further £1.5m per year for three years
- The MEP programme had been amended in 2019/20 to 2023/24 with the reprofiling of budgets and the introduction of some new schemes including Ysgol Gymraeg Cydweli, Hendy, Llandeilo and both Welsh Medium and Dual Stream schools at Ammanford. This had been possible as a result of the Welsh Government having announced its approval for the Council's Band B programme running to 2024 with the main change being the increase in the intervention rate from 50% to 65% for schools and 50% to 75% for special schools. That increase had provided the authority with scope to deliver more schools within the £129.5m Band B programme.
- Regeneration and Chief Executives budgets now incorporate the City Deal schemes, including the Wellness Village and Yr Egin. The proposed Llanelli Leisure Centre and the Llanelli Area review had also been identified as a key component within the proposed Wellness Village Development. There was also continued support for the Transformation Strategy Project Fund within Regeneration for 2023/24 which had the potential of external funding to match fund the Council's budget

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT

- 7.1 the Five Year Capital Programme and funding, as detailed in Appendix B to the report, with 2019/20 being a hard budget and 2020/21 to 2023/24 soft/indicative budgets be approved;**
- 7.2 the programme be reviewed, as usual, if anticipated External or, County Council funding did not materialise.**
- 7.3 the Capital Strategy, as detailed in Appendix C, be approved.**

8. HOUSING REVENUE ACCOUNT BUDGET 2019/20 TO 2021/22 AND HOUSING RENT SETTING FOR 2019/20

(NOTE: Councillor H.A.L. Evans had earlier declared an interest in this item).

The Executive Board considered a report prepared by the Director of Corporate Services, in conjunction with officers from the Communities Department that brought together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2019/20 to 2021/22. It was noted that the report had been considered, and endorsed, by the Community Scrutiny Committee at its meeting held on the 23rd January 2018 as part of the budget consultation process.

The Executive Board Member – Resources advised that the report had been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan, being the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. It was noted that the proposed investment within the current business plan had delivered the CHS by 2015 (to those homes where tenants had agreed to have the work undertaken) provided investment to maintain the CHS+ and continued investment for the Council's Affordable Housing Commitment.

The Executive Board Member – Resources advised that capital investment of £231m within the current business plan had delivered the Carmarthenshire Home Standard and a further budget had been developed to ensure appropriate funding was allocated to maintain the CHS+ standards for all properties into the future. It was anticipated that over the next three years an estimated £45m would be expended in maintaining and upgrading the stock. The budget also provided £44m of funding over the next three years to support the Council's Affordable Homes Programme facilitating an increase in the supply of affordable housing throughout the County through various solutions including the new build programme and the buyback scheme. The Council would also be undertaking the new build programme via its own capital programme and via the new Housing Company – Cartrefi Croeso.

The Executive Board Member- Resources reminded the Board that with regard to the setting of the Housing Rents, the Authority had previously adopted the Welsh Government Social Housing Rent Harmonisation Policy, which effectively meant that any proposed rent increase was prescribed by Welsh Government guidance and provided a more equitable distribution of rents for the social sector tenants. That policy ended in 2018/19 and an interim policy for one year introduced for 2019/20, with the anticipation the Welsh Government would introduce a new policy for implementation in 2020/21. That interim policy allowed local authorities within their target rent band to increase rent by CPI only. As Carmarthenshire was currently marginally within the target rent band, the current report had recommended a 2.4% increase across all properties.

However, on the 30th January, 2019 the Welsh Government had notified local authorities of an amendment to the interim policy that allowed local authorities with average rent within the Target Rent Band the flexibility to use the 'up to £2 per week' progression, subject to ensuring the overall rent increase for their general needs and sheltered housing stock did not exceed 2.4% and no individual tenant would receive a rent increase of more than the agreed policy uplift of 2.4% plus the £2.00 progression.

The Executive Board Member Resources advised that the change in the Welsh Government's position had provided the authority with an opportunity to meet its previous commitment to tenants by implementing the harmonisation policy and establishing a fairer rent level for all of its tenants. As a result, it was being

proposed that recommendation 1, within the report presented to the Executive Board that day be amended to read:-

“1. To increase the average housing rent as per the Welsh Government Interim Social Housing Rents Policy (amended 30 January).

- a. Properties at target rents will increase by 1.92%
- b. Those rents above target are frozen until such time that they meet the target rent
- c. Those rents below target rent are increased by 1.92% and are progressed by a maximum of £1 per week.

This will produce an increase on the average housing rent of 2.4% or £2.05 and will provide the Housing Account with the same overall collection value.”

The Executive Board Member – Resources advised that should the Executive Board endorse the amended recommendation, it would be reported to the Community Scrutiny Committee for consultation, with any response thereto being reported direct to Council on the 20th February.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL TO:-

- 8.1 **increase the average housing rent as per the Welsh Government’s Social Housing Rents Policy (amended 30 January) i.e.:-**
 - **Properties at target rents to increase by 1.92%**
 - **Those rents above target be frozen until such time as they meet the target rent**
 - **Those rents below target rent are increased by 1.92% and are progressed by a maximum of £1 per week****thereby producing an increase on the average housing rent of 2.4% or £2.05 and will provide the Housing Account with the same overall rent collection value**
- 8.2 **To maintain garage rents at £9.00 per week and garage bases at £2.25 per week;**
- 8.3 **Apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services;**
- 8.4 **Increase charges for using the Council’s sewerage treatment works in line with the rent increases;**
- 8.5 **Approve the Housing Revenue Account Budget for 2019/20 (with 2020/21 and 2021/22 being soft budgets), as set out in Appendix B to the report**
- 8.6 **Approve the proposed Capital Programme, and applicable funding, for 2019/20 and the indicative spends for future years 2020/21 to 2021/22, as set out in Appendix A to the report,**

9. THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2019-22

The Executive Board considered the Carmarthenshire Homes Standard Plus (CHS+) Business Plan 2019-2022 plan the purpose of which was to:

- explain the vision and detail of maintaining and improving the Carmarthenshire Homes Standard Plus over the next three years, and what it means for tenants;
- outline how we can deliver transformational change and investment, and set even more ambitious affordable homes targets for the future;
- confirm the financial profile, based on current assumptions, for the delivery of the CHS+ over the next three years; and
- produce a business plan for the annual application to Welsh Government for Major Repairs Allowance (MRA) for 2019/20, equating to £6.1m.

The Executive Board Member for Housing advised that if the report and its recommendations were to be adopted, it would result in some £45m being spent over the next three years to maintain tenant homes. It would also allow the submission of an application to the Welsh Government for a £6.1 million Major Repair Allowance for 2019/20. The Executive Board Member outlined a plan for 2019 to include –

- £1million for building work on existing estates
- £2 million to bring empty council houses back to use as soon as possible and to the CHS+ standard
- £1.5 million to improve communal areas in Shelter Schemes
- £0.25 million for improvements in relation to fire safety

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT:-

- 9.1 the ambitious vision of the CHS+ and the financial and delivery programme over the next three years be confirmed;**
- 9.2 the submission of the plan to Welsh Government be confirmed.**

10. TREASURY MANAGEMENT POLICY AND STRATEGY 2019-20

The Executive Board was reminded that as part of the requirements of the revised CIPFA Code of Practice on Treasury Management, the Council had agreed to maintain a Treasury Management Policy detailing the policies and objectives of the Authority's treasury management activities and to also approve a Treasury Management Strategy annually before the start of the financial year to which it related. In addition, under the Local Government Act 2003, the Council was required to approve the Treasury Management Indicators for the coming year.

In accordance with the above requirements, the Executive Board considered the Council's Treasury Management Policy and Strategy for the 2019-20 financial year prior to its formal submission to the Council for final adoption.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that:-

- 10.1 the Treasury Management Policy and Strategy for 2019-20 and the recommendations contained therein be approved,**
- 10.2 the Treasury Management Indicators, Prudential Indicators, Minimum Revenue Provision Statement and recommendations therein be approved.**

11. CARTREFI CROESO CYFYNGEDIG - FINANCING REQUIREMENT

(NOTE:

1. Councillor H.A.L. Evans had earlier declared an interest in this item;
2. Mrs W. Walters (Director of Regeneration and Policy) and Mr J. Morgan (Director of Communities) having earlier declared interests in this item left the meeting during its consideration by the Executive Board)

The Executive Board was reminded that at its meeting held on the 4th June it had agreed on financing arrangements for Cartrefi Croeso Cyfngedig to sustain its operating and scheme development costs on the basis detailed within the report. Subsequent to that report, the Executive Board considered a report proposing to secure an appropriate consolidated finance facility to allow Cartrefi Croeso Cyfngedig to commence the development of two schemes and meet the on-going funding of operating costs and future scheme development costs, as well as the provision of headroom to commence future schemes identified as being viable.

Reference was made to the delegation arrangements to be made to the Chief Executive and Director of Corporate Service and a view was supported that paragraphs 5[d] and 5[f] within the report should be amended to read that the delegation be undertaken in consultation with the Executive Board Member for Resources

UNANIMOUSLY RESLOVED TO RECOMMEND TO COUNCIL THE FOLLOWING FUNDING FOR CARTREFI CROESO CYFYNGEDIG:-

- 11.1 **A maximum funding facility of £6m**
- 11.2 **Duration of arrangement – 5 years. This was based on the loan being for the scheme developments and repaid within the business plan timescales**
- 11.3 **Interest at 1.6% above the rate set by the Public Works Loan Board reflecting the part security that will be available to the Council from the land works prior to the sale**
- 11.4 **Funding facility to be operated as an overdraft arrangement – funds only drawn when required and balance reduced as receipts received**

- 11.5 Approval of the release of funding (up to the limit) is to be delegated to the Chief Executive and Director of Corporate Services, in consultation with the Executive Board Member for Resources, with the facility to be administered as follows:-**
- a) Release of the construction funding only when the tenders have been returned, the scheme is confirmed and assessed as still being viable, and the contractual arrangements are in place,**
 - b) Development Agreement to be in place for the sale of the social housing to the Authority;**
 - c) Operating Costs: loan arrangements for circa £280k per annum until the company is viable without that element of support;**
 - d) Project Development Costs. The original allocated ceiling of £750k will suffice, and for monitoring and control of project development costs, itemised quarterly reports to be presented to the Chief Executive and Director of Corporate Services in consultation with the Executive Board Member for Resources;**
 - e) Future Scheme Construction. Approval of funding in principle [not exceeding facility ceiling in total] upon completion of site specific development appraisals and the release of construction funding only when the tenders have been returned and the scheme is confirmed and assessed as still being viable and the contractual arrangements are in place;**
 - f) The conclusion of the detailed loan agreement to be delegated to the Chief Executive and the Director of Corporate Services in consultation with the Executive Board Member for Resources.**
- 11.6 The Company to submit its 3 year business plan to the shareholder by 31st March annually so that the progress and viability of the funding arrangements can be monitored.**

12. 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.

The Chair reported that there were no items of urgent business.

CHAIR

DATE

Executive Board Meeting 4th March 2019

Llanelli Wellness and Life Science Village

Purpose: To provide a position statement on the Llanelli Wellness and Life Science Village, in relation to:

- **Progress of City Deal Business Case.**
- **Termination of the Collaboration Agreement.**
- **Receive the findings from the independent legal review which assessed robustness and compliance around the procurement and governance processes.**
- **Receive findings of the Wales Audit Office Review which assessed the Authority's management of process, risk and governance and the protection of public money.**
- **Update on Joint Government and Joint Committee City Deal Reviews**
- **Progress on the development of the concept design for phase one and next steps.**
- **Update on current expenditure**

Recommendations / key decisions required:

1. To receive an update on the development of the City Deal 5 case business plan for the Village.
2. To receive the findings of the independent legal review undertaken on the procurement and governance of the project, both pre and post Collaboration Agreement
3. To receive the findings of the Wales Audit Office Review which assessed the Authority's management of process, risk and governance and the protection of public money
4. To receive an update on the wider City Deal Programme reviews being carried out namely the Joint Government and cross Authority internal reviews.
5. To receive an update on the specialist design development and business planning work commissioned to develop phase one of the Village.
6. To formally resubmit following Exec Board decision the Full 5 Case Business Plan to the City Deal Joint Committee.
7. To share the Legal and Wales Audit Office findings with
 - All Members of the Council
 - The Local Authority Leaders of the City Deal Joint Committee
8. That the Chief Executive, in consultation with the Leader, along with the Director of Corporate Services be given delegated Authority:
 - To progress discussions in order to agree and finalise suitable partnership agreements to ensure robust delivery of the project and delivery of its anticipated outcomes. We will continue to work with our current external lawyers to provide the required legal advice
 - To re visit the 5 case application in line with the conclusions from the above and bring back to Executive Board for approval
 - Following Exec Board approval to resubmit the business case to the City Deal Joint Committee

Reasons:

- To ensure that all members are fully sighted on progress to deliver the Llanelli Wellness and Life Science Village and to provide assurance that targets for benefits realisation are being maintained.
- To provide assurance on the governance of the Village delivery both during the procurement process and following the signing of the Collaboration Agreement with Swansea University and Sterling Health Security Holdings Limited.
- To agree the next steps for the future delivery of the Wellness Village and allow continued progress on the project.

Relevant scrutiny committee to be consulted

Exec Board Decision Required Yes

Council Decision Required NA

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

Cllr. Emlyn Dole, Leader of the Council with responsibility for Economic Development

01267 224816 / EDole@sirgar.gov.uk

Directorate: Regeneration &
Policy

Designations:

Name of Director: Wendy S
Walters

Director of Regeneration &
Policy

01267 224112 /
WSWalters@sirgar.gov.uk

Report Author: Sharon Burford

Project Manager

01554 744368 /
SBurford@sirgar.gov.uk

EXECUTIVE SUMMARY

Executive Board
4th March 2019

Llanelli Wellness and Life Science Village

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

➤ **Background / Context**

The Llanelli Wellness Village (The Village) is a landmark development forming the largest single site development proposed for Carmarthenshire. In summary the Village will create:

- £199.5 million of infrastructure including research and business development facilities, a learning academy, a state of the art care home and assisted living and rehabilitation centre, a new leisure and aquatics centre with hydrotherapy pool, Wellness Hotel and outdoor leisure space
- A projected 1853 high value jobs plus community benefits
- £467 million GVA by 2034
- A significant education, skills and training facility
- A multidisciplinary community health and care facility linked to the health board services.

Partnership working is key to realising these project benefits, alongside Hywel Dda University Health Board a core partner throughout has been Swansea University. In November 2018, Swansea University took the decision to suspend 4 members of staff including University representatives on the Wellness Village Collaboration Board. CCC have no official details regarding these suspensions or details regarding possible links to the Wellness Village.

On the 3rd December the Executive Board considered the full Business Case of the Wellness Centre, however due to the recent concerns around the University suspensions and in order to protect the integrity of the Authority and the project, the Council's Executive Board requested that in order to provide the required assurance that an independent review of the procurement and Governance of the project be carried out. The Executive Board also agreed to approve the Business Case in principle and for it to be forwarded to UK and Welsh Government. In addition, they requested that Officers look at alternative delivery methods to ensure that this much needed investment in Llanelli can be completed.

The County Council subsequently decided to terminate the Collaboration agreement with both Sterling Health Security Holdings Ltd and Swansea University. The termination notices were served on 6 December 2018.

In December 2018 the Council commissioned external legal advice in order to review the status of the Life Science and Wellbeing Village project. This included a review of the public procurement process, governance systems, the collaboration agreement and the Council's actions in the later part of 2018 in relation to the collaboration agreement. That legal advice is appended to this report and summarised later in this report. The review was carried out by Acuity Legal, Acuity is a panel adviser to local authorities in Wales under the National Procurement Service for Wales Legal Framework, covering governance work. Acuity did not advise on the procurement process or on the preparation of the Collaboration Agreement.

In December the Authority also invited Wales Audit Office to undertake a review of the Village, to provide assurance that the Council had sound governance and risk management arrangements in place, had complied with its own internal processes, and that it had ensured that public assets were protected.

➤ Current Expenditure

Current expenditure on the project has been primarily around the process of developing the detail in order to prepare the project for planning. The expenditure incurred between 1st August 2017 and 31st December 2018 is detailed below:

<u>Llanelli Wellness & Life Science Village</u>	<u>Expenditure Total - 1/8/17 to 31/12/18</u>	<u>Joint expenditure/shared costs by other partners - secured</u>	<u>City Deal funding pending</u>	<u>Note(s)</u>
<u>Costs and description of any works</u> All works associated with the project are defined below.	£ -	-	-	
<u>All payments to consultants and contractors</u>				
Financial consultancy - professional fees	£ 1,900.00	-	-	
Cost consultants - professional fees	£ 8,259.00	-	-	
<u>Ground preparation works</u>	£ -	-	-	No costs attributed to ground works
<u>External legal costs</u>				
Legal and procurement professional services	£ 35,794.80	-	-	
<u>Promotional and marketing costs</u>				
All marketing and media activities	£ 5,831.18	-	-	
<u>Expenditure associated with the planning application</u>				
Local Planning Authority - Planning Application fee ref no. S/36948	£ 30,500.00	£ 15,250.00	£ 30,500.00	Welsh Government Joint Venture/City Deal
ARUP - Preparation of Planning Application documents and Technical Reports	£ 234,250.00	£ 117,125.00	£ 234,250.00	Welsh Government Joint Venture/City Deal
Dwr Cynru - Surveys and Modelling	£ 31,775.58	£ 15,887.79	£ 31,775.58	Welsh Government Joint Venture/City Deal
Ecological Reports	£ 7,205.00	£ 3,602.50	£ 7,205.00	Welsh Government Joint Venture/City Deal
Archaeology Assessment	£ 4,700.00	£ 2,350.00	£ 4,700.00	Welsh Government Joint Venture/City Deal
Transportation data	£ 456.00	£ 228.00	£ 456.00	Welsh Government Joint Venture/City Deal
<u>Any other relevant expenses associated with this development, including any incurred in relation to potential private investors</u>				
Design development of phase 1 (public sector components)	£ 481,329.67	-	£240,664.84	50% to be claimed through City Deal, subject to approval
Staff costs - Project Manager, Project Officer and Business Support Officer	£ 198,753.15	See below	-	Costs shared with partners
Misc - venue/room bookings and associated costs, travelling, conference fees	£ 803.15	-	-	
<u>Joint expenditure with any public or private sector bodies with a breakdown of the shared costs</u>				
Partnership Agreement between CCC, Swansea University and ABMU and Hywel Dda Health Boards to make an annual contribution to cover project costs	-	£ 150,000.00	-	
	<u>£ 1,041,557.53</u>	<u>£ 304,443.29</u>	<u>£ 549,551.42</u>	

Expenditure is in line with the decision taken at Executive Board on 24 September 2018, which agreed a £2m reserve fund be set aside for City Deal to enable the Wellness Village legal and technical work on site to proceed to RIBA stage 2. Of this, £1.1m of design development work has been commissioned, with c. £481,000 spent as of 31/12/18.

➤ City Deal Business Case Update

The economic development potential of the Village was recognised by Government when the Strategic Outline Business Case for City Deal investment was submitted and accepted as one of the 11 project within the portfolio in March 2017. The City Deal investment identified was for £40m subject to the acceptance of a full 5 case business plan.

The business case has been taken through discussions with government and amendments made based upon revised Green Book calculations and requirement to include a full health outcome appraisal.

Subject to approval the City Deal investment will be drawn down by the Authority and utilised to construct the Community Health Hub element which comprises the research, business development, education, skills and training and clinical delivery elements of the Village. This is the fundamental aspect of the whole i.e. other aspects will add value to this anchor development.

The business case was taken through the Economic Strategy Board and following this was recommended for approval to Joint Committee in November. Joint Committee approved the business case on 22nd November 2018.

The Business Case was received by Executive Board on Monday 3rd December and the following was noted:

In light of recent events, Executive Board members at the council agreed that before they give final approval they want to have reassurance that all due legal process has been followed. They also want to seek assurance from Swansea University of their continued commitment to develop an Institute of Life Science at the Village, alongside the Council, Hywel Dda University Health Board and University of Trinity St David.

The Executive Board also heard that the Collaboration Agreement with Swansea University and Sterling Health Securities Holding Ltd was intended simply to try to prepare a Development Agreement to take the scheme forward. The Board were informed that the Development Agreement had not been completed. There was therefore no legally binding commitment or liability on the Council as yet. The Executive Board asked officers whether an alternative method to deliver this essential project could be found. Officers considered that this was entirely feasible.

The Independent legal review has now been undertaken and is covered in subsequent sections of this report. The Wales Audit Office review has similarly been completed and is attached in full.

➤ **Procurement, Governance and Collaboration Agreement**

To identify a Development Partner the Authority undertook a procurement process, supported throughout by our in house procurement officers along with specialist independent legal advisors. Recognising the complexity of the project, the Authority decided that in order to best meet its need it should follow a competitive dialogue procedure. This gave the market a degree of freedom to put forward solutions, enabled the Authority to negotiate the best and most appropriate deal with bidders and to develop a final specification which includes elements of market understanding/intelligence and learning from the private sector.

The procurement process concluded with the signing of a Collaboration Agreement (CA). This CA was prepared by external lawyers, who had advised the Authority throughout the process. The CA allowed the Authority to work openly with the Development Partners to produce development agreements for the individual components of the Village.

The CA formed an agreement between Carmarthenshire County Council, Swansea University and Sterling Health Security Holdings (SHSH) under which the partners agreed to work together to progress the business plan for each private sector element of the Village. The CA envisaged individual components of the Village being developed and delivered as individual Projects (or groups of projects) through separate development agreements and provided the Authority with the right of Veto on any element.

Following the signing of the Collaboration Agreement a Collaboration Board was established. In August 2018 Acuity Legal were appointed by CCC to provide specialist expertise in the establishment of a legal/corporate structure and potential funding models for the Village.

Following the suspensions of Swansea University staff with links to the Village, the Authority took legal advice and based upon progress since the signing of the Collaboration Agreement an assessment of the risk to the Council, the project and the City Deal funding the Authority took the view to terminate the Agreement.

The Collaboration Agreement was terminated on 6th December 2018. The termination was made in accordance with the terms of that Agreement which give the Authority an absolute right to do so, without explanation and with no liability on the Council.

The Collaboration Agreement did not commit any public sector funding, nor place any liabilities on the Council and no corporate structures had been established.

To provide the assurance requested by Executive Board on Monday 3rd December, Acuity Legal were requested to undertake a detailed review of the whole procurement process. A summary of this review is set out as follows.

Summary Legal Review

The Council instructed Acuity Legal to review its records in relation to the Project and to report on whether there are any issues of non-compliance with public procurement law in order to provide assurance to the Council that it conducted the process in a fair, robust and compliant manner.

Acuity is a panel adviser to local authorities in Wales under the National Procurement Service for Wales Legal Framework, covering governance work. Acuity did not advise on the procurement process or on the preparation of the Collaboration Agreement.

In summary:

- The documentation provided by the Council demonstrates that it followed due legal process in the procurement and the award of the Collaboration Agreement to Sterling and the University as a collective party.
- The Project records show good governance and regard by the Council to risk management
- The documentation provided shows that the Council has not given any binding legal commitments to Sterling or the University which lock those parties into the Project, nor has it transferred any land, made loans, offered cash consideration or formed any company or formal joint venture, with either party.
- The Council's actions since the establishment of the Collaboration Agreement, as recorded in minutes of Collaboration Board meetings and in the document itself, also reflect an approach which incorporated many levels of Council control into the draft legal arrangements, including appropriate veto rights and the creation of new corporate policies to ensure value for money and compliance with local authority governance rules. This was done in keeping with external legal advice.
- The Council had several options available to it in relation to the Collaboration Agreement in response to the recent suspensions of University staff. In order to protect the integrity

of the Project and the Council's assets it chose to terminate the Collaboration Agreement, having sought legal advice on its options. The Council took account of a range of relevant considerations when electing to terminate.

- Termination of the Collaboration Agreement does not prevent the Council from engaging with third party participants (including Swansea University) in the future nor does the absence of Sterling Health, in our opinion, have a material adverse effect on funding structures for the Project. Indeed, it gives the Council a greater deal of control to structure finance in a way which best fits its aspirations for the Project.
- Through the period we have reviewed, the Council's officers have, in our view, taken prudent steps to manage the Project in a safe and well considered legal and financial environment.
- In our view, there has been no misuse of, and no risk posed to, public funds.

In detail the review of the procurement process concluded that:

- The documents demonstrate that at all times the Council acted in accordance with the Public Contracts Regulations 2015 (PCR) and followed appropriate processes, including the recognised competitive dialogue procedure. Throughout the procurement process, the Council acted with the benefit of prompt advice provided by its external lawyers, and senior officers, including specifically the Council's Head of Law and Administration (who is also the Council's Monitoring Officer) and the Council's Director of Corporate Services (who is the Council's Section 151 Officer). The Council's in-house team and external lawyers played a central role in the procurement, including attending meetings and workshops with Sterling and the University. The Council's external lawyers chaired the dialogue meetings.
- The project records provide an audit trail of the procurement and the key decisions arising during the procurement. The project records demonstrate compliance with the PCR. In our view, the project records kept by the Council are robust and there are no gaps in those records when compared with the expectations for a procurement of a scheme of the size and nature of the Project.
- The documentation provided demonstrates that the Council followed due legal process in the procurement and the award of the collaboration agreement to the Developer Parties. The project records show good governance and regard by the Council to risk management.
- We are aware that the Council has now terminated the collaboration agreement. We have received confirmation from the Council's Section 151 Officer that the Council has not paid any public funds to the Developer Parties under the collaboration agreement or otherwise in relation to this Project. In our view, there has therefore been no misuse of, and no risk posed to, public funds.

Summary Wales Audit Office Review

The Wales Audit Office review commenced in January 2019 and sought assurance that the Council had sound governance and risk management arrangements in place, had complied with its own internal processes, and that it had ensured that public assets were protected. The review consisted of detailed document appraisals.

Wales Audit Office concluded that:

To date, Carmarthenshire County Council has followed appropriate processes and effectively managed risk to protect public money in its activities relating to the Llanelli Life Science and Well-being Village.

The full review is attached.

➤ **Summary Financial Appraisal**

The procurement process was undertaken to identify a Development Partner to work with the Authority to develop plans which would have been used to lever private sector investment. Whilst the partner developed some information during the process of collaboration the Authority did not consider that this information was sufficiently robust to approach City Financial Institutions. The Authority consequently chose, independent of the private sector to engage a financial advisor to robustly develop the financial planning directly with the Authority. This work comprises of detailed financial modelling and development appraisals of all elements to ascertain the sustainability of the Village.

It is concluded that, following review of the initial appraisals and potential rental income from various properties, subject to the financial structure being agreed, lot 1 (social housing, care, rehabilitation and assisted living) and lot 2 (Wellness Hub, Car Park and Community Health Hub) would achieve a strong private sector financing commitment from a number of private sector investors. This would require an Information Memorandum to be sent to a pre-selected number of Investors outlining the project together with financial information and business plans. The aim of this would be to obtain best value for the Borrower, and best long- term Investor partner for the project. Such an exercise would take around 3 months to complete once the Information Memorandum is complete.

➤ **Current reviews**

Two Swansea Bay City Deal programme reviews are currently underway:

- **Joint Committee internal review** - this review is being carried out by the Heads of Internal Audit for each of the four Local Authorities and is looking at the City Deal programme. This review has been commissioned by the Joint Committee.
- **UK and WG review** - this review is being carried out by Actica Consultancy. It has been commissioned by both Governments.

It is intended that the internal and UK/WG reviews conclude at similar times (approximately 4 weeks) in order to ensure there is a coordinated approach and that all findings can be discussed in a timely manner.

➤ **Update Phase One**

The City Deal funding would be used by the Authority to construct the Community Health Hub, this along with the Wellness Hub and the public open space will form phase one of the Village development. Phase 1 is currently being developed by a team of 19 different disciplines from ARUP in summary the Wellness Hub will house the sports, leisure and aquatics and the Community Health Hub will comprise the research, business development, education, skills and training and clinical delivery along. ARUP were commissioned to develop the outline design concept for both the buildings to deliver the projected outcomes. This was approved by Executive Board on 10th September.

ARUP are working to ensure the optimal configuration and adjacencies, to maximise the benefits of space and joint use to maximise the opportunities for training whilst delivering clinical care to patients. The innovative approach to linking business development with these services provides improved opportunities for research, clinical trials and business development. The business development will include life science devices and products which could in addition be trialled in linked supported living planned for later phases of the Village. Arup's scope of work also includes the spatial configuration of the Community Health Hub and Wellness Hub, and an options appraisal is underway to determine whether these should be organised as linked buildings (for example, with a common atrium) or one building housing all constituent services. Meetings have been held with all partners to inform this process and have included representation from all the Swansea University Schools to be included within the development.

The Outline Planning Application for the entire Village site was unanimously approved at an extraordinary planning committee on Thursday 10th January, pending National Resources Wales Flood Consequences Assessment and Welsh Government sign off.

The design work to RIBA stage 2 for phase one elements is progressing well and is scheduled to be completed by the end of February 2019 with phase one proposed for completion by September 2021. Should the Authority decide to await the outcomes of the outstanding reviews before progressing to RIBA stage 3, the project timetable would need to be reviewed.

DETAILED REPORT ATTACHED ?	<p>Yes</p> <ol style="list-style-type: none"> 1. Life Science and Wellness Village at Delta Lakes – Governance and Public Procurement Review, including Appendix 2. Wales Audit Office Review
-----------------------------------	--

IMPLICATIONS

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

Signed: **Wendy Walters** Director of Regeneration of policy

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

1. Policy, Crime & Disorder and Equalities

- The project will be compliant with policy as part of the City Deal initiative.
- Crime and disorder are key considerations of the project and the site aims to achieve the 'Secure by Design' standard.
- A Health Impact Assessment has been undertaken to reduce health inequalities.
- The Full Business Case outlines strategic alignment across all partners.
- The Village aligns with the Wellbeing of Future Generations (Wales) Act 2015, with the Project Management Office using the 5 ways of working. The project will make a demonstrable contribution to the 7 National Goals.
- All public sector partners operating onsite will be expected to comply with the Welsh Language Standards. Private companies will be encouraged to use the Welsh Language and offered practical support to foster take-up.

2. Legal

- Project is part of the City Deal agreement, signed March 2017
- Procurement and Collaboration Agreement with partners supported throughout by independent legal advice
- Legal advice set out in the advice note produced by Acuity Legal to cover both the procurement process and the management of the Collaboration Agreement and partners.
- The termination of the Collaboration Agreement on December 6th

3. Finance

- Public and private capital is required to deliver the Wellness Village.
 - Business case to draw down of £40m of City Deal money is complete however this may need to be updated based upon the preferred new structure for delivery of the Village.
 - Independent financial planning is underway, the initial financial appraisal has shown that, subject to the financial structure being agreed, the principal elements of the Wellness Village would achieve a strong private sector financing commitment from a number of private sector investors. This will require an Information Memorandum to be sent out to a pre-selected number of investors outlining the project together with financial information and business plans. The aim of this would be to obtain best value for the Borrower, and best long term Investor partner for the project. It is estimated that such an exercise would take in the region of 3 to 5 months to complete once the Information Memorandum is issued.
 - 23/9/2018, Executive Board approved the use of the £2m reserve fund set aside for City Deal to enable the Wellness Village legal and technical work on site to proceed to RIBA stage 2.
 - Funding for the County Council proportion of the project costs are included within the County Council Capital Programme 2019/20 – 2023/24
- Expenditure
 - Expenditure Total 1/8/17 to 31/12/18 - **£1,041,557.53** - as detailed in the body of this report

4. ICT

- Full Digital Strategy in development.
- Data sharing initiatives will need to be agreed in line with legislation and policy

5. Risk Management Issues

- Risk strategy and appropriate mitigation planning is maintained across all elements of the project work stream, procurement and planning.
- The development of the delivery structure will be subject to legal scrutiny and therefore the Council's risk exposure will be mitigated.
- A risk that Swansea University does not continue to be part of the project.
- Project delay due to the current reviews underway remains a risk

6. Physical Assets

- New physical assets will be developed as detailed within the outline planning application submitted.
- Outline planning application unanimously approved at January 10th committee subject to resolution of NRW approval and WG agreement.

7. Staffing Implications

- The Wellness Village will bring about positive impacts on employment and staffing – it is projected to create 1,853 jobs by 2034.
- No adverse impacts are expected on existing staffing.

CONSULTATIONS

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

Signed: **Wendy Walters**

Director of Regeneration and Policy

1. Scrutiny Committee

A special Community Scrutiny Committee was held on 23rd January 2019 to consider the Wellness Village project.

2. Local Member(s)

Constituent and adjacent Ward Members fully briefed at all key project milestones: Cllr. John Prosser, Cllr. Louvain Roberts and Cllr. Deryk Cundy.

Extensive engagement has been undertaken on the concept of the Village and its vision.

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
City Deal papers	Stored on CFP.	The Beacon, Dafen, Llanelli
Procurement papers	Stored on CFP.	Listed within Tender Evaluation Report

This page is intentionally left blank

January 2019

**LIFE SCIENCE AND WELLNESS VILLAGE
AT DELTA LAKES**

GOVERNANCE AND PUBLIC PROCUREMENT REVIEW

Acuity Legal Limited

PART ONE: TERMS OF REFERENCE

1. Acuity Legal has been asked by Carmarthenshire County Council (the Council), to undertake a Governance and Public Procurement review in relation to the Llanelli Wellness Village Project at Delta Lakes (the Project).

2. The terms of reference for the review involve a legal appraisal of the key mechanisms through which the Council is protected in relation to the Project including:
 - 2.1 the Council's decision-making processes in the public procurement process in the light of the advice received
 - 2.2 the terms of the Collaboration Agreement with Sterling and Swansea University
 - 2.3 the Council's actions since July 2018 under the processes established through the terms of the Collaboration Agreement
 - 2.4 papers relating to the Project since the establishment of the Collaboration Board including the minutes of recent Collaboration Board meetings
 - 2.5 whether the Council followed robust governance processes in relation to the decision to terminate the Collaboration Agreement; and
 - 2.6 potential future options for financing the Project.

The review excludes consideration of appropriate mechanisms to engage in future with private sector participants in a manner which is compliant with Public Procurement rules.

3. Acuity has been asked to conduct the review on the basis that it is a panel adviser to local authorities in Wales under the National Procurement Service for Wales Legal Framework, covering governance work. Acuity did not advise on the procurement process or on the preparation of the Collaboration Agreement which form the bulk of the subject matter of the review. This firm does have knowledge of the direction of the Project having recently been asked by the Council to consider funding options and how best to regulate the future engagement of the Council with third parties in the period following the signing of the Collaboration Agreement between the Council, Swansea University (the University) and Sterling Health Securities Holdings Limited (Sterling)

4. In conducting the review, representatives of Acuity have spoken to senior officers at the Council concerning the factual background. Our review incorporates information provided as a result of those discussions and our conclusions are, in part, based on discussions with Council's officers and in part based on our review of the relevant material, in particular:
 - a. The Collaboration Agreement
 - b. The first draft Shareholders Agreement for the proposed property holding company at Delta Lakes
 - c. The minutes of the three Collaboration Board meetings and one Shadow Board meeting
 - d. Our initial Advice Note of August 2018; and
 - e. Procurement material referred to in the Appendixeach of which is described in more detail in this Report.
5. The report is prepared for the sole use by Council representatives and is not intended to be relied on by any party other than the Council. It should remain confidential and not be disclosed without our consent.

PART TWO: EXECUTIVE SUMMARY

6. The Council engaged and ultimately selected the University and Sterling as preferred partners following a competitive dialogue process, which is a thorough and robust method of selecting partners for projects of the nature and complexity of the Project.
7. The documentation provided by the Council demonstrates that it followed due legal process in the procurement and the award of the Collaboration Agreement to Sterling and the University as a collective party.
8. The Project records show good governance and regard by the Council to risk management
9. The documentation provided shows that the Council has not given any binding legal commitments to Sterling or the University which lock those parties into the Project, nor has it transferred any land, made loans, offered cash consideration or formed any company or formal joint venture, with either party.
10. The Council's actions since the establishment of the Collaboration Agreement, as recorded in minutes of Collaboration Board meetings and in the document itself, also reflect an approach which incorporated many levels of Council control into the draft legal arrangements, including appropriate veto rights and the creation of new corporate policies to ensure value for money and compliance with local authority governance rules. This was done in keeping with external legal advice.
11. The Council had several options available to it in relation to the Collaboration Agreement in response to the recent suspensions of University staff. In order to protect the integrity of the Project and the Council's assets it chose to terminate the Collaboration Agreement in accordance with clause 53, having sought legal advice on its options. The Council took account of a range of relevant considerations when electing to terminate. This is addressed in detail in Part Six below (paragraphs 37 to 46).
12. Termination of the Collaboration Agreement does not prevent the Council from engaging with third party participants (including Swansea University) in the future nor does the absence of Sterling Health, in our opinion, have a material adverse effect on funding structures for the Project. Indeed, it gives the Council a greater deal of control to structure finance in a way which best fits its aspirations for the Project as referred to in more detail in Part Seven of this Report.
13. Through the period we have reviewed, the Council's officers have, in our view, taken prudent steps to manage the Project in a safe and well considered legal and financial environment.

14. in our view, there has been no misuse of, and no risk posed to, public funds.

DRAFT

PART THREE: REVIEW OF PUBLIC PROCUREMENT EXERCISE

15. Acuity has undertaken a detailed analysis of the procurement process undertaken by the Council which led to the Council entering into the Collaboration Agreement with Sterling and the University.
16. Our analysis is contained in the **Appendix** to this report and it should be read in conjunction with this remainder of the report.
17. In summary, the Council's project records are in good order and demonstrate that at all times the Council acted in accordance with the Public Contracts Regulations 2015 (**PCR**) and followed appropriate processes, including the recognised competitive dialogue procedure. The Council acted with the benefit of advice provided by its experienced external lawyers, Blake Morgan as well as senior officers, including specifically the Council's Head of Law and Administration (who is also the Council's Monitoring Officer) and the Council's Director of Corporate Services (who is the Council's Section 151 Officer).
18. The Council's in-house team and external lawyers played a central role in the procurement, including attending meetings and workshops with Sterling and the University. The Council's external lawyers chaired the dialogue meetings.
19. While it is not within the scope of this review to assess the merits of the bid by Sterling and the University it is worth noting that the Council considered that their bid had the following benefits:
 - a. Sterling brought with it the University as a co-partner which, in turn, brought significant financial strength, expertise, innovation and leverage from within the University's resource and knowledge base
 - b. The concept of a wellness village ie co-locating various assisted living, wellness, rehabilitation and medical facilities, training facilities, housing and care accommodation is a concept which is attracting interest internationally and offers the potential for significant wellbeing benefits and cross border partnerships which could benefit the Council and derive many spin off benefits such as data analytics and better health outcomes
 - c. Sterling and the University had carried out preliminary work to engage with significant third party commercial entities eg Siemens, Pfizer, Fujitsu and other international companies who had the potential to bring added value

- d. The bid was informally supported by expressions of interest from private sector funding institutions. Such funding, if formally locked in, could assist in satisfying the conditions for attracting City Deal funding for the benefit of the local area.
20. In the light of these apparent benefits it does not appear unreasonable that the Council would wish to engage with Sterling and the University under the terms of a well drafted legal arrangement which preserved options for the Council, or indeed the ability to detach itself, wholly or partly, from those parties if it wished to do so. The Council therefore took the decision to proceed in a considered manner to an interim stage and an arrangement was drafted by the Council's external lawyers and signed in July 2018 as the "Collaboration Agreement".

DRAFT

PART FOUR: TERMS OF THE COLLABORATION AGREEMENT

21. The Council has confirmed to us that the Collaboration Agreement represents the only legal agreement in place between the Council, Sterling and the University. It has formed the background to the engagement between the parties from July 2018 to December 2018.
22. In our view, the Collaboration Agreement weighted Project risks in the Council's favour and did not expose the Council. In particular, the document:
 - a. reserved rights for the Council to progress alone with key phases of the Project if it so wished
 - b. placed the onus on Sterling and the University to bring forward further detail in relation to other components of the Project for the Council's approval before concrete commitments were made .
 - c. permitted the creation of a steering group to discuss development proposals in a streamlined and orderly fashion
 - d. incorporated the right to trigger a notice forcing the parties to provide particulars of their offering or else face termination.
 - e. inserted termination provisions which could be (and indeed were) activated at the Councils sole discretion and without liability to the Council.
23. In so doing, the Council took sensible precautions against the risk of the other parties being unable to satisfy financial and development tests or bring forward robust proposals which satisfied the Council's obligations to deliver best value from its assets and meet the requirements of its public procurement.
24. The Collaboration Agreement did not contain any legally binding commitments on the Council to transfer assets or value, or create formal joint venture commitments which could tie up public assets. In reality, the University and Sterling obtained little more than a right of first refusal right to bring forward proposals for certain phases of the Project for detailed consideration by the Council. It also provided for the creation of a joint steering group to look at the formation of joint arrangements, financing options and masterplanning work The agreement was capable of termination by the Council at any time.

PART FIVE: COUNCIL DECISION MAKING FOLLOWING THE COLLABORATION AGREEMENT

25. A steering group was established under the Collaboration Agreement. Monthly meetings took place, the meetings of which were chaired, well attended and minuted. Minutes were subsequently circulated and settled at the following meeting. Conflicts of interest were asked to be declared.
26. Copies of the minutes of the meetings to date (a Shadow Board meeting dated 29 June and then Collaboration Board Meetings of 3 September, 17 October and 15 November 2018) show that good governance of the Project was a key consideration.
27. Significant activity took place around those meetings to formulate a detailed Project strategy. Discussions also took place with prospective occupiers of elements of the Wellness Village (principally the University Human Health department and Medical School and Hywel Dda University Health Board)
28. Work was also undertaken by the Council, both internally and reviewed by an external advisor, 1971 Limited, to undertake high level financial modelling for each phase of the Project to form part of a comprehensive business plan. Detailed spreadsheets were prepared which took account of likely funding options and revenue streams. Such work was commissioned directly by the Council in response to concerns that Sterling were not undertaking such work within the required timescales and in order to ensure that the Council's position would be protected in any subsequent funding discussions.
29. Work also began to define the architectural and engineering inputs into the planning phase of the Project. Arup was appointed in relation to this work pursuant to a framework agreement that the Council was able to use. The Council was described in the documentation as the commissioning body, thereby retaining full control of the intellectual property rights in design and planning work (with such rights not being transferred to Sterling or the University). The appointment of Arup was prepared by this firm in accordance with the documentation requirements of the procurement framework which the Council had selected. The Council took on responsibility for bearing the costs of the Arup engagement on the basis that it retained all rights to the benefit of such work and retained full ownership of the land at that point.
30. Although design and planning work has been undertaken by Arup, no construction contracts have been awarded in relation to the Project.

31. A key intention of the Collaboration Agreement was to progress work towards the formation of a “Wellness Company” and “Project Vehicles” into which the Council could potentially transfer land to enable the Project to be developed through special purpose vehicles without direct legal exposure to the Council. These legal entities would also have enabled the wider development of the concept of a “wellness village” in other localities outside of Wales, from which the Council could have, and hoped to, retain an equity financial interest without the need for direct involvement.
32. Discussions at Board level took place under the Collaboration Agreement to start to prepare legal documentation for the formation of an asset holding Project Vehicle in October 2018 in accordance with legal advice. However:
- a. No land transfers have taken place and therefore the site remains in the ownership of the Council under the terms of a joint venture with Welsh Ministers, with no legal commitment to make any transfers;
 - b. No Project Vehicles were established as the proposals were in draft stage in the period prior to termination of the Collaboration Agreement and therefore the Council has not issued shares to a third party and is not obliged to do so;
 - c. The draft agreement was prepared and circulated for the creation of a property development vehicle, this did not get beyond first draft stage and therefore it is not legally binding.
 - d. The draft agreement incorporated provisions that:
 - i. New companies would have to be established (ie not adopting any existing Sterling companies) (see definition of “Company) with only a limited number of directors from each representative entity (two each)
 - ii. Veto mechanisms for the Council and University would be incorporated into the documentation to guard against any concerns that the private sector participant could take decisions which were not in the interests of the Council
 - iii. Processes were built into the documents to enable the Council to take security over the project company if it were ever asked to contribute value (eg land, funding or guarantees) which was disproportionate to its shareholding (to be treated as loans on which market rates of interest would accrue)

- iv. The draft contained protections against fraud and anti-corruption, requirements of transparency together with significant warranties and undertakings from the Sterling and the University in favour of the Council
- 33. It should be emphasised that the draft agreement would have been further refined through discussion and negotiation between the three shareholders and their respective legal advisers and additional protections incorporated if necessary
- 34. The minutes of Collaboration Board meetings show that the Council were also anticipating the following documents to accompany the formation of a Project Vehicle:
 - a. Detailed Business Plans and financial models were to be prepared to define the parameters of the Project
 - b. A “procurement strategy” was to be documented (which this firm has been instructed to prepare following the November Collaboration Board meeting) so as to govern engagement with third parties in a manner which satisfied governance requirements of the Council (as a local authority) and University (as a charity) – and which was intended also to ensure Sterling’s dialogue with third parties was carried out in a regulated and transparent manner;
 - c. Risk register, insurances and quality assurance policies were to be established in conjunction with the proposed Business Plan, in each case to mirror examples of good governance in other local authority- controlled trading companies
- 35. It is noted from the Minutes that the Council expected both the University and Sterling to seek independent legal advice on the terms of any agreement. Such advice would have included the identity of shareholders and directors proposed by the University and Sterling which would have to be negotiated and agreed by all parties transparently. Accordingly, all parties were intending to have the opportunity to have independent scrutiny of the documents and make their proposals as to how shareholding structures would be set up. The Council also reserved its position to seek separate approvals from its Executive Board prior to concluding any legally binding commitments.
- 36. Our recent discussions with Council officers have disclosed that during the course of its engagement with Sterling under the Collaboration Agreement, it became apparent to officers that Sterling developed unrealistic expectations concerning the Project outcomes and funding structures. It also relied excessively on the Council and University to drive key elements of the Project (notably the preparation of financial models and procurement strategies for each phase

and the adaptation and refinement of elements such as rehabilitation and extra care. In our view, the mechanisms introduced into the process by the Council (and referred to above) showed an appreciation of these issues and were designed to protect the Council (and University) from associated risks and ensure their behaviour was properly regulated from a governance perspective.

37. Therefore, the Council had taken steps throughout the process to ensure high standards of governance and risk management were incorporated into the documentation which was being prepared so as to manage all future legal arrangements. The Council's implementation of the Collaboration Agreement in our view protected the Council from foreseeable economic risks of the Project. The next phase of documentation (specifically shareholder relationships) were intended also to guard the Council against failure of other parties to perform adequately in relation to the Project.

DRAFT

PART SIX: DECISIONS CONCERNING TERMINATION

38. At the stage of considering whether or not to terminate the Council had not received any detail concerning staff suspensions at the University. This report does not intend to comment on those suspensions or speculate as to the outcome of the University's internal review as the review is still incomplete as far as we are aware.
39. As the suspensions involved individuals with links to the Project, the Council considered that it needed to take swift and appropriate action to protect itself and the Project. It considered a range of options, principally:
- a. Await the outcome of the University investigation and take a view on the impact when it concluded (**Wait and See Option**)
 - b. Serve an interim notice under the Collaboration Agreement indicating an intention to progress the core elements of the scheme alone (particularly the Community Health Hub and Wellness Centre) and put on hold the remaining elements until further details were known (**Partial Pause Option**)
 - c. Serve 6 months' notice to terminate the Collaboration Agreement and cease discussions with Sterling, but leave open the potential of dialogue with the University in its capacity as occupier of the Community Health Hub (**Interim Termination Option**)
 - d. Serve an immediate notice ending the agreement "forthwith" alleging breach of the Agreement (**Breach Termination Option**)
40. The drafting of the Collaboration Agreement did not permit the Council to terminate the relationship with respect to one party only (Sterling or the University) and leave the other in place. Any notice to terminate therefore had the effect of ending the entire agreement.
41. When considering termination options, the Council were aware that termination of the Collaboration Agreement did not necessarily preclude the Council from continuing its dialogue with the University, both as a prospective occupier of the Community Health Hub and potentially more widely following proper re-engagement. Indeed, the competitive dialogue documentation issued by the Council made it clear that the University had a key contributory role which logically can apply whether or not the Collaboration Agreement was in place.

42. In making any decision from available options, the key factors which were relevant and available to the Council for consideration were:
- a. giving assurance to Council members that a robust stance was being taken which protected the Council;
 - b. Preserving the ability to attract City Deal funding from Welsh Government/UK Treasury and complying with the conditions attached to that funding;
 - c. retaining the valuable support that had been offered to that point by Swansea University in relation to matters such as human health, medical school, training and digital platforms as occupier of the Community Health Hub;
 - d. The Council being confident that it could obtain finance for the wider Project from private sector sources so as to match fund City Deal contributions appropriately;
 - e. project timeframes, particularly as work on master-planning had already been commissioned and was underway and there was a requirement from Hywel Dda University Health Board that any elements of the Project which they were contributing to within the Community Health Hub were delivered in a timely and transparent fashion so that care packages could be commissioned at the right time; and
 - f. Whether the University would conclude its internal reviews quickly.
43. The Council discounted the Breach Termination Option having taken legal advice. Without full and proper information regarding the outcome of the investigation by the University it could have risked disputes with the other parties if it were to allege a breach. Risking such a dispute would have been unnecessary given the alternative options available to the Council.
44. The Council also considered that it could not adopt the Wait and See Option. The timeframes for conclusion of the University review were uncertain as the suspensions were being contested publicly the fact that a full investigation was frequently a time-consuming exercise in the light of the University's charter, policies and Charities Act obligations Therefore a Wait and See Option would deprive the Council of the ability to reassure its members and the public that it was acting swiftly and responsibly.
45. The Partial Pause Option would, in effect, have kept the Collaboration Agreement alive but extracted from it two core phases, the Community Health Hub and Wellness Centre. These phases were so integral to the overall success of the Project that they would have deprived the

other parties of any real input in the Project for years. It would also have been difficult to engage partially with the University without also dealing with Sterling (or vice versa) while the Steering Group was intact for remaining phases. The uncertainty would also possibly be perceived as insufficient action to reassure the Council and other stakeholders such as Welsh Government and UK Government.

46. The Interim Termination Option was selected for the following reasons:
- a. It allowed the Council to take swift and decisive action to preserve the integrity of the Project and try to ensure City Deal funding remained in tact;
 - b. it offered a much cleaner method of terminating as it explicitly allows termination “without liability”;
 - c. it did not, in the view of the Council, prejudice private sector funding as the Council had commissioned its own financial modelling and this indicated that the funding would be primarily based around the Council’s involvement and commitment;
 - d. it enabled the Council to keep on track with the work already undertaken to satisfy Hywel Dda and planning application timeframes; and
 - e. it did not necessarily preclude re-engagement with the University (and indeed we understand that the Council has already indicated to the University that it wishes to re-engage at an appropriate time and in an appropriate manner).
47. Our view is that the above were relevant factors and the Council gave appropriate weight to those factors in reaching its decision to serve an Interim Termination Notice.

PART SEVEN: FUTURE FUNDING ARRANGEMENTS

48. The Report does not consider precisely how future funding will be structured and the appropriate procurement methodologies and this will be the subject of more detailed work in future. However, there are certain observations we are able to make within the confines of the terms of reference for this Report.
49. The potential to establish a corporate vehicle (which may be wholly owned by the Council) still remains and has advantages in terms of offering security for funders and removing certain contractual risks from the Council. This is commonly adopted by local authorities when embarking on development projects.
50. Our understanding of the financial status of the Project and the modelling work undertaken to date by the Council is that its fundability does not depend to any significant degree on Sterling. While Sterling had made initial enquiries of institutional funders, it is commonly accepted that institutional funders such as banks and pension funds will look to the Council (and any other major public sector participants such as the University) as counterparties rather than Sterling, whose balance sheet would be irrelevant to asset and/or covenant backed finance methods. In contrast, the participation of an entity of the strength of the University and Hywel Dda, and also a firm commitment to funding from the City Deal would be major positive factors in attracting institutional private sector finance as well as additional support from corporate private sector bodies in the healthcare sector
51. The modelling work which the Council has commissioned from 1971 Limited is consistent with the work we have seen elsewhere in attracting institutional funding and should place the Council in a strong position to determine the optimum funding structure and the types of funders, and their terms, for most phases of the Project. This will be subject to future detailed scrutiny by the Council's finance team but in the presence of strong public sector support provides a solid foundation to attract private sector funding.
52. It is possible that the Council may have to adopt multiple funding strategies for different components of the Project. For example:
 - a. Seek new private sector investment alongside the Council in the form of risk capital and then jointly appoint contractors following applicable procurement rules;
 - b. Seek debt finance from a bank on commercially competitive terms. This is likely to be assisted by the injection of equity committed by the Council and City Deal;

- c. consider “forward funding arrangements” with a pension fund to deliver 100% finance as has been successfully delivered elsewhere in Wales for the core elements of the Project;
 - d. Consider the issue of a bond to finance the Project (or parts of it) with an institutional investor;
 - e. Consider funding with an overseas fund. We believe there is appetite for this given the international interest in wellness led schemes and investment into the UK (irrespective of Brexit outcomes) and a partnering approach with similar international schemes may yield cost efficiencies or scaling opportunities as well as a better overall scheme; and
 - f. Consider disposal to an appropriate and highly experienced partner for those elements of the scheme which are considered non-core (eg housing to a Registered Social Landlord)
53. We will be reviewing these options in more detail with the Council. In our view, when assessing such options, it will be important to determine the status of University and City Deal support and best value in relation to the terms of the funding on offer.
54. Additionally, a key factor in determining funding strategy will be the interconnectivity of its various elements, which work best when developed as part of an overall strategy rather than in isolation. This will have an impact on the phasing of funding as well as in the creation of linked elements such as public realm treatment. The fact that the Council has already, through its work with Arup, secured an initial planning permission will assist with future private sector funding as well as add to the value of the Delta Lakes site.

APPENDIX

Public Procurement Review

DRAFT

Appendix: Review of Delta Lakes Procurement

1 Executive Summary

- 1.1 On 6 July 2018, Carmarthenshire County Council (the **Council**) entered into a collaboration agreement with Sterling Health Security Holdings Limited (**Sterling**) and Swansea University (the **University**). Under the collaboration agreement, Sterling and the University (the **Developer Parties**) collaborate with the Council to bring forward development projects that will form part of the Llanelli Wellness and Life Sciences Village at Delta Lakes, Llanelli (the **Project**).
- 1.2 The Council has instructed Acuity Legal to review its records in relation to the Project and to report on whether there are any issues of non-compliance with public procurement law in order to provide assurance to the Council that it conducted the process in a fair, robust and compliant manner.
- 1.3 We attended The Beacon Centre for Enterprise on Monday 3rd December 2018 and Tuesday 4th December 2018 and reviewed the project records provided by the Project Management Office (**PMO**). Subsequent to the review of the project records, we received by email a number of other documents.
- 1.4 The documents demonstrate that at all times the Council acted in accordance with the Public Contracts Regulations 2015 (**PCR**) and followed appropriate processes, including the recognised competitive dialogue procedure. Throughout the procurement process, the Council acted with the benefit of prompt advice provided by its external lawyers and senior officers, including specifically the Council's Head of Law and Administration (who is also the Council's Monitoring Officer) and the Council's Director of Corporate Services (who is the Council's Section 151 Officer). The Council's in-house team and external lawyers played a central role in the procurement, including attending meetings and workshops with Sterling and the University. The Council's external lawyers chaired the dialogue meetings.
- 1.5 The project records provide an audit trail of the procurement and the key decisions arising during the procurement. The project records demonstrate compliance with the PCR. In our view, the project records kept by the Council are robust and there are no gaps in those records when compared with the expectations for a procurement of a scheme of the size and nature of the Project.
- 1.6 The documentation provided demonstrates that the Council followed due legal process in the procurement and the award of the collaboration agreement to the Developer

Parties. The project records show good governance and regard by the Council to risk management.

- 1.7 We are aware that the Council has now terminated the collaboration agreement. We have received confirmation from the Council's Section 151 Officer that the Council has not paid any public funds to the Developer Parties under the collaboration agreement or otherwise in relation to this Project. In our view, there has therefore been no misuse of, and no risk posed to, public funds.

2 Analysis

2.1 Kent Neurosciences exclusivity

2.1.1 Following the Council's Executive Board approval on 23 May 2016, the Council entered into an exclusivity agreement / "lockout agreement" with Kent Neurosciences Limited (**KNS**). The lockout period commenced on 23 May 2016.

2.1.2 Under the lockout agreement, the Council was restricted during the period of the lockout from:

2.1.2.1 entertaining offers for the property from anyone other than KNS;

2.1.2.2 giving access to the property to any prospective buyer;

2.1.2.3 providing certain defined documents concerning the property to anyone other than KNS;

2.1.2.4 negotiating or agreeing any terms for the sale of the property other than with KNS; and

2.1.2.5 disposing of the property or entering into any contract to dispose of the property nor granting any option or right of pre-emption over it.

2.1.3 The lockout agreement was terminated on 7 February 2017, and so it was not in force when the Council published its prior information notice and subsequently its contract notice in relation to the Project. The lockout agreement was terminated because the Council intended to undertake a procurement exercise in relation to the Project.

2.1.4 The lockout agreement was not a "public contract" for the purposes of the PCR and as such, there was no obligation to follow a procurement process before the

Council entered into the lockout agreement. Further, there is no legal obligation to undertake due diligence prior to entering into an agreement which provided exclusivity. In such circumstances, and in our experience, it is common practice for the due diligence to take place at the time the land transaction becomes more certain or a transfer is triggered. As the lockout agreement did not result in any land transaction proceeding, the Council was not under an obligation to undertake due diligence.

- 2.1.5 There is no evidence that the existence of a pre-existing relationship with KNS (under the lockout agreement) had any adverse effect on the Council's procurement process.

2.2 Preliminary market consultation

- 2.2.1 A discretion exists under the PCR for a contracting authority to undertake a preliminary market consultation. As such, the Council was not obligated to carry out the preliminary market consultation, although it recognised that doing so was good practice and a step that offered benefits when planning to launch a procurement process. In particular, by undertaking a preliminary market consultation, the Council would have exposed the opportunity to the market and maximised knowledge of that opportunity.
- 2.2.2 The Council commenced a preliminary market consultation by publishing a prior information notice (**PIN**) on 18 March 2017. By undertaking a preliminary market consultation, the Council sought "advice"¹ from market participants, which could be and was used in the planning and conduct of the Council's procurement procedure.
- 2.2.3 The PIN sets out the Council's view of its requirements and sought views from the market in response to its published requirements. The Council sought views from the market by way of responses to a questionnaire prepared by the Council.
- 2.2.4 Following publication of the PIN, the Council received expressions of interest from two organisations and met with each:

¹ Regulation 40(2) of PCR refers to "advice".

- 2.2.4.1 KNS, by way of letter dated 6 April 2017, together with a completed questionnaire and appendix and followed up with a meeting on 28 April 2017; and
- 2.2.4.2 BTY, by way of letter dated 7 April 2017 together with a completed questionnaire and brochure and followed up with a meeting on 27 April 2017.
- 2.2.5 The Appendix supplied by KNS includes references to ARCH (A Regional Collaboration for Health) and Swansea University. There is no evidence that individuals connected with ARCH or the University played any substantive role in KNS at the time the Council was undertaking the preliminary market consultation.
- 2.2.6 ARCH is described on its website as "health and science working together, to improve health, wealth and wellbeing of the people of South West Wales", and is a collaboration between Abertawe Bro Morgannwg University Health Board, Hywel Dda University Health Board and Swansea University, aiming to modernise healthcare. The parties collaborate with the aim of developing and implementing new models of care.
- 2.2.7 From the information contained in the Appendix supplied by KNS, it appears that the involvement of the University relates only to one project. There is no evidence of, and no suggestion in the Appendix that, the relationship between KNS and the University extend beyond this single project, nor that there is any longstanding relationship that continued whilst the Council was undertaking its procurement.
- 2.2.8 As already noted, the purpose of the preliminary market consultation is to obtain information from market participants in order to inform the Council's procurement procedure. As such, the Council was not required to consider the experience of KNS, nor the relationship with ARCH and/or the University, as part of the preliminary market consultation.

2.3 Procurement strategy and choice of competitive dialogue

- 2.3.1 Following the preliminary market consultation undertaken after publication of the PIN, the Council reviewed its procurement strategy so that the Council's strategy was informed by the information received during the preliminary market consultation.

- 2.3.2 The Council's procurement strategy was based on the use of the competitive dialogue procedure.
- 2.3.3 Use of the competitive dialogue procedure allowed the Council to engage with the market as part of the formal tender process, so that all material issues are dealt with during the dialogue phase of the procedure. The competitive dialogue procedure can be used where:
- 2.3.3.1 the needs of a contracting authority cannot be met without adaptation of readily available solutions;
 - 2.3.3.2 the contract includes design or innovative solutions;
 - 2.3.3.3 the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial makeup or because of risks attaching to them; or
 - 2.3.3.4 the technical specifications cannot be established with sufficient precision by the contracting authority with reference to a standard, European Technical Assessment, common technical specification or technical reference.
- 2.3.4 The competitive dialogue procedure is an iterative process with significant flexibility in the design and operation of the procedure provided the principles and restrictions under the PCR are met. During the process bidder solutions are developed, and improved, in dialogue with a contracting authority until the point at which it is able to identify the solution or solutions capable of meeting its needs.
- 2.3.5 The competitive dialogue procedure is a very robust procurement process when considering both the outcomes that can be obtained by using it and the resources and planning required to operate an effective competitive dialogue procedure.
- 2.3.6 The benefits of using that procedure when compared with the other more traditional forms (open and restricted) would include:
- 2.3.6.1 a more detailed testing of all proposals, particularly the preferred proposal;

- 2.3.6.2 greater confidence in the quality of the solution and the submission, particularly if it has been progressively tested during the dialogue process;
 - 2.3.6.3 ability to generate alternative design proposals, giving greater potential for added value in project delivery; and
 - 2.3.6.4 the iterative process of solution development fits well with the development of complex solutions in public-private partnerships.
- 2.3.7 The Project is of the kind that would suit use of the competitive dialogue procedure. By adopting the competitive dialogue procedure, the Council used a recognised procurement process which was robust and was designed to ensure effective risk management and good governance given the complexities of the Project.
- 2.3.8 The procurement was launched by way of Contract Notice published on 10 July 2017.
- 2.3.9 The information provided in the response questionnaires as part of the preliminary market consultation was used to provide information for the formal part of the procurement process. The text contained in the Contract Notice is consistent with that contained in the PIN.

2.4 Selection stage

- 2.4.1 Expressions of interests in the opportunity were received from 38 organisations. A number of the members of the Sterling consortium individually expressed their interest within those 38, as did BTY.
- 2.4.2 Where a procurement has a broad range of elements and a contracting authority therefore needs to use a broad description in its contract notice, it is common for a large number of irrelevant / inappropriate organisations to express an interest in the opportunity. Usually this is either to gain insight into a contracting authority's requirements or because the organisation might be able to deliver a part or specific elements of the published requirements. This appears to be the case with the Project – a large number of those expressing an interest seem unlikely to be able to deliver the Project alone. All organisations expressing an interest were provided with the same information and treated fairly and equally.

- 2.4.3 It is good practice to ask organisations that have expressed an interest, but not submitted a response, to explain why they chose not to respond, and the Council made those enquiries. There is no obligation on an organisation to provide a response explaining why they did not respond, and it is common for organisations not to provide a response. Five organisations did provide an explanation. BTY are noted with the entry "not replied" in the Sell2Wales printout featured in the project records. BTY chose not to proceed with the project as they were interested in a project management role rather than design and delivery of the Project. The Council received only one bid in response to its Contract Notice, which was submitted by a consortium led by Sterling.
- 2.4.4 Although KNS is a different legal entity to Sterling, the engagement with each party was through a common representative. As such, it is reasonable to expect the Council to have been aware of the existence of a link between Sterling and the University. As noted above², there is no evidence of that link being strong, longstanding or continuing at the time of submission of the PQQ.
- 2.4.5 The Council was aware of an historic relationship between a company within the same group as Sterling (i.e. KNS) and the University but as the University had not been named as part of the consortium in Sterling's PQQ response, there was no obligation to enquire further about the historic relationship.
- 2.4.6 Further, KNS (and by association Sterling) received no advantage because of the existence of the lockout agreement, nor by being involved in the preliminary market consultation.
- 2.4.7 The Council took political, financial and other factors³ into account in arriving at a decision to proceed with the procurement.
- 2.4.8 The decision taken to proceed with Sterling as sole bidder was consistent with the PCR and is a reasonable and proportionate response to the situation faced by the Council.
- 2.4.9 Following the decision to progress the procurement with Sterling alone, the Council assessed Sterling against its PQQ requirements. The Council adopted the Supplier Qualification Information Database (commonly known as **the**

² See paragraph 2.2.7.

³ Factors considered by the Council included the timetable for progressing the City Deal funding application, balancing the costs of proceeding with the procurement versus abandoning and procuring in a different manner, retaining participation of the Local Health Boards and University term dates.

SQuID) for its PQQ, a set of questions produced by Welsh Government to simplify and standardise the selection stage of a procurement.

2.4.10 The purpose of the selection stage of a procurement process is to enable a contracting authority to identify a pool of qualified bidders who are potentially competent in performing the contract, i.e. a due diligence process. At the selection stage, in addition to certain mandatory and discretionary exclusions, the contracting authority considers the economic and financial standing of bidders, as well as technical and professional ability.

2.4.11 The use of a PQQ is a recognised part of the competitive dialogue procedure. The PQQ used by the Council, adopting the SQuID, provided an appropriate and robust mechanism to assess both the economic and financial standing and the technical and professional ability of the Sterling-led consortium. This included assessing the acid test ratios of each of the members of the consortium proposed by Sterling and the consortium met the required thresholds.

2.5 Award stage

2.5.1 The Council issued an Invitation to Participate in Dialogue (**ITPD**) on 3 October 2017, which detailed the timeframe for the procurement, details of the process, the Council's requirements and the requirements of a tender..

2.5.2 The ITPD foresaw a period for evaluation before finalising the contract with the successful bidder. The anticipated date of execution of the contract was 12 March 2018.

2.5.3 The Council worked with Commerce Decisions, a supplier appointed by Welsh Government under a Pan-Wales agreement, to develop the award criteria that were adopted by the Council, and published as part of the procurement process. Only Council officers were involved in the development of the award criteria. The outcome from the development work was a robust, transparent and non-discriminatory set of award criteria.

2.5.4 As there was only one bidder that submitted a PQQ, the Council would have been able to adopt a less formal process, albeit retaining what was necessary to ensure value for money. Although the flexibility existed, the Council proceeded in the same manner as it would have if there had been multiple bidders. By doing so the Council acted reasonably and followed a robust, recognised procurement process. The Council also acted with the utmost transparency by continuing with its published process.

- 2.5.5 During the procurement, the Council sought declaration of interest forms from those involved in the process (internal and external to the Council). A declaration was completed and submitted to the Council by each person before that person was allowed to participate in the evaluation process.
- 2.5.6 Following first evaluation of the bids on 7 and 8 November 2017, the Council provided feedback to Sterling on its initial tender to improve the quality of its submission in keeping with the recognised steps taken in a competitive dialogue procedure. The evaluation review was used to scope the agenda for the dialogue meetings. The first round of dialogue took place on 16 and 17 November 2017.
- 2.5.7 On 16 November 2017, Person A informed the Council that they would be participating in the procurement by supporting Sterling. The participation by Person A was formally announced in the meeting and was recorded in the minutes of the meeting. In our view, participation by Person A had no anti-competitive or discriminatory effect and proceeding with the procurement process was a reasonable and proportionate step.
- 2.5.8 As a result of this declaration, a "conflict of interest agreement" was entered into by the Council and the University. This was a result of the Council's insistence on implementing a robust governance structure to protect the integrity of the procurement process. This agreement implemented a process to allow the University to continue with its involvement in the project as a stakeholder, whilst authorising certain named individuals⁴ to participate in the procurement process by supporting Sterling and restricting them from any involvement in the (Council) buyer-side of the procurement.
- 2.5.9 After the Council and the University entered into the conflict of interest agreement, the Council was notified by Person C, that it was necessary to declare an interest in relation to Person D. Person C was named as the University's principal representative in the governance of the procurement of the Project and the agreement contains an obligation to notify the Council if employees of the University are involved in assisting or advising Sterling in connection with the procurement. A declaration of interest dated 16 January 2018 was received from Person D on 25 January 2018.

⁴ Person A and Person B are identified in the Protocol.

- 2.5.10 The Council reviewed all the available information including its own records of Person D's participation in the dialogue before concluding that the integrity of the procurement process has not been compromised. This was a conclusion the Council was entitled to reach. Person D was removed from participating any further in the dialogue.
- 2.5.11 The PCR contains provisions on conflicts of interest⁵, and specifically, requires a contracting authority to "take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all economic operators"⁶.
- 2.5.12 In this context, the scope of conflicts of interest are defined to include "any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure"⁷. Further, the reference to "staff members" are those "involved in the conduct of the procurement procedure or may influence the outcome of that procedure".
- 2.5.13 A contracting authority has a discretion to exclude a bidder that is subject to a conflict of interest, although only where that conflict cannot be "effectively remedied by other, less intrusive, measures"⁸. Guidance produced by the Crown Commercial Service acknowledges that the provisions of the EU Directive on Public Procurement 2014, and therefore the PCR, is not prescriptive in the safeguards against conflicts, but the Guidance does suggest that "compliance could be achieved, for example, through a common current practice amongst many UK contracting authorities, where declarations are signed by procurement staff to confirm they have no outside interests with bidders"⁹.
- 2.5.14 The Council sought declarations before it became aware of the involvement of the University with the Sterling bid. Its actions in this regard are therefore appropriate and in keeping with recognised procurement practice.

⁵ Regulation 24, PCR.

⁶ Regulation 24(1), PCR.

⁷ Regulation 24(2), PCR.

⁸ Regulation 57(8)(e), PCR.

⁹ Paragraph 5.10, "A Brief Guide to the 2014 EU Public Procurement Directives":

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560261/Brief_Guide_to_the_2014_Directives_Oct_16.pdf

- 2.5.15 Although KNS had an existing relationship with the Council, there is no evidence that KNS was involved in the development of the procurement. Further, although the Council had intended to involve the University in the procurement as a stakeholder, the award criteria and methodology were developed exclusively by the Council and without the involvement of the University. In light of this, a conflict of interest for the purpose of PCR had not arisen.
- 2.5.16 The Council took advice in relation to this position from its external lawyers before proceeding with any dialogue sessions with the Sterling (and the University). The adoption of a protocol between the Council and the University provided further safeguards which demonstrate good governance.
- 2.5.17 At all times, the steps taken by the Council are reasonable and proportionate steps to take and are consistent with those that would usually be expected of a contracting authority and which were consistent with the Council's own rules.
- 2.5.18 The Council was not obliged to consider its discretion to exclude KNS (or a connected company) from the procurement – indeed, as a conflict of interest had not arisen to do so could have constituted unlawful behaviour and would have exposed the Council to the possibility of a challenge from KNS or Sterling.
- 2.5.19 In addition to the formal dialogue sessions scheduled by the Council, the Council, Sterling and the University participated in workshops which focused on specific subject matters such as financial and design. Meetings of this nature are common in a competitive dialogue procedure. Further, meetings took place with funders identified as part of Sterling's consortium to provide detailed understanding on the proposed funding structure and deliverability. Again, meetings of that kind are common in a competitive dialogue procedure.
- 2.5.20 As already noted, although the Council had flexibility to adopt a less formal approach, it chose instead to retain the robust process which would have been followed if multiple bidders had been involved in the process. This demonstrates a good approach to governance and a commitment to transparency.
- 2.5.21 The Council provided feedback to Sterling on its initial tender to improve the quality of its submission, a fact that is a recognised part of the competitive dialogue procedure. As already noted, the competitive dialogue procedure is designed to improve the quality of submissions as the process proceeds towards a final tender stage. Neither this, nor the workshops undertaken

alongside formal dialogue sessions would result in any discrimination, nor be considered anti-competitive.

2.5.22 We are aware that the Council provided and received information other than through its procurement portal. That fact would not result in any discrimination, nor be considered anti-competitive, as no other bidder was involved in the procurement. The approach taken by the Council is again reasonable and proportionate in the circumstances of the Project.

2.6 Sterling and the University as Developer Parties

2.6.1 Following the second round of dialogue it was accepted that given the progress made, a collaboration agreement could be prepared and issued by the Council to enable joint working to move the Project forward effectively. As further detailed below, the approach of entering into the collaboration agreement provided the Council with enhanced control and a good governance structure, whilst at the same time appropriately managing risk.

2.6.2 During the competitive dialogue procedure, further details of the structure of the consortium and specifically the role of the consortium members, became clearer. In particular, the Council was told that Vinci would only be willing to take equity in the Sterling consortium when the Project reached the development stage (i.e. when construction would commence and other funders are approved and full financial business plans are in place). In order to ensure the continuing robustness of the consortium, Sterling brought the University forward as a member of the consortium.

2.6.3 Following discussions between the Council and Sterling, the Council considered the possibility of proceeding by approving the addition of the University to the Sterling consortium. The proposal would result in Sterling and the University both entering into the collaboration agreement as the Developer Parties. The decision to proceed in this way was compliant with the PCR and proceeding in this way was a reasonable and proportionate step.

2.7 The collaboration agreement

2.7.1 The collaboration agreement issued by the Council created a framework to agree contracts for the development of specific elements of the Project. The collaboration agreement also set out wider governance arrangements for the Project and was little more than an arrangement under which the Council and the Developer Parties would work together and collaborate in relation to the

Project. The collaboration agreement contained no commitment "to agree anything, or to carry out any specific works or services in relation to ... [the Project], or to pay any sums" and no guarantee that work would be undertaken by the Developer Parties. The Council had a right to terminate the collaboration agreement on notice and without liability to Sterling and the University.

2.7.2 The approach of using a collaboration agreement was compliant with the PCR. The approach also provided the Council with greater control and a more robust governance structure than might have been present under a development agreement. As already noted above, the competitive dialogue procedure has significant flexibility, and is designed to allow development and changes a solution as the procedure progresses. The award of a collaboration agreement in place of a development agreement is therefore within the scope of what would be permitted under the PCR.

2.8 Award of the collaboration agreement

2.8.1 The competitive dialogue procedure allows the award criteria to flex as the process advances so as to reflect the level of development of solutions as dialogue progresses. The Council benefitted from this flexibility by flexing its award criteria and in doing so was acting in compliance with PCR.

2.8.2 The Council concluded that the contents of Sterling's solution and the terms of a collaboration agreement met its requirements. Therefore, in place of the final tender, the Council required Sterling to confirm its agreement to the final version of the collaboration agreement, which was released on the portal at the same time as a notification of that fact by the Council. The confirmation was required from Sterling by no later than 12:00 noon on 26 June 2018.

2.8.3 As Sterling was the only bidder involved in the procurement, the Council decided to assess whether Sterling achieved the minimum requirements of each of the award criteria which applied at the final tender stage in place of allocating scores. Sterling's submission was evaluated against each of the final tender award criteria and the Council evaluated each of the award criteria as "approved" or "passed". This approach was robust and proportionate.

3 **Conclusion**

3.1 Although we have identified some points of note above, none of these points, either individually or collectively, constitute a material breach of the PCR or public procurement

law. Further, there is no anti-competitive or discriminatory effect in the actions of the Council.

- 3.2 The Council has followed a robust process, which demonstrates many facets of good governance and management of risk.
- 3.3 For these reasons, it is our conclusion that the Council followed due legal process in the procurement and ultimately when awarding the collaboration agreement to Sterling.
- 3.4 We are satisfied that the Council's decision-making and actions are reasonable and proportionate, compliant with the PCR and public procurement law, resulted in the effective management of risk and adopted good governance.
- 3.5 Finally, on the basis that no public funds were released to either of the Developer Parties under the collaboration agreement or otherwise in relation to the Project, there has been no misuse of public funds.

Acuity Legal Limited

16.01.2019



Mark James CBE
Chief Executive
Carmarthenshire County Council
County Hall
Carmarthen
SA31 1JP

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: AMH/JE/NG

Date issued: 21 February 2019

Dear Mark

Llanelli Life Science and Well-being Village

As you are aware, the Wales Audit Office recently undertook a review of the Llanelli Life Science and Well-being Village project following concerns raised with us about its governance. The review sought assurance that the Council had sound governance and risk management arrangements in place, had complied with its own internal processes, and that it had ensured that public assets were protected. Our review was carried out under powers contained within section 17 of the Public Audit (Wales) Act 2004.

The Council entered an Exclusivity Agreement with Kent Neuro Science on 23 May 2016. This agreement did not require any significant checks or detailed process as it did not involve any financial liability for the Council. The agreement was for a 12-month period. As the Council decided to move forward to a competitive dialogue procurement process, the agreement was cancelled with the agreement of both parties on 7 February 2017.

Following EU procurement rules, the Council then launched a procurement process on 18 March 2017 with the publication of a prior information notice. The Council appointed a leading law firm, with significant procurement experience, to support the procurement process and provide legal advice.

Following assessing the responses to the prior information notice, the Council issued a pre-qualifying questionnaire (PQQ) on 10 July 2017. This resulted in one submission, led by Sterling Health Securities Holdings Limited, that met all the

PQQ requirements, including due diligence checks. The Council moved forward with a competitive dialogue process.

Advice provided to the Council indicated that if it had not continued with the procurement at this stage they could have been subject to challenge as the bid received met all the PQQ requirements.

As the competitive dialogue process continued, Sterling Health Securities Holdings Limited sought contributions from a range of other organisations listed in the original bid. Additionally, Sterling Health Securities Holdings Limited sought and received support from Swansea University.

At the point Sterling Health Securities Holdings Limited introduced Swansea University staff to the dialogue sessions, the Council halted activity while they sought legal advice. Swansea University were also acting as advisors to the Council as a stakeholder in the project and, as such, a clear conflict of interest existed. Consequent to the legal advice, several declarations of interest were sought, and an information protocol between the University and the Council was developed to ensure that those supporting the bid were not party to any information relating to the assessment of the bid. In any event, with a single bidder, no competitive advantage would have been gained had information breached the procedures put in place. However, these measures created a separation between those supporting the bid and those supporting the Council.

The competitive dialogue continued, and on 9 March 2018 the Council decided to offer a collaboration agreement to Sterling Health Securities Holdings Limited and Swansea University. This agreement did not include the transfer of any asset or money to either Sterling Health Securities Holdings Limited or Swansea University. The agreement gave the Council significant control and the ability to terminate the agreement in several ways should it need to.

Throughout the procurement process the Council took appropriate legal advice and framed contracts/agreements to mitigate risk and to protect the Council and public funds. The Council has not paid any money to either Sterling Health Securities or Swansea University as part of the collaboration agreement.

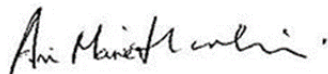
Decisions have been made by Executive Board and, where appropriate, by senior officers of the Council. The Council has operated within its constitution and scheme of delegation throughout the project timeline. Between decision points, Executive Board has received information updates and other less formal briefings.

Following the suspension of Swansea University staff with links to the Llanelli Life Science and Well-being Village, the Council considered it needed to take swift action to protect itself and the future of the project. Following legal advice, it invoked one of the termination clauses (clause 53) in the collaboration agreement with Sterling Health Securities Holdings Limited and Swansea University. The Council gave six months' notice of termination without liability.

The Council now intends to develop the project itself. The cessation of the collaboration agreement does not preclude it from working with Swansea University or any other parties previously involved in the project in the future.

As a result of our review, we have concluded that, to date, Carmarthenshire County Council has followed appropriate processes and effectively managed risk to protect public money in its activities relating to the Llanelli Life Science and Well-being Village. We will continue to monitor progress of this and other Swansea Bay City Deal projects.

Yours sincerely



Ann-Marie Harkin
Engagement Director

cc. Huw Rees, Director
Jeremy Evans, Performance Audit Manager
Jason Garcia, Financial Audit Manager

This page is intentionally left blank

EXECUTIVE BOARD

4TH MARCH 2019

ENVIRONMENTAL & PUBLIC PROTECTION SCRUTINY COMMITTEE TASK & FINISH GROUP FINAL REPORT 2017/18:

“Review the maintenance provision of Highway Hedgerows and Verges”

Recommendations / key decisions required:

That the Executive Board considers the Environmental and Public Protection Scrutiny Committee Task and Finish Group’s recommendations as outlined within the executive summary and the attached full report.

Reasons:

- At its meeting on 17th November 2017, the Environmental & Public Protection Scrutiny Committee agreed to establish a task and finish group to review the maintenance provision of the highway hedges and verges.
- The Task and Finish Group presented the final report to the Environmental & Public Protection Scrutiny Committee on 18th May 2018. It was resolved to refer the report to the Executive Board for its consideration.
- In accordance with the Constitution – Part 4.5-Scrutiny Procedure Rules, following the Executive Board Members informal discussion, the Chair of the Task and Finish Group agreed to refer the comments raised to the Task and Finish group for further consideration.
- The Task and Finish Group have amended the report to provide further clarification following the comments raised by the Executive Board Members.
- In response to a referral from Council on 12th September 2018 (minute 8.3 refers), the Task and Finish Group have included a section on late-cut verges and subsequently included an additional recommendation (2c).
- The recommendations contained within the report have been formulated by the Group following the consideration of a range of evidence over a series of meetings held between January and November 2018.

Relevant scrutiny committee consulted: YES		
Scrutiny Committee and date: Environmental & Public Protection – 14 th January 2019 [Committee resolved to refer to Executive Board for consideration]		
Exec Board Decision Required	YES	
Council Decision Required	NO	
Executive Board Member Portfolio Holder: Cllr. Hazel Evans (Environment)		
Chair of the Task & Finish Group: Councillor John James	Designations: Chair of the Environmental & Public Protection Scrutiny Committee	Tel Nos. / E-Mail Addresses: 01267 224028 JohnJames@carmarthenshire.gov.uk
Report Author: Janine Owen	Democratic Services Officer	01267 224030 JanineOwen@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

EXECUTIVE BOARD

4TH MARCH 2019

ENVIRONMENTAL & PUBLIC PROTECTION SCRUTINY COMMITTEE TASK & FINISH GROUP FINAL REPORT 2017/18:

“Review the maintenance provision of Highway Hedgerows and Verges”

1.0 Review Background

The Environmental and Public Protection Scrutiny Committee has a key role to play in monitoring services, development of key policies and strategies, as well as identifying areas for improvement or development.

At its meeting on 17th November 2017, the Environmental & Public Protection Scrutiny Committee agreed to establish a task and finish group to research the maintenance provision of highway hedgerows and verges.

2.0 Objectives and Scope

The Group agreed that its main objective for the review would be to:

- To review the current provision for the maintenance of highway hedgerows and verges and if appropriate make recommendations for service change.

The Group agreed that the main aims of the review would include:

- The current maintenance provision and programme for County roads. Including the nature, timing and equipment used for cuts.
- Information on the current maintenance provision and programme for Trunk roads.
- The balance between in house and external services and procurement of those services.
- The number of staff carrying out the service.
- The number of times roadside hedges and verges are cut with particular focus on hedges around junctions.
- How much contact demand the Council receives about this issue and the request for services process for hedge cutting demands from the public. To include both requests to cut and not to cut.
- The budget allocation and the impact of any changes to the provision.
- Consider landowner responsibilities and enforcement powers of the Council.
- Consider the environmental impact including biodiversity.

3.0 Corporate / community objectives and well-being objectives

The Group agreed that this review would contribute to achieving the following corporate / community objectives and well-being objectives and outcomes:-

County Council's Corporate Strategy 2015-20:

- People who live, work and visit Carmarthenshire are safe and feel safer
- Carmarthenshire's communities and environment are sustainable
- Carmarthenshire has a stronger and more prosperous economy

The outcomes of this review would also directly link to the following Carmarthenshire County Council Well-being objectives:-

In a Healthy & Safe Environment:-

- Objective 12 - Looking after the environment now and for the future
- Objective 13 - Improving the highway and transport infrastructure and connectivity

4.0 Approach

A total of 8 meetings were held between January 2018 and November 2018, during which the Group considered evidence and information from a wide variety of sources. The sessions were designed to provide the Group with the relevant information, context and background to the topic.

The Task and Finish Group's membership was as follows:

- Cllr. John James (Chair)
- Cllr. Alun Davies
- Cllr. Andrew James
- Cllr. Penny Edwards
- Cllr. Jeanette Gilasbey
- Cllr. Dorian Phillips

The Democratic Services Unit based in the Chief Executive's Department, provided research and general support to the Group.

The following officers provided specialist advice and support during the Group's review:

- Richard Waters, Highways and Transport Manager
- Darren King, Highway Services Manager
- Dan John, Environmental Services Manager
- Nicolas French, Grounds and Cleansing Manager
- Rosie Carmichael, Rural Conservation Manager
- Isabel Macho, Biodiversity Officer

5.0 Recommendations

The Group recommends that:

1. That the County Council's Environment Directorate should largely continue with its current provision for maintaining rural highway verges but considers adopting greater flexibility to:
 - a) facilitate further environmental enhancement for biodiversity, such as late or biennial cutting of selected areas, or other appropriate management provision;
 - b) consider the early cutting of minor roads in instances where the safety of main roads is not compromised.
2. That the County Council's Environment Directorate raise public understanding of highway verges as important areas for care, maintenance and habitat by:
 - a) providing a Carmarthenshire County Council guide to highlight the roles and responsibilities of the highway authority and adjacent landowners.
 - b) programming targeted campaigns to discourage the littering of verges and promote public awareness of highway verges and hedges as valuable natural habitat.
 - c) including clear information on the Council website with specific regard to the conservation and management of roadside verges.
3. That the County Council seeks to safeguard the highway maintenance budget as far as possible to ensure the safety of the travelling public, reduce future liability and protect key habitats.
4. That the County Council's Environment Directorate promotes opportunities to encourage local farmers/contractors to tender for work and engage with potential bidders to explain the tendering process.
5. That the County Council's Environment Directorate work collaboratively with Town and Community Councils to promote a more proactive role in managing and maintaining verges, hedges and landscaped areas, equally in both urban and rural 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: **Linda Rees-Jones** Head of Administration & Law

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

Key strategic policies have been considered throughout the review. This review contributes towards achieving the corporate / community objectives and well-being objectives and outcomes as follows:

- People who live, work and visit Carmarthenshire are safe and feel safer
- Carmarthenshire's communities and environment are sustainable
- Carmarthenshire has a stronger and more prosperous economy

The outcomes of this review also directly link to the following Carmarthenshire County Council Well-being objectives:-

In a Healthy & Safe Environment:-

- Objective 12 - Looking after the environment now and for the future
- Objective 13 - Improving the highway and transport infrastructure and connectivity

CONSULTATIONS

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

Signed: Linda Rees-Jones Head of Administration & Law

1. **Scrutiny Committee** – This is a report produced as a result of an Environmental & Public Protection Scrutiny Committee Task and Finish review.

2. – Local Members N/A

3. **Community / Town Council** – N/A

4. **Relevant Partners** – N/A

5. **Staff Side Representatives and other Organisations** – Officers from the Environment Directorate have contributed to and supported the work of the Task & Finish Group.

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
Task & Finish Group Planning and Scoping Document – E&PP Scrutiny Committee (17th November 2017)	Draft Planning and Scoping Document / Minutes: http://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=134&MId=1005&Ver=4
County Council's Corporate Strategy 2015-2020	http://www.carmarthenshire.gov.wales/home/council-democracy/consultation-performance/well-being-objectives-2017-18/#.Ws4iMuaosjY
Carmarthenshire County Council Well-being objectives	http://www.carmarthenshire.gov.wales/home/council-democracy/consultation-performance/well-being-objectives-2017-18/#.Ws4iMuaosjY

Honesty Integrity Accountability Transparency Openness Monitoring Improvement Participation Honesty Integrity
Accountability Transparency Openness Monitoring Improvement Participation Honesty Integrity Accountability Transpa
Openness Monitoring Improvement Participation Honesty Integrity Accountability Transparency Openness Monitori
Improvement Participation Honesty Integrity Accountability Transparency Openness Monitoring Improvement Participa
Honesty Integrity Accountability Transparency Openness Monitoring Improvement Participation Honesty Integrity
Accountability Transparency Openness Monitoring Improvement Participation Honesty Integrity Accountability Transpa
Openness Monitoring Improvement Participation Honesty Integrity Accountability Transparency Openness Monitori
Improvement Participation Honesty Integrity Accountability Transparency Openness Monitoring Improvement Participa
Honesty Integrity Accountability Transparency Openness Monitoring Improvement Participation Honesty Integrity



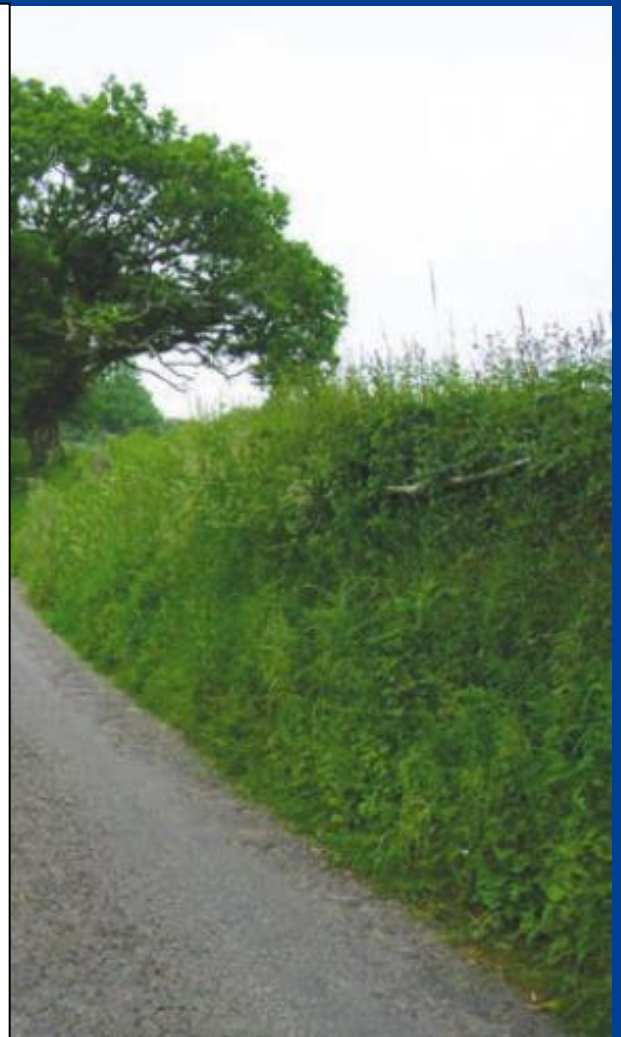
Scrutiny

in Carmarthenshire

Environmental & Public Protection Scrutiny Committee

Task & Finish Review 2017/18 Report

A review of the maintenance provision of highway hedgerows and verges



Contents

<i>Section</i>	<i>Page</i>
Members of the Task & Finish Group	3
Chair's Foreword	4
1.0 The Task & Finish Review	5
1.1 Objectives and Scope	5
1.2 Corporate / community objectives and well- being objectives	5
1.3 Approach	6
2.0 Key Findings	7
2.1 Environment	7
2.2 Current Practice for Rural Roads	8
2.3 Current Practice for Urban Roads	9
2.4 Highway Boundaries and Responsibilities	9
2.5 Budget	11
2.6 Resources	12
2.7 Litter and Cleansing	13
2.8 Drainage	14
2.9 Conservation and Biodiversity	14
2.10 Late cut verges	16
2.11 Public concerns	17
3.0 Conclusions	17
4.0 Recommendations	19
5.0 Bibliography/References	20
6.0 Appendices	20

Members of the Task and Finish Group



**Cllr. John James
(Chair)**
Burry Port
Labour



Cllr. Alun Davies
Saron
Plaid Cymru



Cllr. Andrew James
Llangadog
Plaid Cymru



Cllr. Penny Edwards
Hengoed
Labour



**Cllr. Jeanette
Gilasbey**
Kidwelly
Plaid Cymru



Cllr. Dorian Phillips
Llanboidy
Plaid Cymru

Chair's Foreword

I am pleased to present the final report of the Task and Finish Group which has been reviewing the maintenance provision of highway hedgerows and verges.

We are lucky to be surrounded by such natural beauty here in Carmarthenshire, however, safety is paramount and it is necessary to maintain and manage the growth of our verges by providing an efficient and timely service.

This review has provided us as group members with an opportunity learn more about the maintenance provision of verges, who is responsible, timing, conservation and other issues which impacts upon our budgets and resources. Of particular importance has been the opportunity to consider the legislation and policies that impact on traffic management, conservation and cleansing, the demand to maintain hedgerows and verges as well as cleansing litter from carriageways.

During the review it was clear that the manner in which the highway verges are maintained is contrary to common perception, not all hedgerows and verges are the Council's responsibility and the Council does not have a duty to make the verges aesthetically pleasing. It was therefore important for us as a Group to understand the current rationale of the maintenance and manage public perception through education.

Finally, I would like to thank officers from the Highways, Waste and Conservation Departments within the Environment Directorate for their advice and support, as well as to the members of the task and finish group for their contribution to the review.

Cllr. John James
Chair of the Task and Finish Group

1.0 The Task & Finish Review

1.1 Objectives and Scope

The Environmental & Public Protection Scrutiny Committee has a key role to play in monitoring services, development of key policies and strategies, as well as identifying areas for improvement or development.

At its meeting on 17th November 2017, the Environmental & Public Protection Scrutiny Committee agreed to establish a task and finish group to review the current maintenance provision of highway hedgerows and verges.

Following its first meeting, the Group agreed that its main objective for the review would be to:

- To review the current provision for the maintenance of highway hedgerows and verges and if appropriate make recommendations for service change.

The Group agreed that the main aims of the review would include:

- The current maintenance provision and programme for County roads. Including the nature, timing and equipment used for cuts.
- Information on the current maintenance provision and programme for Trunk roads.
- The balance between in house and external services and procurement of those services.
- The number of staff carrying out the service.
- The number of times roadside hedges and verges are cut with particular focus on hedges around junctions.
- How much contact demand the Council receives about this issue and the request for services process for hedge cutting demands from the public. To include both requests to cut and not to cut.
- The budget allocation and the impact of any changes to the provision.
- Consider landowner responsibilities and enforcement powers of the Council.
- Consider the environmental impact including biodiversity.

1.2 Corporate / community objectives and well- being objectives

The Group agreed that this review would contribute to achieving the following corporate / community objectives and well- being objectives and outcomes:-

County Council's Corporate Strategy 2015-20:

- People who live, work and visit Carmarthenshire are safe and feel safer
- Carmarthenshire's communities and environment are sustainable
- Carmarthenshire has a stronger and more prosperous economy

The outcomes of this review would also directly link to the following Carmarthenshire County Council Well-being objectives:-

In a Healthy & Safe Environment:-

- Objective 12 -
Looking after the environment now and for the future
- Objective 13 -
Improving the highway and transport infrastructure and connectivity

1.3 Approach

The Task and Finish Group's membership was as follows:

- Cllr. John James (Chair)
- Cllr. Alun Davies
- Cllr. Andrew James
- Cllr. Penny Edwards
- Cllr. Jeanette Gilasbey
- Cllr. Dorian Phillips

The Democratic Services Unit based in the Chief Executive's Department, provided research and general support to the Group.

The following officers provided specialist advice and support during the Group's review:

- Richard Waters, Highways and Transport Manager
- Darren King, Highway Services Manager
- Dan John, Environmental Services Manager
- Nicolas French, Grounds and Cleansing Manager
- Isabel Macho, Biodiversity Officer
- Rosie Carmichael, Rural Conservation Manager

Initially, it was planned that that the review would be completed in 4 meetings between January 2018 and April 2018. However, during this time additional requests/referrals had been received extending the review timeline to 8 meetings up to November 2018 (see Appendix A). The Group considered evidence and information from a variety of sources. Each session was designed to provide the Group with the relevant information, context and background to the topic.

As part of the research, the task group interviewed the following local contractors to ascertain their views on their experience of being a local contractor and the tendering process.

1. Mr Brian Jones, Llangadog;
2. Mr Danny Williams, Llandovery;
3. Mr Elwyn Davies, Llangadog.

2.0 Key Findings

2.1 Environment

Carmarthenshire has the second largest highway network in Wales covering over 3,500km of roads and providing vital links within and between towns, communities and businesses. Much of our highway network is rural in nature and forms a key part of our countryside landscape.

Our rural roads typically tend to be bounded by grass verges and more often than not, hedges either side of the road.



As the Highway Authority, Carmarthenshire County Council manages these roads and the areas which fall within the boundary of the highway. We also ensure that features that are not within the highway boundary do not pose a risk to the travelling public and we have statutory powers under the Highways Act 1980 to safeguard the travelling public and their right of access.

Part of our duty includes the maintenance of the grass verges which abut our roads and we have in place a maintenance regime for this. Our key aim in this maintenance is to ensure:

- a) Road safety is maintained, which particularly includes ensuring forward visibility at junctions and on bends;
- b) Pedestrians have the opportunity to safely step off the road onto the verge where there are no footways;
- c) Unwanted species do not establish in the verge;
- d) Vegetation does not obstruct the travelling public, which can be a particular issue on the narrower rural lanes and for pedestrians and cyclists.

Highway budgets have been under pressure, like all public sector budgets, and there is an ever increasing need to look at how aims can be achieved whilst providing best value for money.

Environmental considerations are also a key factor on how rural roads are managed, this is achieved by working closely with conservation colleagues to ensure the Council complies with their duty to maintain and enhance biodiversity on road verges.

Work is also undertaken with adjacent landowners to ensure that all matters which have an impact on the highway and the public's right of access are dealt with in a reasonable manner.

2.2 Current Practice for Rural Roads

The current rural road verge maintenance ensures that one swathe cut, which is 1 metre wide, is undertaken at least once per year. For safety purposes this is normally increased at bends to ensure forward visibility, and at junctions where wider visibility splays are cut. If there is a necessity, bends and junctions may be cut more than once a year.

The timing of the verge mowing is critically important and vegetation growth is closely monitored to cut at the optimum time. The cutting programme generally runs between beginning of June and the end of September. Any verge areas containing wild flowers will be left uncut until after flowering and seeds have been shed, the exact date depends on local conditions.

Cutting such an extensive network is expensive and has a significant budgetary impact. If the verges are cut too early in the season then a second cut may be necessary. If the verges are cut too late that visibility in particular may be compromised.



The grass verges are cut by tractor and flail to leave grass at a standing height of no more than 50mm. On the higher risk roads traffic management is also a consideration and techniques such as 'Stop & Go' may be required to safeguard the operation.

Non-native invasive weeds, such as Japanese Knotweed, Giant Hogweed and Himalayan Balsam on highway verges are treated through a routine cyclic weed spraying programme with treatment continuing until the problem vegetation has been eradicated. Such species growing on private land is the responsibility of the landowner and further guidance on this is available on the County Council website.

2.3 Current Practice for Urban Roads

The regime for managing verges in urban areas is distinctly different to the rural roads in terms of the aims of the service and the methodology for maintenance. Historically one of the main drivers for urban verge maintenance has been the aesthetic value of having neatly cut grassed areas. From an operational highway perspective our key aims are based on safety and access rather than the amenity value which might be derived.

Grass verges in the urban areas are normally cut with ride-on mowers and the traffic management requirements are less onerous.



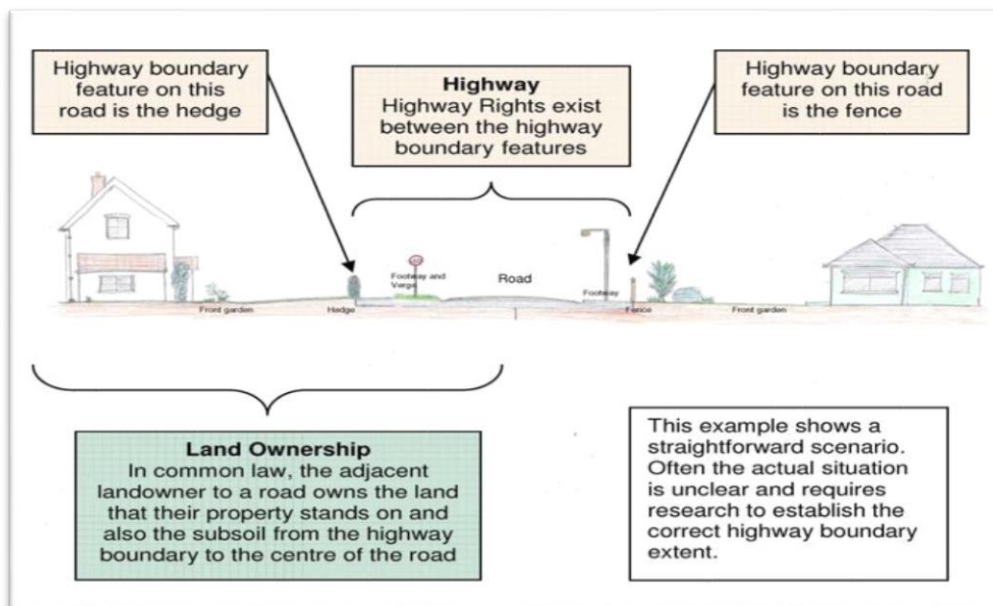
2.4 Highway Boundaries and Responsibilities

There is often a lack of clarity regarding the extents of the highway boundary and responsibilities for areas within and adjacent to the boundary. There are broad assumptions made to help provide some clarity in this respect but it should always be borne in mind that these are only assumptions and each case may need to be investigated

The general assumptions we work to are that the highway boundary extends to:-

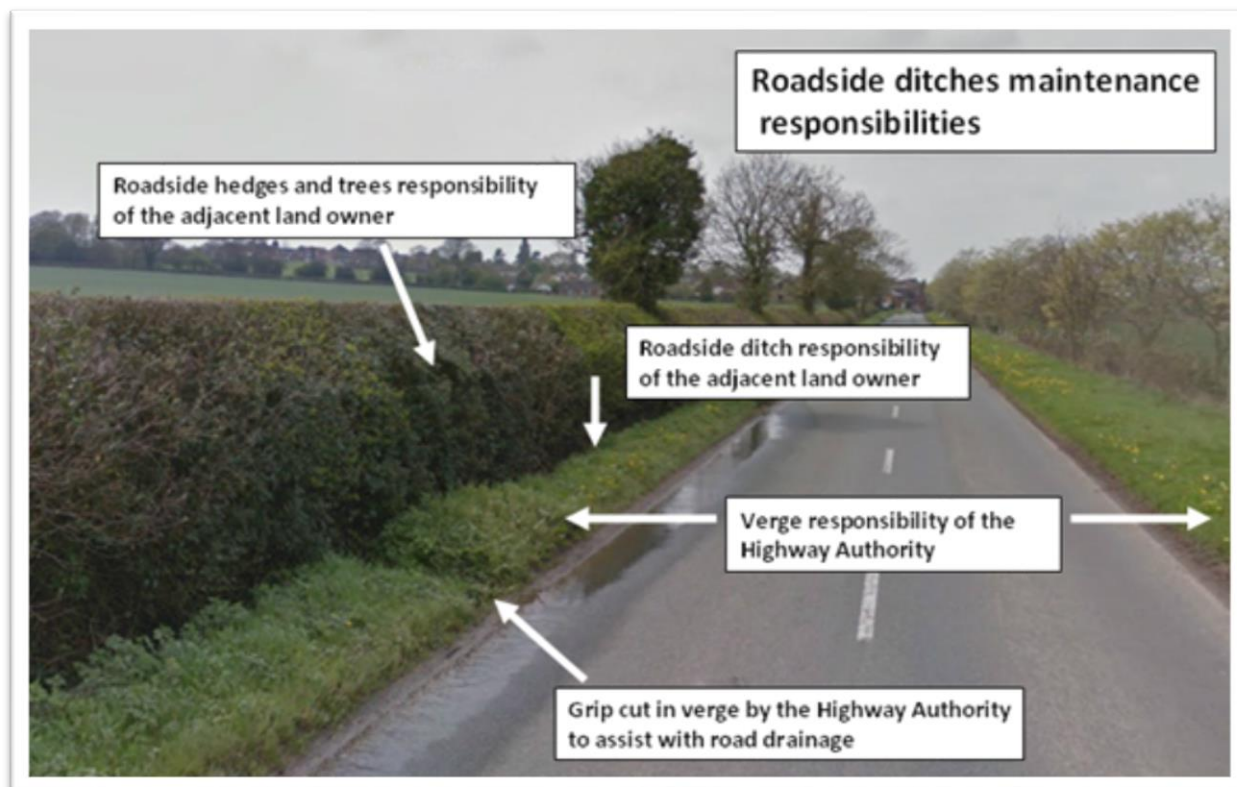
- the centerline of an adjacent hedge
- roadside from the shoulder of an adjacent ditch
- hedge and ditch will be owned by, and be the responsibility of adjacent landowner

This is shown below in the cross-section of an average road.



Highway authorities will not usually claim to own the land over under the highway. Often the adjacent landowner may claim to own up to the centreline of the highway, however there are overriding highway rights over the land which take precedence and the highway authority has a duty in terms of maintaining and safeguarding such rights. The depth of the highway is considered to be that which is necessary for highway purposes.

In the urban areas the extents of the highway tend to be clearer, however, in the rural areas the boundary is not always so obvious. Based on the assumptions above the picture below provides an illustration of who is generally responsible for which section of highway and who is normally responsible for the maintenance of the verges, hedges and drainage.



(source Staffordshire County Council)

The Task and Finish group felt that the general public in the main were unaware who was responsible for the maintenance and the perception was that the Council were responsible for the maintenance of all sections, including roadside hedges.

Primarily, the Group recognised that should the public perception be improved and landowners were made more aware of their responsibilities this could impact positively on the Authority by seeing a reduction in complaints and less cost to the Authority by having to act less on safety issues of hedges of landowners.

In addition, it is important to highlight that the responsibility of adjacent road side hedges has rested with the Landowner for many years and has not changed.

2.5 Budget

Under current budgetary arrangements, work conducted by the County Council with regards the protection, preservation and enhancement of highways trees, verges and landscaping comes from the overall Highways Maintenance budget.

There is a constant pressure in maintaining good safety and efficiency standards that match public expectations which creates a tension on the service to operate within resource constraints which has to be managed.

One single full cut of the rural highway verges currently costs approximately £200k in contractor costs and £75k in County Council costs which covers the provision of traffic management. In addition, safety cuts are made on an ad hoc measured basis as circumstances dictate which puts further pressure on a limited budget. The necessity to correctly time the verge cut in response to the particular growth rates that each season brings places additional pressures on officers.

For overriding safety reasons the County Council sometimes has to cut back adjacent hedges which would be the responsibility of the adjacent landowner. This is normally carried out on a reactive basis but the cumulative cost is in the region of £30k a year.

In order to assist budget management, strategies are currently developed on a risk based approach which directs resources where they are most needed.

Trunk roads are managed through a separate contract with specification tailored to high risk roads. The South Wales Trunk Road Agency (SWTRA) set specifications which are managed by the Council on an agency basis. The Councils role covers contract award, supervision and management. Traffic management costs are recovered from SWTRA.

The amenity grass cutting is subject to a separate contract. The recent competitive tendering exercise had resulted in a decrease in costs, this coupled with the intended reduction in the frequency of cuts and careful management would relieve some of the budget pressures. However, the Group acknowledged that following the decrease in the number of cuts any further reductions in budget would have a significant impact on the ability to continue to provide the service.

A comparison of other authority verge cutting regimes suggests that Carmarthenshire's regime is broadly in line with other authorities although, whilst some are cutting with higher frequencies many authorities were in the process of reviewing their maintenance operations.

The Task and Finish Group recognised that other Highway Authorities work with Town and Community Councils to carry out amenity grass cutting. The Group acknowledged the benefits of working collaboratively with Town and Community Councils and were enthusiastic for Carmarthenshire Council to embrace this way of working.



2.6 Resources

Carmarthenshire has a large road network to manage and sub-contracts all verge cutting through a competitive tendering process. The current contract was awarded in January 2017 (2 years) with an option to extend. The next tender is due to be advertised at the end of 2018 in readiness for 2019 and maybe through a joint procurement with Pembrokeshire County Council. A Tender includes cutting specification, cutting duration and traffic management requirements.

Some areas within Carmarthenshire receive few applications from contractors, which offers little competition and options.

Given the extensive nature of the rural road network the County has been divided into 20 'Beat' areas. This makes the areas more manageable and allows smaller local contractors to tender for work. A map of the beats is shown in Appendix B. Contractors tender a rate on a meterage basis with set conditions in place such as cutting times, insurances etc.

The Group gave recognition that 'local' contractors are more knowledgeable with regard to the local traffic conditions and tended to take extra pride in their work.

Contractors are required to cut along different classifications of roads and after interviewing a contractor the group received a clear message that drivers would not be comfortable cutting some main roads without being accompanied by enhanced traffic management. However minor roads in the more rural area are more manageable independently.

Whilst the Highways team regularly reviews the maintenance programme to prioritise resources, from a Contractors perspective there seemed to be a discrepancy with regard to how the cuts were prioritised during the 10-week cutting period, after the initial safety cuts for example, the first 5-6 weeks could be used to cut the smaller rural roads with a particular focus on the tourist areas.

The work carried out by contractors are supervised by a team of 10 Highway Inspectors who each cover two Beats (Appendix B). Inspectors are responsible for monitoring the contractor, carrying out spot checks, dealing with public enquires and authorising payments to sub-contractors.

The table below provides the road classifications:-

Description	Letter
Major Roads	A and B roads
Minor Roads	C and Unclassified roads



2.7 Litter and cleansing

The Council's Street Cleansing Service is responsible for the cleansing of adopted highway areas across the County and remove rubbish attributed to fly tipping across approximately 3,500 km of carriageway throughout Carmarthenshire.

The Environmental Protection Act 1990 imposes duties under section 89 to the Local Authority as a 'duty body' to keep specified land clear of litter and refuse and to keep clean public highways for which they are responsible.

The Council complies with the Code of Practice, developed through the Environmental Protection Act 1990 and seeks to encourage bodies to maintain their land within acceptable cleanliness standards. The emphasis of which is on the consistent and appropriate management of an area to keep it clean, not on the frequency of cleaning.

The codes sets out graded and zoning systems with set recovery times for restoring expected standards.

During cleansing operations the Council must consider the following:-

- Must work in accordance with Health and Safety guidelines, Risk Assessments and Safe Systems in order to undertake cleansing of highways. This means organising appropriate traffic management arrangements which allows litter picking to take place in a safe environment.
- Link with the Highways Department and external contractors to provide the Enhanced Traffic Management service which currently costs approximately £650 per day.

The increase in litter problems emanating from fast food/service station outlets is having an increased strain on resources and whilst having a detrimental impact on the environment. In order to improve the general litter problem, the Cleansing Service's approach for "Improving Local Environmental Quality" is through 'Education, Engagement and Enforcement'.

- Education and awareness is extensively used in Carmarthenshire to reduce littering and this is factored into the work being undertaken with schools and the development of lesson plans for waste management.
- Engagement with community bodies and commercial sector
- Enforcement underpins this approach through Fixed Penalty Notices and prosecutions for environmental infractions.



Joined-up working creates efficient and effective processes and this is currently applied by the Cleansing and Highway teams working together by organising a litter picking immediately prior to when verge mowing/remedial works are undertaken when-ever possible. This way of working is particularly beneficial on dual carriageways.

2.8 Drainage

Good drainage is essential to a well maintained highway. Standing water on the highway can present a road safety concern, be a nuisance to road users and can accelerate the deterioration of the fabric of the carriageway. In urban areas a system of road gulleys and interconnecting carrier pipes are often in place. In rural areas there is often a greater reliance on roadside ditches, channels and connections to local watercourses to dissipate surface water off the highway.

Roadside ditches are normally the responsibility of the adjacent landowner even though the highway may drain into them. The adjacent landowner will usually have a common law duty to maintain these ditches.



The grips (or channels) through the verge into the ditch will be the responsibility of the County Council and there are cyclical maintenance programmes in place to ensure that these are kept in working order.

Adjacent landowners should ensure that surface water is not discharged onto the highway and if highway drainage is affecting adjacent land then the County Council's Highways Department should be contacted.

2.9 Conservation and Biodiversity

Roadside verges and hedges have significant landscape value, both as aesthetic and historic features in the landscape. They contribute to the character to the county. Verges also support a rich and varied range of habitats for a variety of wildlife, providing food and shelter whilst providing an important foraging habitat for pollinators. Surprisingly, verges contain 700 species and 45% of the total flora of the UK.¹ They act as important wildlife corridors throughout the county.

In order to comply with the Environment (Wales) Act 2016 through its Biodiversity and Resilient Ecosystem Duty set out in section 6 of the Act, Carmarthenshire County Council as a public body is required review its plans, policies and working methods, across all directorates, to ensure that is fulfilling this new duty, namely to maintain and enhance biodiversity and to promote ecosystem resilience.

The Council's Forward Plan for the Environment (Wales) Act 2016 for 2017-2019 demonstrates a commitment to conservation in relation to verge cutting and within the transport and highways plans/policies in key actions 6 and 7 respectively.

The Group noted that verges along "new" roads were largely seeded and/or naturally regenerated, however, whilst wild flowers seed mixes can be aesthetically pleasing, they should be used with caution. These seed mixes can be expensive and often contain seeds from flowers that are not native to the area, which may not thrive here or have a detrimental effect on local plant populations. In the rural environment it would be better to conserve and enhance the existing native flowering plants.

¹ Plantlife, The Good Verge Guide, A different approach to managing our waysides and verges

As the local Highways Authority, the County Council is obliged to ensure that maintenance of the highways grass verges complies with its statutory duties. In addition to achieving good safety standards, the Department of Transport's Code of Practice states that "...verges should be managed with specialist advice, in accordance with the principles of a Biodiversity Action Plan to meet legal obligations, support conservation and add landscape value." ²



The Welsh Government Action Plan for Pollinators (2013) has an outcome to provide diverse and connected flower-rich habitats to support our pollinators. An action within the plan states: 'Review Local Authority management of roadside verges, parks and public green spaces'.

The County Council, through this Task and Finish Group and other work, is contributing to this outcome.

Whilst the Council has a duty to comply with the above legislation and be aware of the national policy, it is also important that all contributors are aware and committed. At the start of the season highways officers and conservation officers work closely with sub-contractors and provide information sheets and maps. Below is an extract of the Carmarthenshire County Council Ecological Advice Note 11 – Managing Road Verges for safety and biodiversity guidance for contractors which is provided to all contractors at the start of the season. The full document is attached in Appendix C.

Carmarthenshire County Council
- ECOLOGICAL ADVICE NOTE 11

ROAD VERGES

**MANAGING ROAD VERGES FOR SAFETY AND BIODIVERSITY
GUIDANCE FOR CONTRACTORS – PLEASE READ AND TAKE NOTE**

?

Please be mindful of the wildlife (biodiversity) value of roadside verges when cutting them and make sure that, where H&S allows, they are managed appropriately. This is consistent with the Council's duty to take positive steps to enhance biodiversity as set out in the Environment Act (Wales).

The way in which verges are cut will affect their value for wildlife (biodiversity), and positive steps can be taken to enhance this:

1. Start date of cutting and cutting plan.
 - Start cutting as late as possible in the season, and if your beat covers low and high areas, cut the roads at lower altitude first, finishing with the roads verges on the higher land.
 - Outside settlements, apart from junctions and bends, cut vegetation within one swathe width of the carriageway edge.
NB. A uniform cut across the entire verge or hedgebank is not the objective – the vegetation that is left is a valuable habitat for wildlife and a valuable seed source.
 - Where possible do not cut flowering plants, and plants which have yet to flower.

² R15.8 Nature Conservation and Biodiversity – Well maintained Highways, Code of Practice for Highway Maintenance Management

Conservation officers together with the Highways Officers and contractors programme the timing of verge cutting which is crucial in order to allow flowers grow to the pollination stage and enable tall flowers to provide shelter for smaller insect life. Inevitably due to the extent of verges that have to be managed, each year some verges will be cut earlier than is optimal for the flowering plants, but it is hoped that this is balanced out over the years. The Conservation Section works with Highways to consider issues as they arise.

2.10 Late-cut verges

Throughout Carmarthenshire approximately 70 late-cut verges had been selected to be left intentionally uncut to maintain flower-rich habitats and allow plants to flower and set seeds these are mapped and are cut later in the season.

Late-cut verges are managed by liaising with contractors to programme a delay in cutting identified specific late-cut verges, whilst also ensuring safety is maintained. At the start of each cutting season all contractors receive a document 'Managing Road Verges for Safety and biodiversity Guidance for Contractors' as shown in Appendix C which would be signed by the each Contractor to confirm that the guidance had been read and understood.

It is advised that cutting these verges intentionally late is the best method to managing and promoting their conservation interest. The Task and Finish group acknowledged that the monitoring of subsequent growth was necessary to determine success, future maintenance needs, biodiversity enhancement and public perception.

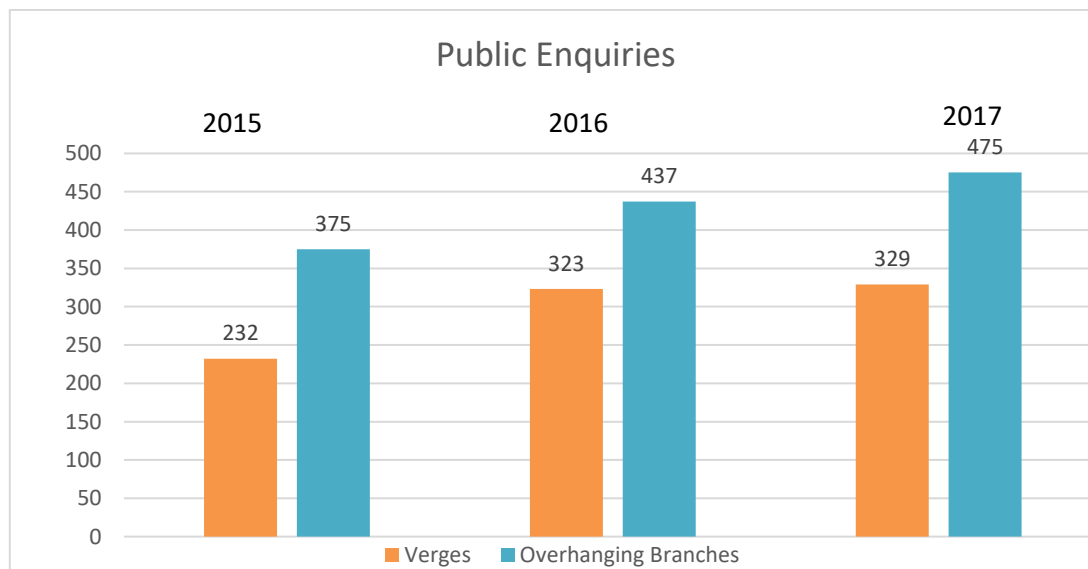
In order to promote and raise awareness, the late-cut verges had been previously indicated by utilising posts and signs, but unfortunately in time posts disappeared or got damaged.

Where the Council is cutting areas of amenity grass less frequently in order to promote biodiversity, signs are displayed to inform the public of this approach. However the Task and Finish Group identified that the most cost-effective method to promote late-cut verges would be to utilise the Council website.

The Conservation Section is distributing guidance to all larger Town and Community Councils on the management of the land they manage and biodiversity (Appendix E)

2.11 Public concerns

The Councils Highway Inspectors respond to public enquires and organise work as necessary. The graph below shows a rising trend in public enquires which include support both for and against cutting.



Enquires relating to hedges are normally raised with the adjacent landowner who will usually own and be responsible for the hedge. In cases where the landowner is unable to be traced, hedges may need to be cut by the County Council for overriding safety reasons.

The graph demonstrates that the majority of public concerns received are regarding overhanging branches, however, the County Council, as Highway Authority, has powers under the Highways Act 1980 to serve notice on the adjacent landowner to have overhanging vegetation cut back. This legal route is avoided where possible to prevent legal costs being incurred and to maintain good working relationships with landowners.

In the first instance, and in normal circumstances the Highway Inspector for the area would write to the landowner to request that the vegetation is cut back within 14 days. If this is not successful then the formal route is pursued whereby the Highway Authority can undertake the works necessary and recover our costs.

3.0 Conclusions

Following the review, the Task and Finish Group trust that the Council currently undertakes a thorough and effective job in ensuring that our highways are kept safe for those who use them.

The Group appreciates the benefits that come from developing and maintaining a safe and efficient highways network must somehow be reconciled with the benefits that come from maintaining and enhancing a sustainable natural environment and heritage.

However, it can be said that we need to acknowledge and be more aware of the significance of our actions that is taken now for our future generations and the need to factor this in to future planning and development policies.

Currently, it seems that the general public perceive that all roadside hedges are the Council's responsibility, which in turn could be the main reason why the Council has experienced a rise in public enquiries year on year over the last 3 years. In order to alleviate some of the issues experienced by both the Council and the Contractor, the Group suggests that:

- There is a clear rationale to the current regime for maintaining rural highway verges but needs greater flexibility to facilitate further environmental enhancement for biodiversity.
- There are common misconceptions regarding duties and responsibilities for hedges, verges, ditches and grips which would benefit from clarification, potentially through the publication of an information brochure.
- There are opportunities to be investigated to encourage local farmers and contractors to tender for contract work.
- Greater availability of guidance and support for local farmers and contractors in relation to bid for works would be beneficial to the local economy and encourage a greater consistency of cutting throughout the County.
- The verge maintenance regime should consider greater flexibility to allow the early cutting of lower class roads in instances where the safety of higher class roads is not compromised.
- Opportunities to work collaboratively with Town and Community Councils should be investigated further, particularly with respect to urban highway verges and amenity grass cutting.
- Whilst litter remains a challenge, the Council could promote a clear message to drivers to take their litter home.

The highway verge maintenance regime, in common with many areas of Council activity, is under significant financial pressure which has to be balanced with ensuring the safety of the travelling public and our environmental obligations.

In light of the information from Contractors, the Group acknowledged the importance of maintaining and strengthening good communication and robust links between the area highway teams and contractors.

The Group ascertained that this review had discovered a clear need to increase public knowledge with regard to the management and maintenance of verges and in order to be consistent with s.6 Biodiversity Duty placed on Local Authorities under the Environment (Wales) Act 2016 information on biodiversity and conservation and late-cut verges should be included. In order for this to be achieved the Group felt it was important to improve the transfer of information/knowledge from the Council to Community Councils and the public was necessary.

Whilst the Group welcomed the distribution of information and guidance as shown in Appendix E to the larger Town and Community Community Councils, the Group felt strongly that all Community Councils would benefit from receiving this information.

The Group acknowledge the challenges of balancing commitments to maintaining road safety whilst also promoting conservation goals with a limited budget and reviewed examples of current practice in other authority areas.

4.0 Recommendations

Task and finish group have researched the current maintenance provision for highway verges and as a result propose that the Executive Board approve the following recommendations:-

Recommendation One

That the County Council's Environment Directorate should largely continue with its current provision for maintaining rural highway verges but considers adopting greater flexibility to:

- a) facilitate further environmental enhancement for biodiversity, such as late or biennial cutting of selected areas, or other appropriate management provision;
- b) consider the early cutting of minor roads in instances where the safety of main roads is not compromised.

Recommendation Two

That the County Council's Environment Directorate raise public understanding of highway verges as important areas for care, maintenance and habitat by:

- a) providing a Carmarthenshire County Council guide to highlight the roles and responsibilities of the highway authority and adjacent landowners.
- b) programming targeted campaigns to discourage the littering of verges and promote public awareness of highway verges and hedges as valuable natural habitat.
- c) including clear information on the Council website with specific regard to the conservation and management of roadside verges.

Recommendation Three

That the County Council seeks to safeguard the highway maintenance budget as far as possible to ensure the safety of the travelling public, reduce future liability and protect key habitats.

Recommendation Four

That the County Council's Environment Directorate promotes opportunities to encourage local farmers/contractors to tender for work and engage with potential bidders to explain the tendering process.

Recommendation Five

That the County Council's Environment Directorate work collaboratively with Town and Community Councils to promote a more proactive role in managing and maintaining verges, hedges and landscaped areas, equally in both urban and rural areas.

In order to monitor the progress of the recommendations, an action plan will be devised and managed through the in house developed Performance Information Monitoring System. A progress report will be monitored by the Environmental and Protection Scrutiny Committee.

The outcomes of the recommendations will also be reported to the Executive Board and Council within the Corporate Strategy Performance Monitoring Report.

5.0 Bibliography / References

Reference	Link
Plantlife, The Good Verge Guide, June 2016. Page 4.	http://www.plantlife.org.uk/application/files/4614/8232/2916/Road_verge_guide_17_6.pdf
Code of Practice for Highway Maintenance Management Well maintained Highways, R15.8 Nature Conservation and Biodiversity. Page 248	http://www.ukroadsliasongroup.org/en/utilities/document-summary.cfm?docid=C7214A5B-66E1-4994-AA7FBAC360DC5CC7
WG Pollinator Action Plan (2013)	https://www.biodiversitywales.org.uk/Wales-Action-Plan-for-Pollinators
Environmental Protection Act 1990	http://law.gov.wales/environment/waste/environmental-protection-act-1990?lang=en#/environment/waste/environmental-protection-act-1990?tab=overview&lang=en
Carmarthenshire County Council Well-being objectives	http://www.carmarthenshire.gov.wales/home/council-democracy/consultation-performance/well-being-objectives-2017-18/#.Ws4iMuaosjY
County Council's Corporate Strategy 2015-2020	http://www.carmarthenshire.gov.wales/home/council-democracy/strategies-and-plans/corporate-strategy/

(Ctrl+Click to follow the hyperlinks and read the documents)

6.0 Appendices

Appendix A - Task & Finish Group meetings and attendance

Appendix B - Map of the Carmarthenshire County Council County Gang Beats

Appendix C - Managing Road Verges for Safety and biodiversity Guidance for Contractors

Appendix D – Leaflet – Adjacent Landowners and the Public Highway
(Draft, subject to be endorsed by the NFU (Cymru), Farmers Union of Wales and Countryside Landowners Association (CLA).

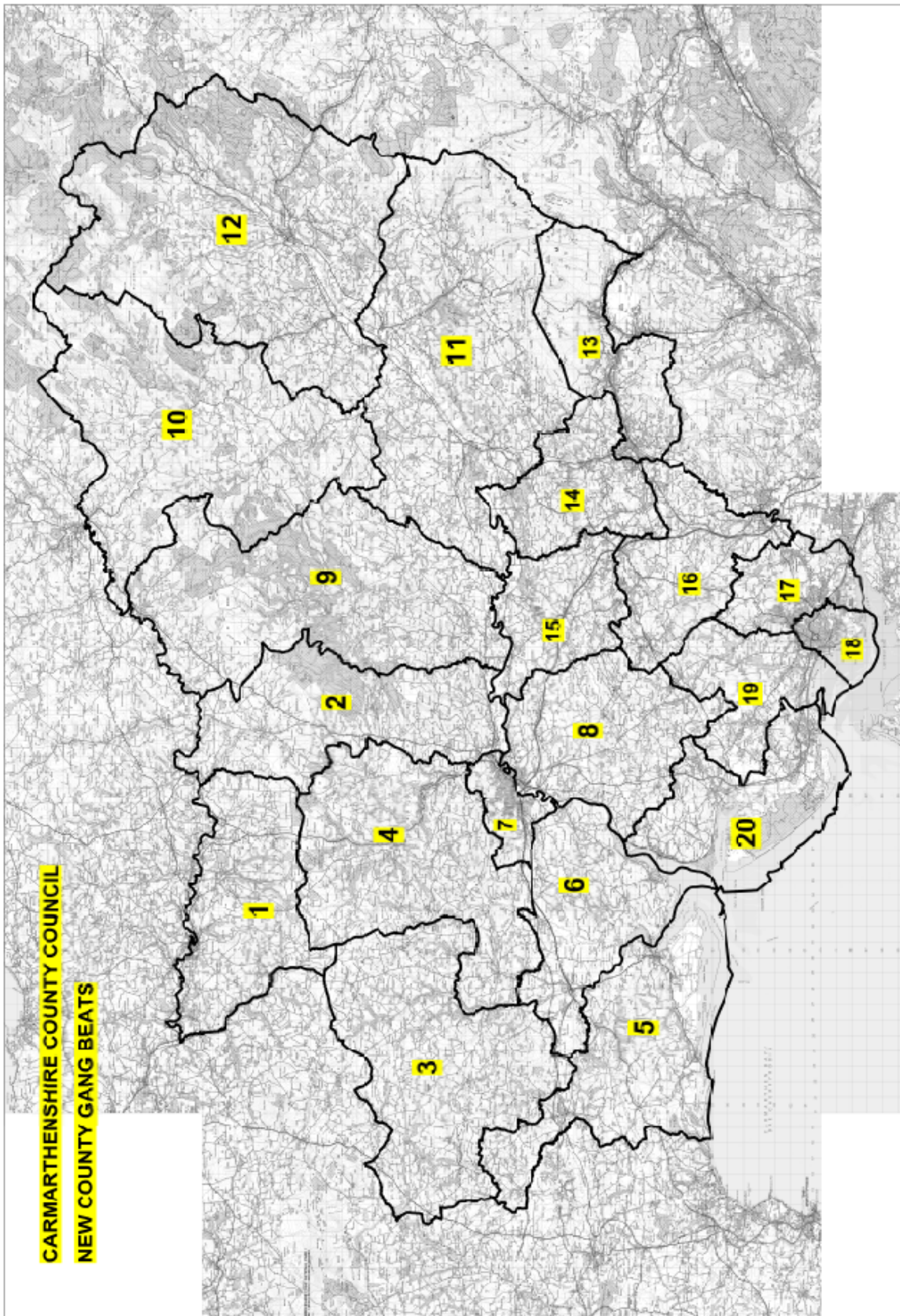
Appendix E – Environmental Guidance for Community Councils when Managing your Land

Appendix A – Task & Finish Group meetings and attendance

Meeting	Councillors Present	Officers Present
Tuesday, 9th January 2018 10:00am Committee Room 1 3 Spilman Street Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Richard Waters Darren King Janine Owen
Monday, 12th January 2018 11:00am Committee Room 1 3 Spilman Street Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Richard Waters Darren King Isabel Macho Rosie Carmichael Dan John Nicholas French Janine Owen
Tuesday, 6th March 2018 10:00am Committee Room 1 3 Spilman Street Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Richard Waters Darren King Janine Owen
Wednesday, 18 th April 2018 12:00pm Democratic Services Committee Room County Hall, Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Janine Owen
Monday, 23 rd April 2018 10:00am Democratic Services Committee Room County Hall, Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Richard Waters Darren King Janine Owen
Monday, 10 th September 2018 10:00am Committee Room 1, 3 Spilman Street, Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. Andrew James Cllr. John James Cllr. Dorian Phillips	Richard Waters Janine Owen
Monday, 12 th October 2018 10:00am Committee Room 2, 3 Spilman Street, Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. John James Cllr. Dorian Phillips	Isabel Macho Rosie Carmichael Janine Owen
Monday, 12 th November 2018 2:00pm Committee Room 1, 3 Spilman Street, Carmarthen	Cllr. Penny Edwards Cllr. Jeanette Gilasbey Cllr. John James Cllr. Dorian Phillips	Richard Waters Janine Owen

This page is intentionally left blank

Appendix B - Map of the Carmarthenshire County Council County Gang Beats



This page is intentionally left blank

**MANAGING ROAD VERGES FOR SAFETY AND BIODIVERSITY
GUIDANCE FOR CONTRACTORS – PLEASE READ AND TAKE NOTE**



Please be mindful of the wildlife (biodiversity) value of roadside verges when cutting them and make sure that, where H&S allows, they are managed appropriately. This is consistent with the Council's duty to take positive steps to enhance biodiversity as set out in the Environment Act (Wales).

The way in which verges are cut will affect their value for wildlife (biodiversity), and positive steps can be taken to enhance this:

1. Start date of cutting and cutting plan.

- Start cutting as late as possible in the season, and if your beat covers low and high areas, cut the roads at lower altitude first, finishing with the roads verges on the higher land.
- Outside settlements, apart from junctions and bends, cut vegetation within one swathe width of the carriageway edge. NB. A uniform cut across the entire verge or hedgebank is not the objective – the vegetation that is left is a valuable habitat for wildlife and a valuable seed source.
- Where possible do not cut flowering plants, and plants which have yet to flower.



2. Consider the nature of the vegetation you are cutting.

- Where the verge is heavily shaded and vegetation growth is sparse avoid cutting, or cut light and high.
- Avoid scalping the vegetation on steep banks, and leaving them bare and exposed, for example cutting mossy banks will only damage the vegetation and may result in erosion of the bank and slippage onto the road.
- Consider carefully the need to cut the heather and bilberry vegetation on the higher land, e.g. Rhos Llangeller area. If you feel it needs to be cut, make this a high light cut, as late in the season as possible. Ideally for nature conservation, such areas should only be cut every 3 or more years.



Woodland Verge



Upland Verge

3. Verges and associated habitats - hedgerows and ditches

- Wherever possible avoid cutting the woody plants in hedgerows as part of the verge maintenance, this is important if we are to avoid disturbing nesting birds. Where woody growth has to be cut for H&S reasons only cut this year's soft growth.
- Leave un-cut some vegetation on the banks of ditches, particularly where this includes flowering plants or plants which have not yet flowered.



Invasive species

Japanese Knotweed and Himalayan balsam

DO NOT to cut any areas of Japanese Knotweed that you may come across. Notify the Highway Inspectors so that they can arrange for a CCC gang to treat with herbicide.



Himalayan Balsam



Japanese Knotweed

Japanese knotweed and Himalayan Balsam are included on Schedule 9 of the Wildlife and Countryside Act where it is an offence to plant or otherwise allow either plant to grow in the wild. Cutting these species could cause the knotweed's rhizome or the seeds of the balsam to spread via machinery or equipment.

For more information contact:

The Conservation Section –

Isabel Macho – 01558 825390; IMacho@carmarthenshire.gov.uk

or Rosie Carmichael – 01267 228727; RACarmichael@carmarthenshire.gov.uk

Adjacent Landowners and the Public Highway



Carmarthenshire is a predominantly rural area where agriculture plays a key role in supporting the local economy. As the second largest County in Wales we have an extensive highway network which stretches over 3500km of roads with much of the network providing important access linking rural market towns, villages and settlements.

Working in partnership with landowners, and particularly the farming community, is vital to ensure we all play our part in maintaining a safe and accessible highway network and that we safeguard important habitats.

This brochure helps to explain the roles and responsibilities of both the Highway Authority, Carmarthenshire County Council, and adjacent land owners on a range of related issues including road safety, roadside hedges and trees, highway verges, roadside ditches and grips, mud on the highway and Public Rights of Way.

Working Safely on the Highway

Anyone working or travelling on the public highway has a duty of care to ensure they do not endanger other road users. Specific advice on working on the highway is available from the Department for Transport's Safety at Street Works and Road Works and Chapter 8 of the Traffic Signs Manual which are available online.



General Areas of Responsibility

A general indication of responsibilities is indicated on the diagram below although there may be some exceptions to this in particular cases.



Habitats and verges provide valuable habitat and the Environmental (Wales) Act 2016 places management duties on the highway authority and landowners.

Highway Verges

Carmarthenshire County Council are normally responsible for the grassed areas of verge at the side of roads. We have in place a schedule of verge cutting over the summer months which is designed to maintain road safety, ensure visibility, provide areas for pedestrians to step off the carriageway if there are no footways and to stop unwanted species establishing.

Our verge maintenance has also been developed to safeguard important areas of habitat with some areas cut early or later in the season to allow native species to flourish.

Hedges and Trees

Hedges and boundary trees are the responsibility of the adjacent landowner. If trees or hedges are not properly managed they can interfere with road safety, particularly at junctions or bends where they can compromise essential visibility.

Even light growth can cause problems for pedestrians and cyclists. Care must be taken to avoid hedge cutting during the bird nesting season unless there is an overriding safety concern.

Any arisings from hedge cutting should be removed to avoid endangering road users and in particular cyclists and animals. Care should also be taken to avoid damage to any grips or ditches and arisings should not be allowed to block drainage channels.

The Highways Act empowers the County Council to serve notice on landowners to cut back hedges or overhanging trees and costs may be recovered if necessary, but we would prefer to avoid this course of action and work with landowners wherever possible. Any felling of trees should be agreed with Natural Resources Wales.

Roadside Ditches and Channels

Good drainage is essential to the highway particularly in rural areas where there is a greater reliance on ditches to carry surface water. Roadside ditches are normally the responsibility of the adjacent landowner even though the highway may drain into them and there is a common law duty on the adjacent landowner to maintain them.

Grips (channels) through the verge from the road to the ditch will be a County Council responsibility and we have programmes in place to inspect and maintain these but their performance can be compromised if the ditch they drain into lack proper maintenance.

Adjacent landowners should ensure that surface water is not discharged onto the highway and if highway drainage is affecting adjacent land please contact our highways department.

Mud on the Highway

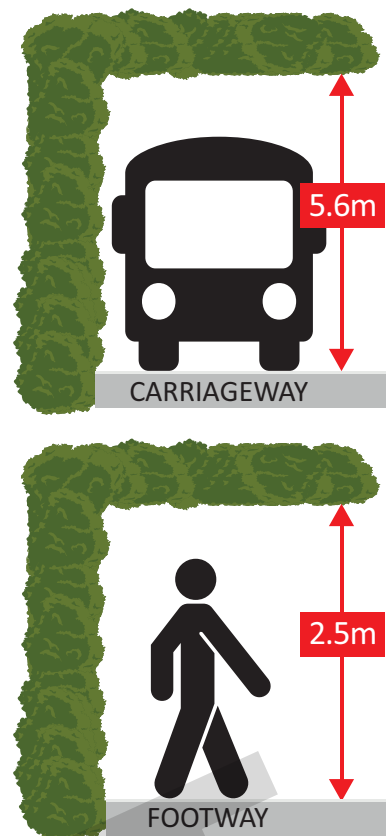
Mud and muck deposited on the highway can cause accidents, block drains and gulleys, and be a nuisance to other road users. It is an offence under the Highways Act 1980 to deposit mud or muck onto the highway and precautions should be taken to ensure that this does not happen.

Where mud is tracked onto the highway it should be cleaned off as soon as possible and warning signs put in place until the road is clean (remember warning signs do not in themselves prevent liability for accidents that occur). This also applies where animals use the highway. If necessary the County Council will take steps to clean highways and recover our costs under the Highways Act 1980.

Public Rights of Way (PROW)

Footpaths, bridleways and byways are also public highways and our PROW team keep records of these (2400 kms) and have a duty to assert and protect the public's right to their use. Landowners should ensure that PROW are not obstructed, are free from encroaching and overhanging vegetation and are clear of growing crops.

Landowners also have a responsibility to maintain stiles and gates on footpaths and bridleways in a safe and acceptable condition for walkers and riders.





We hope that this information helps to clarify responsibilities and whilst it has been endorsed by Carmarthenshire County Council, NFU Cymru, Farmers Union of Wales and the Country side landowners association it is not a definitive guide of responsibility.

Further information can be found at:



www.carmarthenshire.gov.wales



www.naturalresources.wales

Can your green space be better - *for people and wildlife?*

Did you know that:

- Good quality green space can affect how people feel - it can increase physical recreation and enable children to interact with nature.*
- A study shows that everyday contact with nature is beneficial for healthy ageing in older people.*
- By taking action to benefit wildlife - pollinators or hedgehogs, birds or bats, you can also enhance areas so that they provide higher quality green space for local people.



Hedgerows & trees



Hedgerows are vitally important as they provide food and shelter to many species, including those that need particular help such as dormice and bank voles which use hedges to move around. They are also important habitats for nesting birds.

- Can you lay the hedge to improve the structure?
- Is there an opportunity to plant/restore a hedgerow - especially if it connects existing habitats?
- Manage your hedgerows in the winter months when the woody growth is dormant. All work during the bird nesting season (March to August) should be avoided.
- Allowing your hedges to grow for 2-3 years before cutting will provide a plentiful supply of berries for birds over the winter. Berries usually form on 2-year old wood, so aim to cut less than half your hedges each year.
- Can you plant more trees? If grassy areas are not regularly used then why not try something else - it could save money in the long run.
- If you have to fell a tree, replace it with two or a small group!

Grassland



*Research shows that abundance of both flowers and flower-visiting insects increases significantly with reduced mowing, helping pollinators.** Why not experiment and vary the mowing regime in different areas and see what works best for pollinators - and people!*

- The easiest thing you can do is identify and enhance existing areas that have the capacity to provide a food source and shelter for pollinators. This is often the most cost-effective way as well.
- Can you cut some areas less often and cut higher to allow more plants to flower? Grass will grow at a different rate depending on the weather during the growing season but why not delay your first cut until mid-April and then mow to every 5-8 weeks and see what happens? Use signs to explain why you are doing this. Setting the mower blade at a minimum of 50-60mm should allow low-growing species like daisies, clover and selfheal to flower. They can keep their heads below the mower or have time to spring up and flower again.
- Can you collect up the mowings? This will help encourage more flowering plants in the grass. If your mowing machine cannot collect then for smaller areas can local volunteers help rake it up and create a habitat pile or compost heap?

- Are there some areas of grassland where you can let the grass grow long and manage like a hay meadow? Here you would ideally cut the grass in late summer and remove the cut material, helping to make the grassland more flowery. Are there local contractors who could undertake this work or perhaps a local farmer could cut and bale it for the use of the hay?
- In some areas you might wish to sow seed mixes that benefit pollinators. Choose these areas carefully. It might be better to manage the habitat that is there already, to encourage the flowers that are already within it. Also choose your seed mix carefully - ensure that the seed or plants that you are introducing are native and preferably from a local source.



*<https://publichealthmatters.blog.gov.uk/2016/11/09/green-space-mental-wellbeing-and-sustainable-communities/>
 **<http://sro.sussex.ac.uk/53372/>

Formal areas



You may well have formal areas that you wish to maintain but there are still opportunities to help biodiversity here.

- If you have formal areas of planting, flower beds/containers or hanging baskets, select a proportion of plants from pollinator-friendly species of shrubs, annual or perennial plants to provide food for pollinators from spring to autumn.
- Pesticides are harmful to pollinators and other invertebrates that help sustain our natural environment and are the food for other wildlife.
- You might use herbicides to control weeds and grass. Apart from invasive species is their use really necessary? Could you save money by using less?
- Peat usage - there are viable peat-free composts that, if used, will help save our important peat habitats.

Other



There are a myriad of opportunities to take positive action. You and your communities know your sites - however small the area there are always options.

- Do you know what wildlife lives in or uses your park - are there any important/protected species? If so, how can you enhance the site for them?
- For biodiversity projects 'tidiness' is not a priority, sometimes just leaving a small area go wild can be beneficial.
- Create habitat piles - dead wood and piles of leaves are good for a range of species!
- Are there opportunities to erect bat and bird boxes or to build a bug hotel?
- Invasive species - It is illegal to allow Japanese knotwood or Himalayan balsam to spread - can you take action to tackle them?
- Why not become a 'Bee Friendly' community and make Wales a pollinator-friendly country by taking action as part of Welsh Government's scheme?

Useful links

Here is a small selection of guidance / advice that may be useful to you when managing your land:

- Healthy for Bees: Healthy for People - Managing the grounds of public buildings for pollinators. Natural Resources Wales. <https://naturalresources.wales/about-us/news-and-events/blog/public-places-natural-spaces/?lang=en>
- Creating healthier places and spaces for our present and future generations: <http://www.wales.nhs.uk/sitesplus/documents/888/Creating%20healthier%20places%20spaces.pdf>
- Wales Action Plan for Pollinators: <https://www.biodiversitywales.org.uk/Wales-Action-for-Pollinators>
- Become Bee Friendly - a brand new initiative aimed at communities including Town and Community Councils that want to make Wales a 'pollinator-friendly' country. <https://www.biodiversitywales.org.uk/Wales-Action-for-Pollinators>
- Learning to Rethink Parks - report from an HLF and Nesta programme to test new ways of managing public parks. More details at: <http://www.nesta.org.uk/project/rethinking-parks>
- Buglife. Managing Urban Areas for Pollinators. This includes advice for public parks but they have a range of advice on their site: <https://www.buglife.org.uk/sites/default/files/managing%20urban%20areas%20for%20pollinators.pdf>
- WCVA - Making Space for Nature: <https://www.wcva.org.uk/what-we-do/invest-in-nature-cymru/ms4n?seq.lang=en-GB>



We can help!

The Council has a range of guidance on protected species that we can provide and the Conservation Section would be happy to work with you to look at the management of the park that you manage and care for.

For more information contact:

Biodiversity Officer **01558 825390**
Biodiversity@carmarthenshire.gov.uk



"Access to, and engagement with, this natural environment is associated with positive health outcomes, including improved physical and mental health, and reduced risk of cardiovascular disease and other chronic conditions".

Creating Healthier Places and Spaces for our Future Generations. Public Health Wales 2018



EXECUTIVE BOARD
DATE: 4TH MARCH, 2019

SUBJECT:
OUR APPROACH TO TENANT INVOLVEMENT

Purpose:

The purpose of this report is to outline our approach in meeting our vision for tenant involvement in the future.

Recommendations/Key decisions required:

- To approve the Tenant Involvement Plan.

Reasons:

- To develop a fresh approach to involve tenants in challenging the way we deliver services and make it easier for more tenants to become involved.

Relevant Scrutiny Committee to be consulted: **YES – Community Scrutiny Committee – 23rd January, 2019**

EXECUTIVE BOARD/COUNCIL/COMMITTEE:

Scrutiny Committee Recommendations/Comments:

- Resolved to recommend to Executive Board that the Tenant Involvement Plan be approved.**

Executive Board Decision Required: **YES – 4th March, 2019**

County Council Decision Required: **NO**

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

Cllr Linda Evans (Housing Portfolio Holder)

Directorate

Communities

Name of Head of Service:

Jonathan Morgan

Report Author:

Les James

Designations:

Acting Head of Homes & Safer Communities

Engagement and Partnership Manager

Tel Nos.

01267 228920

01267 228930

E Mail Addresses:

jmorgan@cararthenshire.gov.uk

lesjames@cararthenshire.gov.uk

EXECUTIVE BOARD
DATE: 4TH MARCH, 2019

SUBJECT:
OUR APPROACH TO TENANT INVOLVEMENT

What is the purpose of this report?

The purpose of this report is to outline our approach in meeting our vision for tenant involvement in the future

What is the context?

To assist in developing our new tenant participation plan, TPAS Cymru were commissioned to carry out a fundamental review of tenant participation and resident engagement.

The review considered our existing approach and challenged whether our existing plans were in line with best practice and if participation activities had been successful in encouraging tenants to become involved. We also asked, as part of the review, for TPAS to consult and seek tenant's views and to suggest areas we need to focus on.

How did we go about the review?

The review used a mixture of methods, including a desktop review of existing evidence, questionnaires/surveys, attendance at community events and focus groups.

What was found to be the main barriers to engagement?

The review found that Carmarthenshire is the same as other social landlords across Wales, facing the following key issues:

- How do we increase the diversity of residents involved in participation;
- How do we better use digital participation techniques; and
- How do tenants become better involved in challenging what we do.

What is the way forward?

The attached plan sets out our key actions moving forward to address the above issues

A summary document also gives a "at a glance a view" of our approach and plans.

Recommendation

- **To approve the Tenant Involvement Plan.**

DETAILED REPORT ATTACHED?

YES

- **Our Approach to Tenant Involvement**
- **Summary document**

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: Jonathan Morgan Acting Head of Homes and Safer Communities

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

Policy, Crime & Disorder and Equalities

- Equalities – the plan addresses the need to reach out to under-represented groups on age and protected characteristics;
- Welsh Language – the plan commits the Council to working with communities to ensure tenant involvement is in line with the need of that community. This includes promoting bi-linguism; and
- Social inclusion – the plan aims to reach out and promote engagement across the county using a variety of different tools that we have not fully utilised before.

Legal

- There is no single piece of legislation which sets out a tenant’s right to participate, though it is implied in various documents and guidance on best practice;
- That said, we have seen over the last few years from Welsh Government an increasing move to tie in tenant engagement with the Major Repairs Allowance Grant; and
- We should be mindful that, for Housing Associations, tenant involvement forms part of the Regulatory Framework.

Finance

- All finance relating to this report and subsequent delivery action plans are contained in existing approved budgets within the Housing Revenue Account and form part of the CHS+ Business Plan; and
- From 2020, the Welsh Government will make it a requirement of the Major Repairs Allowance Grant that we can demonstrate that we have engaged and involved tenants. The attached plan will address any current concerns and ensures we meet those requirements.

CONSULTATIONS

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

Signed: Jonathan Morgan Acting Head of Homes and Safer Communities

1. Scrutiny Committee – Community Scrutiny Committee was consulted on 23rd January, 2019.

2. Local Member(s) - N/A

3. Community / Town Council - N/A

4. Relevant Partners

In forming the plan, we asked TPAS Cymru to carry out an independent review which involved surveys, focus groups and meeting other representative groups. Progress reports were also presented to the Housing Services Advisory Panel, including a presentation of the results at the September meeting. The findings have also been to the Tenants Consultative Forum.

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
THE CARMARTHENSIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2018-21		http://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=155&MId=1425&Ver=4

Our approach to tenant involvement

Our Vision - To make it easy and inviting for tenants to get involved in shaping strategic decisions and improving services, through meaningful involvement and development of relevant tenant skills.

<p>What is the purpose of this plan?</p> <p>Our last tenant involvement strategy expired in 2015. We think that a new approach and vision was required.</p> <p>In 2018, we asked TPAS Cymru to review our approach to tenant involvement and how we can improve. Following engagement with our tenants and stakeholders we set out our four guiding principles:</p> <ol style="list-style-type: none"> 1. Improving Communities 2. Improving Services 3. Improving Accountability 4. Improving Resident Skills 	<p>What are our aims?</p> <p>Our approach has been developed by tenants utilising information from the TPAS Cymru consultation and has been supported by the Housing Services Advisory Panel. Supporting the aims of the strategy are three key improvement areas. These are:</p> <ul style="list-style-type: none"> • Involving tenants in improving services, providing value for money and ensuring transparency; • Developing a culture of tenant involvement so that all planning and decision making processes are open to tenant involvement; and • Increasing the involvement of tenants from under-represented groups. 	<p>What new things do we want to do?</p> <ul style="list-style-type: none"> • Evolve current structures to reflect increasing involvement from underrepresented groups; • Improve tenant feedback and what we do with the information; • Further use initiatives such as “Planning for Real” as a method of engagement and consultation on estate issues; • Increase the use of digital services to reach out to underrepresented groups or to those who do not want to attend meetings; • Consider a new “Challenge Panel” for tenants; • Introduce single issue meetings; • Support tenants through the introduction of Universal Credit; • Survey our tenants every three years (STAR Survey). 	<p>How will we communicate with our tenants?</p> <p>Community events – specific events will be increasingly used to engage with tenants to improve services. This method will be effective in broad consultation and engagement providing information which can be used by more formal groups for detailed discussion.</p> <p>Digital services will complement existing networks and groups with the aim to increase involvement from underrepresented groups. These new methods will engage different people in specific issues or services allowing us to gain a better understanding of people’s experiences.</p> <p>Digital and social media will be an increasingly utilised channel which can and will underpin all areas of tenant involvement.</p> <p>Estate Inspections where we can promote using social media. This will also be an opportunity to meet staff and local members.</p>	<p>What specific Tenant Groups do we want to develop?</p> <ul style="list-style-type: none"> • Young tenants – 18-25 including care leavers; • Older tenants – 55+; • Families; • Disabled tenants; and • BME & LGBTQ tenants. <p>What will be the outcomes for tenants?</p> <ul style="list-style-type: none"> • Tenants feeling better engaged in decision making and improving services; • Better satisfaction rates for our services; • Services being held to account for their performance by tenants; and • Better understanding the impact on what we spend for our tenants. • Information and campaigns on community safety issues e.g. financial safeguarding. • To foster community cohesion.
<p>What can we offer you?</p> <ul style="list-style-type: none"> • Staff time; • CHS investment programmes; • Budget to support tenant involvement and communications; • Time Banking rewards for volunteering; and • Tenant Resource Centre’s and HUBs 	<p>What skills have we available and can offer?</p> <ul style="list-style-type: none"> • Committed and skilled tenants involved in current structures; • Staff experienced in tenant involvement; • The expertise to develop skills knowledge and confidence of tenants; • Broad based involvement in community activities through Time Banking; and • Strong existing structures in place. 	<p>What will we continue to support?</p> <ul style="list-style-type: none"> • Tenant Networks and local groups; • Community events; • Fuel Clubs; • Time Banking; • Tenant 2 Tenant newsletter; • Tenant 2 Tenant awards; • Estate walkabouts; and • Pride in your Patch initiatives to improve the environment. 		<p>Who are our key partners, in addition to tenants?</p> <ul style="list-style-type: none"> • Local members; • Community Councils; • Local Housing Associations • Public Services Board; • Neighbouring local authorities; • TPAS Cymru; • Tai Pawb; • Chartered Institute of Housing Cymru; • Welsh Local Government Association (WLGA); and • Welsh Government;

This page is intentionally left blank

Our approach to Tenant Involvement



EICH CYNGOR arleinamdani
www.sirgar.llyw.cymru
YOUR COUNCIL doitonline
www.carmarthenshire.gov.wales

1. What is the purpose of this report?

The purpose of this report is to outline our approach in meeting our vision for tenant involvement.

2. What is our vision?

Tenant participation and underpins everything we do.

Gaining views from tenants on “what matters to them” is vital in order to obtain an understanding of tenants needs, their aspirations and to continuously improve services. We should give tenants the opportunity to influence decisions about their homes, the area where they live and ensure the services they receive achieve value for money.

In order that our vision for participation fully reflects the work we undertake and for us to be consistent with other social landlords, we believe our vision should be set out along the following key principles:

- **Improving communities** – making them positive places to live by fostering a sense of community and ensuring estates are well maintained;
- **Improving services** – the services delivered by us are those that tenants wish to receive, and that these are delivered to the highest standards;
- **Improving accountability** – the views of our tenants are heard when decisions are made at all levels, and that these decisions are communicated to tenants in a transparent manner; and
- **Improving resident skills** – tenants have the relevant skills to take part in tenant participation and we provide broader support to tenants within the community to develop their skills.

Our vision is to:-

“Make it easy and inviting for tenants to get involved in shaping strategic decisions and improving services, through meaningful involvement and development of relevant tenant skills”.

3. What is the changing face of tenant involvement?

Since our last strategy, produced in 2012, there have been many changes in the way social landlords work with tenants in shaping and improving services. There has been a shift away from formal meetings to approaches which are more inclusive, flexible and responsive to tenant’s wishes. These are described below:

Digital communication	We recognise that not all tenants want to attend formal meetings. Increased focus on digital communication in gathering tenant’s views and opinions on the service we provide, will encourage a more diverse range of tenants getting involved.
------------------------------	---

Tenant Profiling	Collecting information about our tenants helps us to compare whether our participation activities are appealing to a sufficient diverse range of tenants.
Value for money	It is becoming more important than ever that our approach to participation reflects an increasing emphasis on value for money. We need to ensure our approach allows for tenants to share their views on what is important to them and that our participation activities provide value for money.
Social value	<p>Highlighting the impact of our spending on the local economy, and providing tenants with training to improve their skills and readiness for the work place, demonstrates social value.</p> <p>Tenant participation can play an important role in this process.</p> <p>Community events, fuel clubs, partnership working, environmental works and lottery funded projects have allowed us to develop relationships with our tenants, and has allowed our tenants to engage with each other, developing a sense of community. This work has also provided a way for tenants to develop their skills, an important, additional social value.</p>
Outcome focused	We must ensure that we operate in an outcome focused way. This allows us to measure whether we are achieving desired outcomes. Adopting such an approach will enable us to benchmark our performance of various participation techniques, allowing us to focus resources on those means of participation that work.
Openness and Transparency	Welsh Government have said to Welsh Housing Associations that they should operate in a more transparent manner. We have strong structures in place, underpinned by local democracy and accountability, though changes that are happening elsewhere are likely to have an impact on what is viewed as best practice within the sector. Our last strategy made no reference to how tenants can become involved in “strategic decision making”. Given that this is now a regulatory requirement for housing associations, it appears likely that this will increasingly become a focus for tenant participation for all social landlords.

4. What is the story so far?

Tenant Participation was instrumental in the development of the CHS (Carmarthenshire Homes Standard) in 2005. This was a standard developed by tenants with a higher specification than that set out by the WHQS (Welsh Housing Quality Standard).

In 2013, over a 1000 tenants contributed to the development of the CHS+, the next phase of development. This was achieved using a variety of engagement methods such as stakeholder engagement events, focus groups, face to face interviews, surveys and questionnaires. Tenants and stakeholders also told us what was important to them. The main priorities were:

- Supporting tenants and residents;
- Investing in tenants' homes; and
- Providing more homes.

In 2017, we asked TPAS Cymru to further review our approach and question whether participation activities to date have been successful in encouraging tenants to become involved and challenge our decisions. There were a number of areas of strength and improvement, as outlined below:

Areas of strength	Areas in need of improvement
<ul style="list-style-type: none"> • Community events – successful in strengthening Carmarthenshire CC communities; • Fuel Clubs – improving communities and the lives of tenants; • Tenant 2 Tenant newsletter; • Partnership working – Useful tool in engaging with a broader range of tenants; • Tenant Networks – where they are focused on specific tasks/ projects; and • Committed and knowledgeable staff. 	<ul style="list-style-type: none"> • Aims of participation – not consistent with best practice across the sector; • Challenge and scrutiny – improvements could be made as to how tenants are given the opportunity to challenge and scrutinise decisions made, or services delivered; • Lack of diversity – particularly within the Tenant Networks; • Communication – particularly digital communication; • Tenant Networks – not in place in all areas; and • Time Credits – greater geographical spread needed;

Analysis of where we are: source TPAS Cymru (2017)

5. What are we going to do?

In response to the above we have highlighted four key priorities. These are:

a) Developing digital participation

A high number of tenants have said that a reason for them not taking part in tenant participation is that they cannot, or do not wish to, attend formal face to face meetings. More and more social landlords are turning to digital participation

techniques to engage with their tenants. These can include online surveys and social media. These digital tools can be used to gather a resident's opinion on services, or to ask residents about their views on proposed decisions.

Experiences of using digital participation techniques suggests that this is not only a way to engage with tenants who are unable to attend formal meetings, but that it can also lead to a more diverse range of residents engaging, something that we are eager to boost.

As a result we believe that there would be value in us using more digital participation channels.

To take advantage of the opportunities presented by digital technology, we need to improve how we share information with tenants digitally.

An example is improving how we communicate through our website. Establishing a website specifically for housing tenants could make information more accessible for tenants. This will allow us to:

- share information about upcoming events;
- set out examples of how participation has helped the communities;
- provide links for surveys developed using platforms such as Survey Monkey and Doopoll; and
- Further promote new initiatives such as "Planning for Real" that has been successful in Tyisha ward, Llanelli.

b) Strengthening challenge and responsibility

Challenge style panels are now a common feature of tenant participation within social housing. We believe that we should consider proposals on establishing such a panel to improve challenge and responsibility. If these proposals are accepted then this could replace the existing Housing Services Advisory Panel.

Challenge Panels are made up of involved tenants who examine how services are delivered, or look at decisions that have been made by social landlords in Wales.

This approach has proven popular as it allows landlords to gather the views of tenants in a way that provides them with more detailed feedback on proposals and service standards.

We believe membership of the panel should be open to all tenants, but for the panel to work effectively, its numbers should be limited to between 6 and 12 members.

In the event that more tenants apply to be members of the panel than the membership of the panel allows, a skills-based selection approach will be used to ensure that all tenants are given an equal opportunity to become members.

In addition to this limitation, best practice within the sector suggest that challenge panels benefit from refreshing its membership at regular intervals. This can be achieved in a number of ways, either by placing a time limit on the length that a

tenant is permitted to sit on the panel, or through allowing tenants to apply to join the panel for the duration of a particular project.

Adopting this approach would ensure that a diverse group of individuals were able to get involved with the panels work, and could attract tenants who are currently reluctant to commit long term.

c) Using single issue meetings

A number of our tenants either do not wish to, or are unable to attend formal face to face meetings held during the day.

We are suggesting that one way in which it will be possible to attract more tenants to face to face meetings, will be to organise meetings that discuss issues specific to local communities. Meetings should be held on single topic issues e.g. issues with ground maintenance. Experiences from other landlords suggest that such meetings are better attended as they directly affect tenants.

Whilst the frequency of these meetings may vary depending on when concerns become apparent on individual estates, adopting such an approach would allow us to gather feedback that would improve the service and shape decisions we take. This could encourage those tenants present at these events to become more interested and involved in other participation opportunities that we offer.

d) Engagement to help tenants on Universal Credit

We have already seen the financial impact that Universal Credit (UC) and other welfare reforms are having. Tenants have told us that they want enough money to make choices, to have good health, and to live in safe and secure homes and communities. We need to start the journey of moving from being reactive to a proactive/preventative service through engagement.

We see tenant engagement as key to enabling tenants to develop skills so that the impact of UC is lessened. Facilitating conversations with tenants as to what matters to them and understanding this is vital in the face of the challenges UC presents to us as a landlord.

Sustaining tenancies involves us looking carefully at the way we work with our tenants and communities through training and employment opportunities. We aim to encourage tenants on the pathway to employability through coaching and mentoring, and by working with partners to get people back in to work. To do this we will promote opportunities to develop digital skills and to reach out to people who may otherwise feel excluded. This will build confidence in our tenants so that they can make informed choices. Tenant participation encourages people to get involved, by supporting them to have access to services and opportunities for employment and training.

EXECUTIVE BOARD
DATE: 4TH MARCH, 2019

SUBJECT:
SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 –
POLICY AND PROCEDURES REVISIONS FOR CHARGING
ADULTS FOR SERVICES

Recommendations / key decisions required:

1. Carmarthenshire will continue to charge for placements into a care home other than for those which are excluded by the Act. Carmarthenshire will charge for all placements into a care home from the first day of placement.
2. The charge will be based on recovering the cost of the placement in full subject to the resident being financially assessed in accordance with the legislation, regulations, code and local policy to pay less than the full cost, in which case the resident will be charged their assessed charge according to their means.
3. The charge per night for all short term placements (including respite care) will be based on recovering the cost of the placement in full. For placements into a Local Authority care home the charge will be the standard charge and for placements into an Independent Sector care home it will be the contracted amount. Service users would pay up to the maximum charge as set by Welsh Government per week, with many paying far less or having the service free depending on the financial assessment. (2018-19 is set at a maximum charge of £80)
4. That the non-residential assessment rules be applied to stays which are assessed at the outset as not exceeding 8 weeks on any one occasion and does not apply to temporary placements and permanent placements.
5. That short term stays that extend beyond 8 weeks on any one occasion will be charged as though the resident is temporary or permanent as appropriate from the first day of the 9th week and in line with definitions within the Act, Regulations and Code.
6. Carmarthenshire will apply its charges from the first day of service for all services with a charge. This will apply to non-residential services and placements into a care home.
7. That choice of Accommodation offered to a service user is based on two care homes of the same type anywhere in the County and not restricted geographically unless there are specific geographical needs included in the Care and Support plan.
8. That where a service user, who is not assessed to pay the full cost of the placement, chooses accommodation which is more expensive than the options offered at the time of placement then the additional cost will be calculated from the higher of the rates charged by those two care homes offered.

9. That where a service user is able to pay for the full cost of their placement then in accordance with the legislation they can choose any care home and will be required to pay the full cost of their placement.
10. Carmarthenshire does not charge for assessed care and support to a service user where it is provided to the service user in an educational setting and whilst attending a recognised educational course.
11. That the new Act, Regulations and Code has been applied to existing service users from the 6th April 2016.
12. That the existing policies are retained except for those elements of the policies and practices which are changed as the result of decisions stemming from this report and those elements which are now not compliant with the new legislation.

Reasons:

The Social Services and Well-being (Wales) Act 2014 is supported by Regulations and Code of Practice which came into force on the 6th April 2016. The interim report needed to be reviewed and updated to ensure that the Local Authority policies for charging service users are compliant with the new legislation.

Relevant scrutiny committee to be consulted : YES – Social Care & Health – 17th December, 2018

Scrutiny Committee recommendations / comments:

- **RESOLVED TO RECOMMEND TO THE EXECUTIVE BOARD that the Policy and Procedures Revisions for Charging Adults for Services be endorsed.**

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

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

Directorate: Communities	Designations:	Email Addresses/Tel Nos:
Name of Head of Service: Neil Edwards	Interim Head of Integrated Services	Nedwards@carmarthenshire.gov.uk 01267 228900
Avril Bracey	Head of Mental Health & Learning Disabilities	abracey@carmarthenshire.gov.uk 01267 242492
Report Author: Rhys J Page	Senior Business Manager	rjpage@carmarthenshire.gov.uk 01267 228729

EXECUTIVE SUMMARY
EXECUTIVE BOARD
DATE: 4TH MARCH, 2019

SUBJECT:
SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 –
POLICY AND PROCEDURES REVISIONS FOR CHARGING
ADULTS FOR SERVICES

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

The attached report sets out the revised policy, bringing together the previous policies and the interim policy agreed in 2016. The interim policy has now been in place since April 2016, and to date has faced no significant challenge, therefore this report is to update the current Policy and Procedures which came into effect at that time and formalise the report into a revised Policy.

The initial report was an interim report to cover the introduction of the Social Services and Well-being (Wales) Act 2014, which was implemented from April 2016.

This policy and procedure document will now succeed all previous versions of the Charging Policy and will now provide a combined policy and procedure for both Residential and Non-residential services.

As outlined in the 2016 report for the most part the Social Services and Well-being (Wales) Act has built on existing frameworks set down by previous legislation. Therefore changes are broadly limited to those seen in the interim report.

Carmarthenshire have now reviewed the decisions made in 2016 and will continue to charge for services in the same way.

Summary of points from the policy.

- Personal Allowance has been renamed as Minimum Income Amount and will increase annually in line with Welsh Government announcements. 2018-19 is set at £28.50 per week (This is revised annually by Welsh Government)
- Non-residential Charges are applicable from first day of service.
- Persons with Care and Support needs who have confirmed diagnosis of CJD will not be charged for Residential or Non-residential services.
- The local authority can now charge interest of deferred payments from the date of the Agreement.
- Short Term residents in a care home are now charged as if they were receiving non-residential services.

- Choice of accommodation rules will apply to “Temporary / Permanent” placements in a care home, but this is not applicable to placements made under “Short Term” rules.
- AVC are renamed to “Additional Costs” and will continue to apply, but will now be calculated from the highest cost of the 2 available homes, and not the mid-point as per the Interim Policy 2016.

Carmarthenshire will not charge for the following:

- Care and Support Services for a child under 18 years of age
- Care and Support provided to those with Creutzfeldt Jacob Disease where that disease has been clinically diagnosed by a registered medical practitioner
- Care and Support Services offered, arranged or provided for a person as part of a package of aftercare services in accordance with Section 117 of the Mental Health Act 1983.
- The provision of transport to a day service where the transport is provided as part of meeting a person’s assessed needs.
- To undertake an assessment of needs, care planning and care plans and Information and Advice for these functions.
- Undertaking a financial assessment, provision of a statement of charge and undertaking a review of a determination of charge and Information and Advice for these functions under the legislation.
- Reablement for service users for up to 6 weeks, (e.g. Reablement at home, in a care home, etc.) with provision for extended periods where the assessment of needs supports an extension.
- Independent Professional Advocacy where a local authority has arranged for this in accordance with the legislation.

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: Neil Edwards Interim Head of Integrated Services
 Avril Bracey Head of Mental Health & Learning Disabilities

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

1. Policy, Crime & Disorder and Equalities

The attached report sets out the policy and procedure changes which Elected Members need to consider in order for the Authority to comply with the Social Services and Well-being (Wales) Act 2014.

2. Legal

This policy follows the legislation laid down by the Social Services and Well-Being (Wales) Act 2014. The Act requires the authority to make certain policy decisions regarding charging for certain services. The interim report has been in place since April 2016 and to date has not faced any challenge.

3. Finance

The implementation of the new Act has had financial implications on income. The changes to short stay rules has meant that there was a loss of income to the Authority whilst the ability to apply a charge from the first day of service for those people receiving non-residential services has increased income. Overall there has been a reduction in income.

By changing the “Additional Cost” calculation from the mid-point to higher point will have a marginal cost implication to the authority. Based on approx. 100 placements with “Additional Costs”, but only a small percentage of these would be effected by the change, and this change would be favourable to the individuals in all circumstances, therefore it is anticipated that there would be a small loss.

5. Risk Management Issues

If the Authority fails to update its current policy and make a decision on the main areas of policy and practice, then the Authority will have an inconsistent charging policy and this could lead to risk of legal challenge.

CONSULTATIONS

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

Signed: **Neil Edwards** **Interim Head of Integrated Services**
 Avril Bracey **Head of Mental Health & Learning Disabilities**

1. Scrutiny Committee

The Social Care & Health Scrutiny Committee was consulted on 17th December, 2018.

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
Report to Executive Board – 21st March, 2016 – (Agenda Item No. 16) – “Social Services and Wellbeing (Wales) Act 2014 – Policy and Procedure Revisions for Charging for Adults for Services”		http://modern.gov/ie/ListDocuments.aspx?CId=131&MId=347&Ver=4
Social Services and Wellbeing (Wales) Act 2014		https://www.legislation.gov.uk/anaw/2014/4/contents

This page is intentionally left blank



**CARMARTHENSHIRE
COUNTY COUNCIL
CHARGING POLICY FOR
SOCIAL CARE SERVICES**

Contents

1. INTRODUCTION	3
2. LEGAL BACKGROUND	3
3. OPERATING GUIDELINES	3
4. SETTING OF CHARGES FOR SERVICES	4
5. MAXIMUM WEEKLY CHARGE	4
6. SERVICES WHERE NO CHARGES ARE MADE	4
7. SERVICES FOR WHICH A CHARGE IS A MADE	5
8. FLAT RATE CHARGES	5
9. RESIDENTIAL PLACEMENTS	6
10. SHORT TERM/RESPITE STAYS AT A CARE HOME	7
11. DIRECT PAYMENTS	7
12. FINANCIAL ASSESSMENT	7
13. BENEFITS ADVICE	8
14. MINIMUM INCOME AMOUNT (MIA)	8
15. NIGHT TIME SERVICES	9
16. TREATMENT OF INCOME	9
17. TREATMENT OF CAPITAL	9
18. PEOPLE WHO LACK CAPACITY	9
19. ADVOCACY	10
20. DEFERRED PAYMENTS	10
21. NON PAYMENT OF CHARGES AND DEBT	11
22. DEPRIVATION OF ASSETS	11
23. SETTING THE ADDITIONAL COST (ACC) FOR PERMANENT ADMISSIONS TO A CARE HOME.....	12
24. APPLICATION OF THE RULES TO INDIVIDUAL CASES.....	12
25. REVIEWS AND METHODS OF APPEAL.....	13

POLICY FOR CHARGING ADULTS FOR CARE AND SUPPORT AND PREVENTATIVE SERVICES

1. INTRODUCTION

This document sets out the policy for charging persons who are eligible to receive care and support services, support to adult carers, or those who receive certain preventative services (referred to as 'person(s)' within this policy), which are provided or commissioned by Carmarthenshire County Council (referred to as 'Carmarthenshire').

2. LEGAL BACKGROUND

The Social Services and Well-being (Wales) Act 2014 ('the Act') together with Regulations and codes of practice came in to force on the 6th of April 2016.

Part 4 (Direct payments and choice of accommodation) and Part 5 (Charging and Financial Assessments) of the Act relate to charging for services.

Part 5 of the Act (Charging and Financial Assessments) provides the legal framework for charging for Care and Support services and this part of the Act is supported by regulations and a code of practice. This legislation covers charging for all types of care including the provision of care and support and/or Direct Payments to a person in their own home and/or in a care home. It also covers charges for support to carers. In addition, further technical issues are covered including choice of accommodation and debt recovery.

Charging for services is set out in Social Services and Well-being (Wales) Act 2014, the regulations and code of practice made under the Act which are amended from time to time and these will be referred to as 'legislation' throughout this policy.

3. OPERATING GUIDELINES

Carmarthenshire will apply the legislation as set out by the Welsh Government together with amendments and revisions as announced from time to time.

Where Carmarthenshire has discretion on the application of certain aspects of the legislation, then this document sets out how these will be applied.

The overarching principle is that people who are asked to pay a charge will only be required to pay what they can afford.

Carmarthenshire will charge for all services set out in this policy and periodically review the services it charges for.

Where a charge is levied, then Carmarthenshire will collect these charges in accordance with the legislation to ensure fairness and equity for all to ensure that services are not unfairly subsidised by the public purse.

Operational rules for commencing or terminating packages of care are outlined in “Appendix 1”. The rules for varying charges to the person with care and support needs are also defined.

4. SETTING OF CHARGES FOR SERVICES

Carmarthenshire will normally review its charges annually as part of the budget setting process, but may review them more often, where appropriate or necessary.

5. MAXIMUM WEEKLY CHARGE

In charging for non-residential services Carmarthenshire will apply the maximum weekly charge (known as the ‘Cap’) as announced by the Welsh Government. The maximum charge will apply to those services a person is assessed to receive. The maximum charge (Cap) will exclude those services that are charged as a flat rate or considered as ordinary living costs and these charges will be levied as an additional charge.

For care home placements the maximum weekly charge will be the full cost of the placement.

6. SERVICES WHERE NO CHARGES ARE MADE

Carmarthenshire will not charge for the following:

- Care and Support Services for a child under 18 years of age
- Care and Support provided to those with Creutzfeldt Jacob Disease where that disease has been clinically diagnosed by a registered medical practitioner
- Care and Support Services offered, arranged or provided for a person as part of a package of aftercare services in accordance with Section 117 of the Mental Health Act 1983
- The provision of transport to a day service where the transport is provided as part of meeting a person’s assessed needs.
- To undertake an assessment of needs, care planning and care plans and Information and Advice for these functions
- Undertaking a financial assessment, provision of a statement of charge and undertaking a review of a determination of charge and Information and Advice for these functions under the legislation.
- Reablement for service users for up to 6 weeks, (e.g. Reablement at home, in a care home, etc.) with provision for extended periods where the assessment of needs supports an extension.
- Independent Professional Advocacy where a local authority has arranged for this in accordance with the legislation.

Carmarthenshire will also not charge for:

- Equipment/aids to daily living
- Services not included in the care and support plan and/or unplanned services.

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

- Employment Services and Day Opportunities – attending a centre for employment training, and/or personal development and support to gain employment.
- Supported Employment – providing care and /or support to a disabled person in a work place
- Support in an educational setting – providing care and/or support to a disabled person in a recognised educational setting, and whilst attending a recognised educational course.
- Services delivered solely by volunteers.

7. SERVICES FOR WHICH A CHARGE IS MADE

Carmarthenshire will charge for the following services which it arranges or provides;

- Services provided in a Care Home – Any services provided to a resident whether the placement is permanent or temporary e.g. Residential Care, Nursing Care and Respite care (excluding residential reablement for up to 6 weeks)
- Domiciliary Care and Support, including extra care – provision of personal care, non-personal care and support at home
- Direct Payments – a payment made to a person to enable him/her to purchase their own care
- Day Care – covers a range of services whilst attending a centre or any other setting outside of a person's own home
- Supported Living – Care and support for a person from paid carers within a person's own home (other than Home Care)
- Adult Placement – where an adult lives with an approved carer who is paid to support them
- Replacement Care – where the informal carer is temporarily replaced by a care worker to provide care and/or support to a person in their own home
- One to One Support in the Community (Community Support) – bespoke services for individuals (other than Domiciliary Care or Day Care).
- Telecare – Assistive technology which supports independent living

8. FLAT RATE CHARGES

Carmarthenshire will also charge for the following services which are considered to be a substitute for ordinary daily living costs or would be considered as preventative services. These services will be charged at a flat rate and the charge will not be subject to a financial assessment.

- Meals on wheels*
- Meals at an establishment
- Laundry

Financial assessments will not ordinarily be undertaken on the above services, but where the council has reason to believe that the cumulative effect of flat rate charges is or may be unaffordable, then it will offer a financial assessment.

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

The charge for these services will not be included in the maximum weekly charge (Cap) in determining how much someone pay for services.

9. RESIDENTIAL PLACEMENTS

Carmarthenshire will charge for all placements into a care home, irrespective of service or duration, unless the service is defined in the legislation as being one where a charge cannot be applied.

The charge that will be applied, will be the full cost of the placement cost per night for placements into a care home. Carmarthenshire will charge for each night that the person with care and support needs is assessed to access the service. Accessing a service for part of a day will be charged at the full day rate. Person with care and support needs will be charged for the day of admission but will not be charged for the day of discharge.

Carmarthenshire will vary the charge to a person with care and support needs in the following circumstance:

- Hospital admission - Where a person with care and support needs is admitted to hospital, and the care home placement is retained, then the charge to the person with care and support needs during the absence will be set at a rate equal to the Department of Work and pensions benefits entitlements of the individual person with care and support needs only.
- Holidays/ Short Stays with families by prior agreement - A person with care and support needs will not be charged for their care home placement whilst on holidays/short stays and staying with family or in any other setting for the first 21 days of absence in any financial year. Where the absence exceeds 21 days then Carmarthenshire reserves the right to reassess that person's needs and/or terminate the care home placement. Where a person with care and support needs receives alternative services when absent from the care home, that person will be required to pay the appropriate charge for these services.

Carmarthenshire has further discretion to disregard a main or only home and does so in the following circumstances:

- Where it is occupied by a carer who has given up his/her home to live with a service user for the main purpose of caring for that person and he/she does not own/have an interest in another property.
- Where a relative as defined in the legislation or a close friend/companion has lived in the home of the person with care and support needs' home all/for the major part of their adult life, and does not own any other property. The disregard only applies for the period of time that the relative or close friend/companion continues to live at the property. What constitutes a 'close friend/companion' and 'all or major part of their adult life' in this paragraph is at the sole discretion of Carmarthenshire County Council.

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

10. SHORT TERM/RESPITE STAYS AT A CARE HOME

Where a person with care and support needs is a short term resident in a care home, and at the point of admission the placement is planned to be less than 8 weeks, then this placement will be financially assessed as if that person was receiving Non Residential care. A person with care and support needs can have multiple stays in any period which are classed as short term which cumulatively add up to more than 8 weeks.

The charge per night for all short term placements will be based on the full cost of the placement. For placements into Carmarthenshire care homes, the charge will be, the published weekly charge for the care homes it operates, and for placements into an Independent Sector care home the charge will be the contracted amount.

The non-residential assessment rules will be applied to short term stays which are assessed at the outset as not exceeding 8 weeks on any one occasion. Temporary placements or permanent placements which for any reason last for 8 weeks or less will be financially assessed using the residential charging rules.

Short term stays that extend beyond 8 weeks on any one occasion will be charged as though the resident is subject to the residential charging rules as appropriate from the first day of the 9th week.

Where a short term stay extends beyond 8 weeks and the extension is due to the non-availability of an assessed service and a direct payment is not the preferred choice or will not meet the person's assessed outcomes, then the short stay charging rules can be extended beyond 8 weeks where the resident cannot be discharged solely because the assessed services remain unavailable. In such instances the person with care and support needs will be charged for the services they actually receive.

11. DIRECT PAYMENTS

A person with care and support needs receiving a direct payment in place of a service will be financially assessed and charged in the same way as though they were provided with the equivalent service.

12. FINANCIAL ASSESSMENT

All persons with care and support needs who receive a chargeable service other than services provided at a flat rate fee, will be invited to have a financial assessment to determine how much he/she can afford to pay for their assessed package of Care and Support commissioned or provided by the local authority.

Persons with care and support needs can decide not to declare their financial assets. In such cases, that person will be charged the appropriate charge for the services they are assessed to receive up to the maximum charge for a non-residential service and the full cost for a residential care home placement.

When a person with care and support needs declares their assets, expenditure, expenses etc., they will be asked to provide documentation to support and enable verification of financial and other information declared for the financial assessment. In

the event that the documentation requested is not provided then that person will be assessed as if they have chosen not to declare their assets or any other information.

A person with care and support needs will normally be expected to return the completed financial assessment information within 15 working days. A person with care and support needs can request an extension, and Carmarthenshire will consider any reasonable request and where an extension is refused then it will explain the reasons for the refusal.

Carmarthenshire will undertake the financial assessment and will confirm the result, together with a breakdown of the calculation in writing to the person with care and support needs or any other person nominated by them.

All charges will be applied from the first day that the service(s) are received. Where any service(s) changes or a person's financial circumstances change, then any revised charges will be applied from the date the change occurred.

Carmarthenshire will normally review the financial assessment annually or sooner if further relevant information becomes available or if it is notified of changes to someone's financial circumstances.

The financial assessment will not impact in any way on the assessment of a person's care or support needs.

The weekly charge for services runs from a Monday to Sunday.

The authority will charge based on the assessed level of service of the person shown in the care and support plan and variations to the charge will apply as set out in Appendix 1. Variations to the assessed level of service will not necessarily mean that the charge to the person with care and support needs will reduce for that week because the person may have been financially assessed to pay less than the charge for the reduced service.

13. BENEFITS ADVICE

As part of the financial assessment Carmarthenshire will offer advice on benefits and/or will refer a person with care and support needs, with their agreement, to partner agencies or other organisations who will offer welfare benefits advice and help to submit applications where appropriate.

14. MINIMUM INCOME AMOUNT (MIA)

Carmarthenshire will apply the Minimum Income Amount at levels set by Welsh Government each year for all placements in to a care home.

Carmarthenshire will apply the Minimum Income Amount (referred to as the buffer) at levels set by Welsh Government each year to all service users assessed to receive Non-residential services.

In addition to the Minimum Income Amount set by Welsh Government for non-residential services only, and in order to avoid intrusive questions about a person with care and support need's disability and disability expenditure, Carmarthenshire will also

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

allow an additional allowance/disregard for disability expenditure. The additional amount will be applied as follows when the person with care and support needs receives one of the benefits below:

- An amount of 25% of the day time component of Attendance Allowance (AA), Disability Living Allowance Care Component (DLA) and Personal Independence Payment Daily Living (PIP).

Carmarthenshire will also allow as an expense, any expenditure which a person with care and support needs expends to purchase non-residential care directly from a registered care provider. Payments made through a direct payments scheme are excluded from this provision.

15. NIGHT TIME SERVICES

Carmarthenshire will charge for assessed services included in the care and support plan which are provided during the night.

However, within the financial assessment, Carmarthenshire will not include the night time component of Attendance Allowance (AA) or Disability Living Allowance care component (DLA) or Personal Independence Payment Daily Living (PIP) whether a night time service is received or not. Normally, the difference between Attendance Allowance higher rate and lower rate and the difference between Disability Living Allowance care component higher rate and middle rate and the difference between Personal Independence Payment daily living enhanced and daily living basic is treated as the element paid for night time care.

16. TREATMENT OF INCOME

Carmarthenshire will include in the financial assessment all income unless it has to be specifically disregarded within the legislation together with any changes as announced by Welsh Government from time to time.

17. TREATMENT OF CAPITAL

Carmarthenshire will include in the financial assessment all capital unless it has to be specifically disregarded within the legislation together with any changes as announced by Welsh Government from time to time.

Carmarthenshire will also apply the Capital limits for both non-residential and residential financial assessments as announced by Welsh Government from time to time.

18. PEOPLE WHO LACK CAPACITY

Where a person lacks mental capacity Carmarthenshire will communicate and/or work with a person that has the legal authority to make financial decisions on behalf of the person with care and support needs. Where such legal authority does not exist, then wherever possible the Authority will engage with family members. In all cases

Carmarthenshire will apply the principles of the Mental Capacity Act 2005 and the code of practice.

Deputyship for property and financial affairs

Carmarthenshire will not normally apply to the Court of Protection to become Deputy for Property and Financial affairs for a person with care and support needs. Such action will only be taken as a last resort, and only for those persons who are receiving services from Carmarthenshire to meet their care and support needs, and where it is considered in the person's best interest to do so.

In the event that Carmarthenshire applies to become Deputy, then it will recover any costs it incurs for its role as deputy. An application to become deputy will only occur where the council believes that there are sufficient funds that require management, and also funds available to cover the costs of the deputy's role.

19. ADVOCACY

Carmarthenshire will engage with the person with care and support needs or their representative to complete the financial assessment and charging process. Where a person is identified as needing support to engage in this process then Carmarthenshire will, through that person's social worker, seek to identify someone who can help to advocate on behalf of that person.

Carmarthenshire will also inform people with care and support needs who are receiving a chargeable service of their right to obtain independent financial advice.

20. DEFERRED PAYMENTS

Where a person with care and support needs has a property that is included in their financial assessment, then in certain circumstances they are able to enter into a deferred payment agreement with Carmarthenshire. Where a deferred payment is agreed then it will enable them to defer or delay paying some or all of their care costs until a later date, so they are not required to sell their property immediately upon entering a care home. This arrangement can provide additional flexibility of how and when the person with care and support needs pays their care costs.

The amount that can be deferred each week will be determined from the financial assessment. Carmarthenshire will obtain a professional valuation of a property, and will defer an amount up to the value of the person's interest in a property less an allowance for selling costs as set out in the legislation. Where appropriate the property will be revalued periodically for the purposes of determining the amount which can be deferred.

Persons seeking or being offered deferred payments will be advised to seek independent financial and or legal advice to ensure that persons or their representatives understand the terms of a deferred payment agreement and the commitment they are agreeing to.

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

Carmarthenshire will charge interest on sums deferred at the interest rates set within the legislation.

The person with care and support needs will be liable for any costs incurred by them e.g. legal fees, financial advice, etc. to enable them to enter into the deferred payment agreement. These costs will be in addition to any fees and charges levied by the local authority.

The legislation sets out in detail the eligibility criteria that needs to be met, for a person to enter in to a deferred payment agreement and Carmarthenshire will apply that eligibility criteria as set out in the legislation.

In agreeing to enter into a deferred payment agreement. Carmarthenshire will directly contract for the placement, or must do so with a partner agency. Deferred payment agreements will not be available for people with care and support needs who contract for themselves or through a 3rd party or any other agency.

Where Carmarthenshire is unable to create a charge that takes priority over, and ranking before any other interest or charge on the property. Carmarthenshire may consider a lower ranking charge where it is satisfied that the debt that may accrue is adequately secured, but this is at the sole discretion of Carmarthenshire.

Where for any reason Carmarthenshire cannot create a charge over the property which the person occupies, or used to occupy, as their main or only home and it is satisfied that the asset(s) offered as security as an alternative are sufficient to meet the value of the debt accrued for the time the person with care and support needs will be in the care home, then Carmarthenshire may at its sole discretion consider applying a charge to an alternative property or land.

Where a person with care and support needs does not meet the requirements of the scheme then a request for a deferred payment will be refused.

Carmarthenshire can refuse to defer any further care costs even where a deferred payment agreement is in place and in certain circumstances it will do so. Where such a decision is implemented it will be in accordance with the legislation and/or the terms and conditions of the deferred payment agreement and Carmarthenshire will explain the basis of its decision.

21. NON PAYMENT OF CHARGES AND DEBT

Carmarthenshire will pursue outstanding charges and debts through the most appropriate channels including recovery action through the courts where appropriate. In such instances Carmarthenshire will also recover all costs and apply for interest on the amount to be recovered.

Carmarthenshire will not withdraw services when a person with care and support needs refuses or is unable to pay their assessed charge.

22. DEPRIVATION OF ASSETS

Where deprivation of an asset may have occurred then Carmarthenshire will make thorough enquiries to ascertain the facts. Where deprivation has occurred Carmarthenshire will take the appropriate steps to protect the public purse.

23. SETTING THE ADDITIONAL COST (AC) FOR PERMANENT ADMISSIONS TO A CARE HOME

For the purposes of setting the additional cost the choice of accommodation offered to a person with care and support needs in Carmarthenshire will initially be based on two care homes of the same type at Carmarthenshire's normal commissioning rate, anywhere within the county, and where both care homes can meet that person's assessed needs. Where 2 care homes at the normal commissioning rate are **not** available, then the next cheapest care homes within the county will form the basis of the calculation.

Where accommodation which is more expensive than the options offered at the time of placement is chosen then the additional cost will be calculated from the higher of the 2 rates charged by the two care homes which were offered.

Where an additional cost is to be funded by a 3rd party on behalf of the person with care and support needs, then Carmarthenshire will make reasonable enquiries to satisfy itself that the additional cost is affordable and that such costs would not fall on Carmarthenshire in the future.

In these circumstances the person with care and support needs will be required to evidence that they have the financial ability to meet the additional costs over the anticipated term of the placement.

In the event that the third party is unwilling to provide such evidence or does not have the financial ability to meet the additional costs over the anticipated term of the placement then Carmarthenshire will not contract for the placement at the chosen care home.

Where a placement will be made out of county then the same rules will apply except that the standard rates that will apply will be the rates appropriate in the county of placement.

Where a person with care and support needs, in accordance with the legislation, is able to pay for the full cost of their placement, then they can choose any care home and will be required to pay the full cost of their placement as Carmarthenshire will treat such a contract as outside its usual commissioning rate because it is a bespoke contract and thus the Care and Support (Choice of Accommodation) (Wales) Regulations 2015 do not apply.

24. APPLICATION OF THE RULES TO INDIVIDUAL CASES

The Director of Community Services or their successor will make decisions in individual cases where the legislation allows discretion or is unclear and that he/she may delegate this responsibility to a suitable senior officer as appropriate. In reaching

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

a decision, he/she will endeavour to ensure that the decision is fair and consistent and will result in all persons with care and support needs being treated fairly. Such decisions will not prevent a person with care and support needs from requesting a review of the decision through the appropriate process.

25. REVIEWS AND METHODS OF APPEAL

Carmarthenshire will always endeavour to undertake a financial assessment in an accurate and professional way. Some financial assessments will appear complex and this will always give rise to queries and in some cases formal reviews.

Where a person with care and support needs believes that the result of a financial assessment is incorrect for any reason, then they will be able to contact the authority by telephone, email or in writing.

Where a query is received it will normally be looked at by the staff member who is responsible for the case. If the issue is not resolved to the person with care and support needs satisfaction, then another officer from within the team will review the query and the initial response.

Should the matter still be unresolved, then the person with care and support needs will have the right to request a formal review, but only where the basis of their request complies with the requirements of the legislation.

Where a formal review is requested, then it will undertake the review in accordance with the legislation.

All persons with care and support needs have the right to access the authority's complaints procedure if they are unhappy with our services or about the way they have been treated. Requesting a review will not prevent a person from accessing the complaints procedure.

Appendix 1**VARIATIONS/ADJUSTMENTS TO CHARGES FOR FINANCIALLY ASSESSED SERVICES**

	All Charged Services
Start of a service	Charge from the 1 st day the service is received - as per 'Operational Rules for Commencement and Termination of Packages'
Permanent termination of a service	For person with care and support needs that pass away, no charge in the week that the service terminates (charge ceases previous Sunday). For other permanent terminations the charge is applied up to and including the day prior to termination date - as per 'Operational Rules for Commencement and Termination of Packages'
Missed call – provider/carer's fault	Service reduction is applied (actual or average as appropriate) and charge is recalculated (charge may not change) - as per 'Operational Rules for Commencement and Termination of Packages'
Cancelled call/service – person with care and support needs' request/fault, e.g. person with care and support needs on holiday	If person with care and support needs gives reasonable advance notice to the service provider then service reduction is applied (actual or average as appropriate) and the charge is recalculated (charge may not change) - as per 'Operational Rules for Commencement and Termination of Packages'
Inclement weather reduced service – missed calls	Service reduction is applied (actual or average as appropriate) and the charge is recalculated (charge may not change) - as per 'Operational Rules for Commencement and Termination of Packages'
Person with care and support needs is admitted to respite and paying respite charge/Receives residential respite and NRSS in the same week	Ensure no duplicate charge. No Non Residential charge for the period in respite (residential care charge is applied). Service reduction is applied to Non Residential service (actual or average as appropriate) and the charge is recalculated (charge may not change for reduced week) - as per 'Operational Rules for Commencement and Termination of Packages'
Service not available	Service reduction applied (actual or average as appropriate) and the charge is recalculated (charge may not change) - as per

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

	'Operational Rules for Commencement and Termination of Packages'
Person with care and support needs is admitted to hospital	Service reduction applied (actual or average as appropriate) and the charge is recalculated (charge may not change) - as per 'Operational Rules for Commencement and Termination of Packages'
One service stops during the week but others carry on	Service reduction is applied (actual or average as appropriate) and the charge is recalculated (charge may not change) - as per 'Operational Rules for Commencement and Termination of Packages'
Additional Unplanned service(s) received	No charge until the service becomes part of the Care and Support Plan. Charge is applied from the 1 st day the assessed service is received - as per 'Operational Rules for Commencement and Termination of Packages'
Hospital Stays – Residential Care	A charge is applied when a person with care and support needs is admitted to hospital and the placement is retained. The charge is set at a rate equal to the Department of Work and Pensions benefits entitlement of the individual person with care and support needs only
Holidays/short stays with families by prior agreement – Residential Care	The person with care and support needs is not charged for short holidays/stays with families for the first 21 days of absence in any financial year. The basis being that the person with care and support needs will need their income/finances to meet any expenses whilst they are absent from the care home

OPERATIONAL RULES FOR COMMENCEMENT AND TERMINATION OF PACKAGES

1. Commencements

Domiciliary Care – Packages Commissioned in Hours/Minutes and Visits – the total hours per week will be divided by 7 and the result will be multiplied by the number of days remaining in the week including the commencement day.

Hours Commissioned per Week (No. of Visits) – the total hours per week will be divided by 7 and the result will be multiplied by the number of days remaining in the week including the commencement day.

Hours Commissioned Per Day - the total hours per week will be divided by 7 and the result will be multiplied by the number of days remaining in the week including the commencement day.

Services Commissioned in Sessions/Days – charge the actual sessions/days received including the commencement day.

Telecare – A charge will be applied for the number of days remaining in the week including the commencement day.

2. Terminations

Domiciliary Care – Packages Commissioned in Hours/Minutes and Visits – the total hours per week will be divided by 7 and the result will be multiplied by the number of elapsed days in the week up to the day previous to termination day.

Hours Commissioned per Week (No. of Visits) – the total hours per week will be divided by 7 and the result will be multiplied by the number of elapsed days in the week up to the day previous to termination day.

Hours Commissioned Per Day – the total hours per week will be divided by 7 and the result will be multiplied by the number of elapsed days in the week up to the day previous to termination day.

Services Commissioned in Sessions/Days – charge the actual sessions/days received up to and including the termination day.

Telecare – A charge will be applied for the number of days elapsed in the week up to the day previous to termination day.

3. Missed Visits/Service

Domiciliary Care – Packages Commissioned in Hours/Minutes and Visits - Total hours divided by visits and multiplied by the number of visits missed - to be deducted from package.

*Meals on wheels – Following the removal of MOW service in Carmarthenshire this will no longer apply

Hours Commissioned Per Week (No. of Visits) – Total hours per week divided by 7 and multiplied by the number of days missed or service amended as advised by provider.

Hours Commissioned Per Day - Total hours per week divided by 7 and multiplied by the number of days missed or service amended as advised by provider.

Services Commissioned in Sessions/Days – Deduct the actual session/days missed.

Telecare – Service is not amended and is charged throughout.

4. Day Care Sessions

A day care session is defined as:

If a service is received before 1pm on any day and for any length of time then it will count as one session

If a service is received between 1pm and 6pm on any day and for any length of time then it will count as one session

If a service is received after 6pm on any day and for any length of time then it will count as one session

This page is intentionally left blank

EXECUTIVE BOARD

4TH MARCH 2019

SUBJECT:

**Business Rates – High Street and Retail Rates Relief Scheme
2019/20**

Purpose:

To consider the adoption of a rate relief scheme being made available to billing authorities by Welsh Government for 2019/20

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

It is recommended that the 2019/20 High Street and Retail Rates Relief scheme outlined in this report be adopted by Executive Board

REASONS:

The proposed scheme will reduce the 2019/20 business rates liability for qualifying businesses that have been detrimentally affected by the 2017 Revaluation, at no cost to the Authority.

Relevant scrutiny committee to be consulted - NA

Exec Board Decision Required YES

Council Decision Required NO

<p>Directorate: Corporate Services</p> <p><u>Executive Board Member:</u> Cllr. David Jenkins</p> <p><u>Name of Head of Service:</u> Helen Pugh</p> <p><u>Report Author:</u> Ann Thomas</p>	<p>Designations:</p> <p>Head of Revenues & Financial Compliance</p>	<p><u>Tel No.</u> 01267 246223</p> <p><u>E Mail Address:</u> HLPugh@Carmarthenshire.gov.uk</p>
--	---	--

EXECUTIVE SUMMARY

Executive Board – 4th MARCH 2019

Business Rates – High Street and Retail Rates Relief Scheme 2019/20

1. Background

- 1.1. As a result of the national non-domestic rates revaluation many ratepayers were faced with an increase in their rates liability with effect from 1st April 2017. Some increases were very significant. To support ratepayers Welsh Government introduced a Transitional Relief scheme whereby ratepayers that occupy small premises (less than £12,000 Rateable Value) and receive Small Business Relief in 2016/17 will have any increase arising from the revaluation, “dampened”. i.e. the increase is limited to 25% in 2017/18, 50% in 2018/19 and 75% in 2019/20.
- 1.2. In addition to the Transitional Relief scheme, Welsh Government also introduced a “**High Street Rate Relief scheme**” for 2017/18 and 2018/19.
- 1.3. Welsh Government has recently confirmed that the High Street Rate Relief scheme will be extended to 2019/20.
- 1.4. Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.
- 1.5. Welsh Government has indicated the types of business that they consider appropriate for this relief, and those which are not. The non-exhaustive list of business types is given in **Appendix A**
- 1.6. As was the case previously, this is a temporary measure which means Welsh Government is not making any legislative changes but instead will allow billing authorities to grant relief under the general discretionary relief powers available under section 47 of the Local Government (Finance) Act 1988. However, being a discretionary power, it is necessary for Council to formally adopt the scheme.
- 1.7. The scheme is fully funded and therefore at no cost to the authority provided relief is granted in accordance with the Welsh Government guidelines.

2. High Street and Retail Rates Relief scheme 2019/20

- 2.1. The total amount of government funded relief available for each property for 12 months under this scheme is up to £2500.
- 2.2. Eligible ratepayers will be retailers whose properties have a rateable value of between £6,001 and £50,000 and who meet the retail criteria.
- 2.3. This relief can be awarded in addition to Small Business Rate Relief and Transitional Rate Relief. The High Street and Retail Rates Relief will be applied against the net bill after these two reliefs have been applied.
- 2.4. When calculating the relief if the net liability before High Street and Retail Rates Relief is £2,500 or less the maximum amount of this relief will be no more than the value of the net rate liability.

3. Other Factors

- 3.1. The scheme guidelines also confirm that premises will not attract relief despite being retail in nature if they are:
- i. Hereditaments with a rateable value of more than £50,000
 - ii. Not reasonably accessible to visiting members of the public
 - iii. Unoccupied
 - iv. Already qualify for charitable rate relief
 - v. Hereditaments that are owned, rented or managed by a local authority
- 3.2. As the granting of relief is discretionary, authorities may choose not to grant the relief if they consider that it would go against the authority's wider objectives for the local area.
- 3.3. Qualifying properties must be occupied and used *wholly or mainly* as a shop, restaurant, café or drinking establishment, it is therefore a test on use rather than occupation
- 3.4. Ratepayers that occupy premises with a Rateable Value exceeding £50,000 will not qualify for this relief, but authorities have other discretionary powers to reduce rates liability (such as Hardship Relief) in cases where it is considered appropriate.
- 3.5. Ratepayers will be subject to State Aid limits and will therefore be required to inform authorities if the granting of this relief would exceed the threshold for State Aid (this will be most relevant for companies with a large number of outlets, nationwide)

4. Scheme Adoption

- 4.1. As this is a temporary measure Welsh Government are providing the relief by reimbursing local authorities that use their discretionary powers under Section 47 of the Local Government Finance Act 1988, it is therefore appropriate for the Council to formally adopt the scheme.

It is therefore recommended that:

- a) The High Street and Retail Rate Relief Scheme be adopted for 2019/20
- b) Relief be granted in accordance with the Welsh Government guidelines
- c) Applications that are not specifically covered by the guidelines or otherwise require specific consideration, to be determined by the Executive Board Member for Resources

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: **Chris Moore** Director of Corporate Resources

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

1. Policy, Crime & Disorder and Equalities

2. Legal

The decision on whether or not to adopt these schemes is an Executive function.

3. Finance

The relief granted under the scheme is fully funded, provided Welsh Government guidelines in terms of qualifying ratepayers, are adhered to.

CONSULTATIONS

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

Chris Moore

Director of Corporate Resources

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
Business Rates – High Street Rate Retail Scheme (various documents)	N/A	File Plan (Finance/Local Taxation/Retail Rate Relief)

Appendix A -

Qualifying & Non-Qualifying Premises (extract from Welsh Government Guidelines)

“It is intended that, for the purposes of this scheme, high street properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

i. Hereditaments that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms & Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners & Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

iii. Hereditaments that are being used for the sale of food and / or drink to visiting members of the public

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs & Wine Bars

“The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist.

There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief”

Types of hereditaments that are not considered to be eligible for the high street relief

The list below sets out the types of uses that the Welsh Government does not consider to be high street retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.

Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children’s play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the high street relief scheme:

ii. Hereditaments with a rateable value of more than £50,000

iii. Hereditaments that are not reasonably accessible to visiting members of the public

iv. Hereditaments that are not occupied

v. Hereditaments that are owned, rented or managed by a local authority

vi. Hereditaments that are in receipt of mandatory charitable rates relief

This page is intentionally left blank

Executive Board 4th March 2019

TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2018 TO 31ST DECEMBER 2018

Recommendations / key decisions required:

That the Executive Board considers and approves the report.

Reasons:

To provide members with an update on the treasury management activities from 1st April 2018 to 31st December 2018.

Relevant scrutiny committee to be consulted:- Policy & Resources Scrutiny Committee 20th March 2019

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. D.M. Jenkins

Directorate: Corporate Services

Name of Director: Chris Moore

Report Author: Anthony Parnell

Designation: Director of Corporate Services

Designation: Treasury and Pension Investments Manager

Tel No. 01267 224120; E Mail: CMoore@carmarthenshire.gov.uk

Tel No. 01267 224180; E Mail: AParnell@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Executive Board
4th March 2019

SUBJECT
Treasury Management and Prudential Indicator Report
1st April 2018 to 31st December 2018

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

To provide members with an update on the treasury management activities from 1st April 2018 to 31st December 2018.

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 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

Within the requirements of the Treasury Management Policy and Strategy Report 2018-2019

2. Finance

The authority's investments during the period returned an average return of 0.64%, exceeding the 7 day LIBID rate.

Gross interest earned on investments for the period amounted to £0.307m and interest paid on loans was £9.77m.

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

At the period end the investments included £0.57m of KSF investments.

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

CONSULTATIONS

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

Signed: C Moore Director of Corporate Services

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

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
CIPFA Treasury Management in the Public Services - Code of Practice Revised 2017		County Hall, Carmarthen

EXECUTIVE BOARD
DATE: 4TH MARCH 2019

**QUARTERLY TREASURY MANAGEMENT AND
PRUDENTIAL INDICATOR REPORT**

1st April 2018 – 31st December 2018

A QUARTERLY TREASURY MANAGEMENT REPORT

1. Introduction

The Treasury Management Policy and Strategy for 2018-2019 was approved by Council on 21st February 2018. Section B 1.1(2) stated that Treasury Management activity reports would be made during the year. This report outlines the Treasury Management activities in the period 1st April 2018 to 31st December 2018 and satisfies the reporting requirement stated above.

2. Investments

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

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

The total investments at 1st April 2018 to 31st December 2018 analysed between Banks, Building Societies, Local Authorities and Money Market Funds, are shown in the following table:

Investments	1.4.18				31.12.18			
	Call and notice	Fixed Term	Total		Call and notice	Fixed Term	Total	
	£m	£m	£m	%	£m	£m	£m	%
Banks and 100% Wholly Owned Subsidiaries	19.00	0.58	19.58	45	12.00	0.57	12.57	36
Building Societies	0.00	0.00	0.00	0	0.00	0.00	0.00	0
Money Market Funds	10.00	0.00	10.00	23	7.00	0.00	7.00	20
Local Authorities	0.00	14.00	14.00	32	0.00	15.00	15.00	43
TOTAL	29.00	14.58	43.58	100	19.00	15.57	34.57	100

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

The £34.57m includes £0.57m (14.25% of original claim) invested in Kaupthing Singer and Friedlander which has been reduced from the original £4.0m by distributions.

During the period the total investments made by the Council and repaid to the Council (the turnover) amounted to £977.21m. This averaged approximately £24.87m per week or £3.55m per day. A summary of turnover is shown below:

	£m
Total Investments 1st April 2018	43.58
Investments made during the period	484.10
Sub Total	527.68
Investments Repaid during the period	(493.11)
Total Investments at 31st December 2018	34.57

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

The benchmark return for the London money market is the “7 day LIBID rate”. For 2018-2019 the Council has compared its performance against this “7 day LIBID rate”. For the period under review the average “7 day LIBID rate” was 0.49% whereas the actual rate the Council earned was 0.64%, an out performance of 0.15%.

This outperformance can be quantified to £75k additional interest earned compared to the “7 day LIBID rate”.

The gross interest earned on investments for the period amounted to £0.307m.

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

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

In August 2018 the Council received a seventeenth dividend from the Administrators. This equated to 0.25p in the £ and amounted to £10k principal.

As at 31st December 2018 the sum of £3.43m principal and £210k interest had been received from the Administrators, which equates to 85.75% of the claim submitted. The Administrator’s Progress Report for October 2018 estimates a total dividend payable to non-preferential creditors of 86.5%, an increase from the previous figure of 86.25%.

4. Security, Liquidity and Yield (SLY)

Within the Treasury Management Strategy Statement for 2018-2019, the Council’s investment priorities are:

- Security of Capital
- Liquidity and
- Yield

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

Attached in Appendix 1 is the Investment Summary and Top 10 Counterparty Holdings (excluding the £0.57m in KSF) as at 31st December 2018.

5. Borrowing

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

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

The total loans at 1st April 2018 and 31st December 2018 are shown in the following table:

Loans	Balance at 01.04.18 £m	Balance at 31.12.18 £m	Net Increase/ (Net Decrease) £m
Public Works Loan Board (PWLB)	392.11	390.42	(1.69)
Market Loan	3.00	3.00	0.00
Salix, Invest to Save, HILS & TCL	4.74	4.40	(0.34)
TOTAL	399.85	397.82	(2.03)

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

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

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

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

5.1 New Borrowing

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

Loan Reference	Amount (£m)	Interest Rate	Start Date	Period	Maturity Date
507942	2.00	2.59%	25th October 2018	15yrs	28th March 2034
507943	3.00	2.72%	25th October 2018	30yrs	28th March 2049
Total	5.00				

5.2 Interest Paid

Interest paid on loans in the period was:

PWLB Interest Paid £m	Market Loan Interest Paid £m	Total Interest Paid £m
9.63	0.14	9.77

6. Rescheduling and Premature Loan Repayments

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

7. Leasing

No leases were negotiated in the period ended 31st December 2018.

8. Conclusion

The Treasury Management function for the period ended 31st December 2018 has been carried out within the policy and guidelines set in the Treasury Management Policy and Strategy 2018-2019.

B. QUARTERLY PRUDENTIAL INDICATOR REPORT

1. Introduction

As part of the 2018-2019 Budget and the Treasury Management Policy and Strategy 2018-2019 Council adopted a number of Prudential Indicators. These Indicators are designed to ensure that any borrowing or other long-term liabilities entered into for capital purposes were affordable, sustainable and prudent.

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

2. The Monitored Prudential Indicators

2.1 Affordability Prudential Indicator

2.1.1 Ratio of Financing Costs to Net Revenue Stream

The indicator set for 2018-2019 in the Budget was:

	2018-2019 %
Non –HRA	5.15
HRA	34.39

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

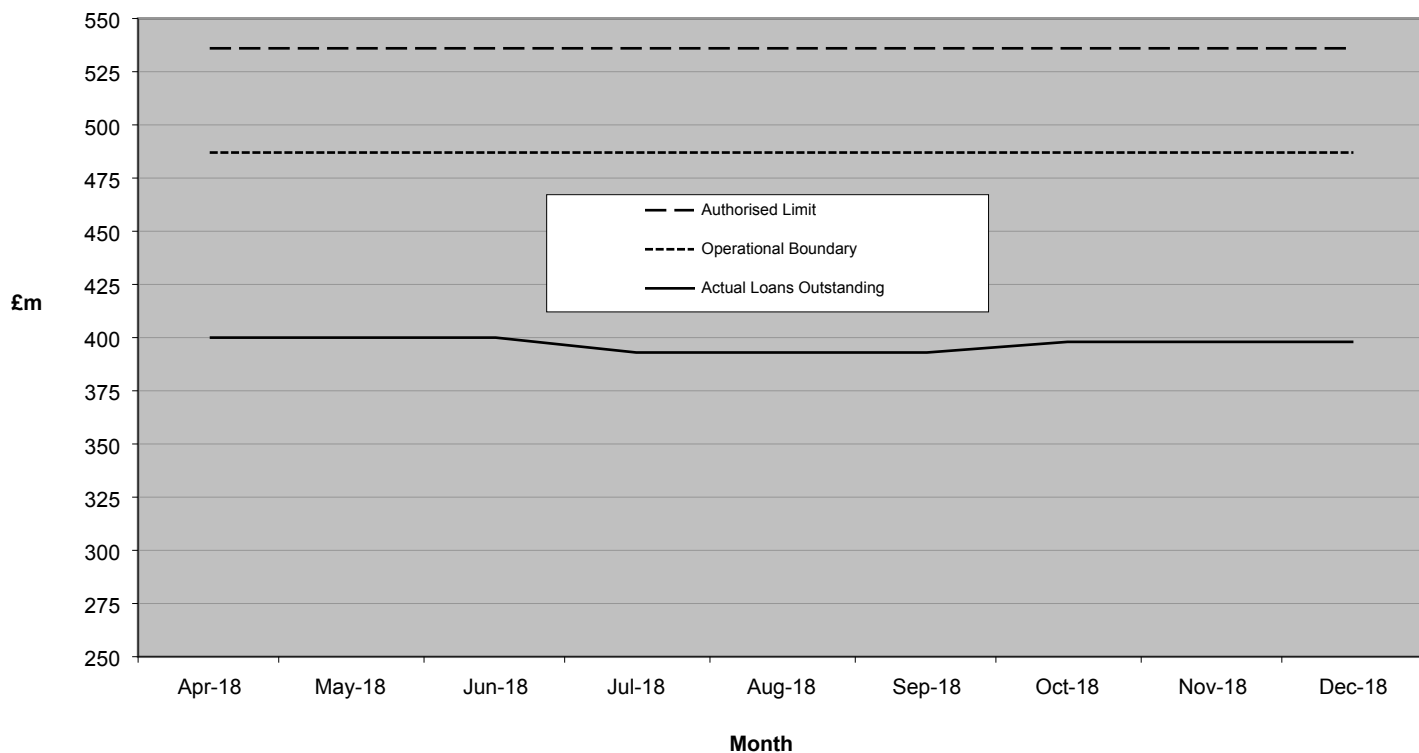
2.2 Prudence Prudential Indicators

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

The indicator set by the Budget for Gross Borrowing and CFR was that the Director of Corporate Services envisaged no difficulty in meeting the requirement of the Gross Borrowing being less than the accumulated CFR for 2018-2019. An examination of assumptions made when calculating the Prudential Indicator show that there have been no material changes.

2.2.2 Authorised Limit and Operational Boundary

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



	Apr-18	Jun-18	Sep-18	Dec-18
	£m	£m	£m	£m
Authorised Limit	536	536	536	536
Operational Boundary	487	487	487	487
Loans Outstanding	400	400	393	398

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

2.3 Treasury Management Prudential Indicators

2.3.1 Interest Rate Exposure

Position as at 31st December 2018:

	Fixed Interest Rate £m	Variable Interest Rate £m	TOTAL £m
Borrowed	394.82	3.00	397.82
Invested	(15.57)	(19.00)	(34.57)
Net	379.25	(16.00)	363.25
Limit	467.00	47.00	
Proportion of Net Borrowing Actual	104.40%	(4.40)%	100.00%
Limit	125.00%	5.00%	

The authority is within limits set by the 2018-2019 indicators.

2.3.2 Maturity Structure Of Borrowing

	Structure at 31.12.18 %	Upper Limit %	Lower Limit %
Under 12 months	0.00	15	0
12 months to 2 years	1.33	25	0
2 years to 5 years	7.43	50	0
5 years to 10 years	10.05	50	0
10 years to 20 years	18.70	50	0
20 years to 30 years	20.36	50	0
30 years to 40 years	24.36	50	0
40 years and above	17.77	50	0

The authority is within the limits set by the 2018-2019 indicators.

2.3.3 Maximum principal sums invested longer than 365 days

	2018-2019 £m
Limit	10
Actual as at 31 st December 2018	NIL

3. Conclusion

For the period 1st April 2018 to 31st December 2018 the actual Prudential Indicators to be monitored by the Executive Board are within the limits set by the Budget 2018-2019 and the Treasury Management Policy and Strategy 2018-2019.

RECOMMENDATION

That Executive Board considers and approves the report.

This page is intentionally left blank

Investment Summary as at 31st December 2018

Carmarthenshire County Council

Totals		
Total	£34,000,000	
Calls & MMFs	£19,000,000	56%
Fixed Deposits	£15,000,000	44%
Specified	£34,000,000	100%

Weighted Average		
Yield		0.89%
Maturity (Days)		
Total Portfolio	Total Portfolio	54.68
Long Term		
Short Term		
AAA	-	1.00
AA	F1	122.67
A	F1	1.00
BBB	F2	0.00
CCC	C	0.00

Risk Factors		
< 1 year	£871	0.003%
1 - 2 years	£0	0.000%
2 - 3 years	£0	0.000%
3 - 4 years	£0	0.000%
4 - 5 years	£0	0.000%
Total Portfolio	£871	0.003%

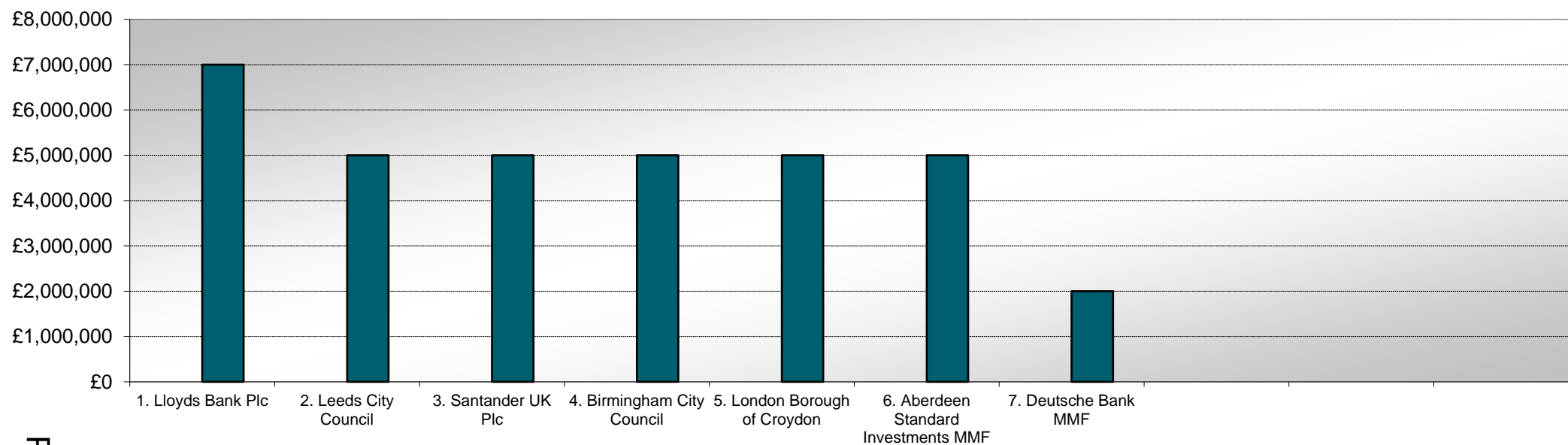
Maturity Structure		
< 1 Week	£19,000,000	56%
< 1 Month	£0	0%
2 - 3 Months	£5,000,000	15%
3 - 6 Months	£10,000,000	29%
6 - 9 Months	£0	0%
9 - 12 Months	£0	0%
12 Months+	£0	0%
Total	£34,000,000	100%

This page is intentionally left blank

Top 10 Counterparty Holdings

Carmarthenshire County Council

Counterparty	Principal	% of Total Holding	WAM (Days)	WAYield	WADefault
1. Lloyds Bank Plc	£7,000,000	20.59%	1	0.95%	0.000%
2. Leeds City Council	£5,000,000	14.71%	91	0.85%	0.004%
3. Santander UK Plc	£5,000,000	14.71%	1	1.00%	0.000%
4. Birmingham City Council	£5,000,000	14.71%	120	0.97%	0.005%
5. London Borough of Croydon	£5,000,000	14.71%	157	0.90%	0.007%
6. Aberdeen Standard Investments MMF	£5,000,000	14.71%	1	0.74%	0.000%
7. Deutsche Bank MMF	£2,000,000	5.88%	1	0.69%	0.000%



This page is intentionally left blank

EXECUTIVE SUMMARY
EXECUTIVE BOARD
4TH MARCH 2019

HOUSEHOLD WASTE RECYCLING CENTRE POLICY REPORT

EXECUTIVE SUMMARY OF REPORT.

1. Introduction

Carmarthenshire County Council provides waste services to approximately 89,000 households and offers a fortnightly residual black waste collection and co-mingled kerbside recycling service as well as a weekly food collection.

2. Background

In 2016-17 Carmarthenshire County Council was exceeding the Welsh Government 2019/20 recycling target of 64%, However, due to changes in our disposal arrangements for our residual waste, reclassification of some wood recycling, and increased residual waste deposited at Household Waste Recycling Centres (HWRC) this performance has now dropped to 61% in the first two quarters of 2018-19.

This means at present there is a significant risk of not meeting the statutory recycling target of 64% in 2019/20 and therefore being potentially exposed to significant financial penalties from Welsh Government.

In order to address this challenge a Household Waste Recycling Centre review has been undertaken to assess options available to the Authority for achieving both cost savings and improved recycling performance.

From analysis it can be seen that:

- From 2015/16 onwards significant increases in waste arisings are being experienced across the network.
- Total residual (non-recyclable) waste deposited at HWRCs has increased by over 5,000 tonnes since 2014/15 an increase of 126%.
- HWRC Recycling performance has decreased from 76.6% in 2015/16 to 68.25% 2018/19.

There are three main factors relating to the type and quantity of waste disposed of at the HWRCs that in turn affect our overall recycling performance:

- Commercial waste.
- Waste from neighbouring counties.
- Recyclable waste not being segregated and simply deposited in black bags.

3. Other considerations:

The HWRC's currently operate spring/summer and autumn/winter opening times.

April – September: 8.30am – 7.00pm.

October – March: 8.30am – 5.00pm.

Due to the significantly reduced site usage between 6 -7pm in summer and 4-5pm in winter it is proposed to reduce the spring/summer opening times to 8.30am – 6.00pm (1-hour reduction) and autumn/winter opening times to 8.30am – 4.00pm (1-hour reduction).

In undertaking this 1-hour reduction over a 12-month period would result in cost savings in the region of £40,000.

Summary

It is recommended that the following proposals are implemented as set out:

- Reduce opening hours by 1 hour each day – 1st April 2019.
- Ban on commercial waste at HWRC's – 1st April 2019.
- Residency checks – phased from 1st April 2019.
- Permit system – June 2019 (see Appendix A relating to vehicle types).
- Black Bag sorting – phased from 1st October 2019.

If the proposed policies are adopted this could lead to a 4.1% increase in our overall recycling rate and a potential net saving to the waste budget of approximately £275k for reinvestment into other initiatives to further increase recycling.

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: Ainsley Williams

Head of Waste & Environmental Service

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

CONSULTATIONS

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

Signed: Ainsley Williams
Services

Head of Waste & Environmental

1. **Scrutiny Committee: The Environment Scrutiny Committee at its meeting held on the 22nd February 2019 expressed its support for the recommendations contained within the report**
2. **Local Member(s): N/A**
3. **Community / Town Council: N/A**
4. **Relevant Partners - Cwm Environmental Ltd.**
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 NONE

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

Detailed Report of the Director of Director of Environment

**Preliminary Executive Board
18th February 2019**

Household Waste Recycling Centres Policy Report

Head of Service & Designation. Ainsley Williams Head of Waste and Environmental Services	Directorate Environment	Telephone No. 01267 224500
Author & Designation Daniel John Environmental Services Manager	Directorate Environment	Telephone No 01267 225131

DETAILED REPORT.

1. Introduction & Background

Carmarthenshire County Council provides waste services to approximately 89,000 households and offers a fortnightly residual black waste collection and co-mingled kerbside recycling service as well as a weekly food collection. Kerbside bulky and garden waste are also offered as chargeable services. In addition to the kerbside collection service, the Council provide four Household Waste Recycling Centres located at Whitland, Wernddu, Nanycaws and Trostre. A fifth site, located in Llangadog closed in March 2017. The future provision potential for a fifth site will be covered in a separate report.

In 2016-17 Carmarthenshire County Council was exceeding the Welsh Government 2019/20 recycling target of 64% with an overall recycling rate of 66%. However, due to changes in our disposal arrangements for our residual waste, reclassification of some wood recycling, and increased residual waste deposited at Household Waste Recycling Centres (HWRC) this performance has now dropped to 61% in the first two quarters of 2018-19.

This means at present there is a significant risk of not meeting the statutory recycling target of 64% in 2019/20 and therefore being potentially exposed to significant financial penalties from Welsh Government.

In the absence of any other developments, major changes to the way the service operates will be required to meet the targets of 64% in 2019-20 and 70% by 2024-25, with officials from Welsh Government already proposing the introduction of more challenging targets beyond this timescale.

In order to address this challenge a Household Waste Recycling Centre review has been undertaken to assess options available to the Authority for achieving both cost savings and improved recycling performance.

2. Site Performance

At present the overall recycling rate for our facilities is on average 68%. The total waste received per household through the HWRCs in Carmarthenshire is amongst the highest across Wales. This means the recycling performance of our HWRC's has a greater effect on our overall recycling rate than many other Welsh authorities. Therefore, ensuring high performing sites is essential to increasing our overall recycling rate.

From analysis it can be seen that:

- From 2015/16 onwards significant increases in waste arisings are being experienced across the network.
- Total residual (non-recyclable) waste deposited at HWRCs has increased by over 5,000 tonnes since 2014/15 an increase of 126%.
- HWRC Recycling performance has decreased from 76.6% in 2015/16 to 68.25% 2018/19.

There are three main factors relating to the type and quantity of waste disposed of at the HWRCs

that in turn affects our overall recycling performance:

- Commercial waste.
- Waste from neighbouring counties.
- Recyclable waste not being segregated and simply deposited in black bags.

3. Site Performance Factors

3.1 Commercial Waste

It has been identified that a number of commercial vehicles, thought to be depositing waste of commercial origin were observed using the facilities, with up to 30 commercial vehicles per hour using the Trostre facility witnessed. With this level of usage, commercial waste has significant contribution to the overall HWRC arisings.

Carmarthenshire's HWRC facilities are for the purpose of residents in the County to dispose of household waste. At present commercial waste enters the site unchecked and the following problems arise:

- Congestion on site, which may deter householders and create safety concerns;
- additional site demand and increased service vehicles being required on site incurring additional cost;
- costs of additional disposal;
- effects on the morale of site staff when they know it is difficult to manage the situation and they have great difficulty in taking preventative action.
- Commercial waste not being segregated into different recyclable streams, thereby affecting the recycling rate of the site.

All of these factors mean that commercial waste should be controlled. If commercial waste remains unchecked, other measures to improve the efficiency of the site are likely to be less effective.

These controls will take the form of an assessment of waste within vehicles entering the site by personnel together with controls on the type of vehicle entering the facility.

3.2 Waste from neighbouring counties

Current legislation stipulates local authorities will provide 'free access for local residents to household waste recycling centres to deposit household waste and recycling'. However, following the introduction of tighter restrictions across Swansea's HWRC network during 2016. In which residual waste was prohibited from a number of sites and residual waste sorting implemented at another, Carmarthenshire has experienced significant increases in wastes deposited at CCC HWRC facilities.

As a result of their restrictions Swansea have witnessed an 8,700t overall annual reduction of residual waste deposited at their HWRCs. A decrease of similar magnitude to the increase in material seen at Carmarthenshire's HWRC network over the same period.

Whilst it is impossible to say with any certainty that the increase in Carmarthenshire is a direct result of material being displaced from the Swansea region it is believed that there is partial correlation.

Analysis undertaken suggests approximately 18,000 households and wider neighbouring Authorities have a Carmarthenshire facility as their nearest HWRC. It can be assumed that

these neighbouring household users may present up to 1,600t of residual waste at our facilities per year at a cost for disposal in the region of £190k.

In order to reduce costs and increase recycling performance targets it is proposed that the use of CCC HWRCs by 'non-local' residents is prohibited.

3.3 Recyclable waste

As previously indicated it can be seen that the total residual waste deposited at sites has increased significantly over recent years.

Whilst controls on commercial use and non-resident use would almost certainly result in a reduction to residual waste, further action to address the amount of residual waste entering the site is necessary.

The 2017 compositional analysis of CCC's HWRC residual waste suggests that more than 60% of residual waste material currently disposed is potentially recyclable, with nearly 42% being recyclable via facilities currently available at HWRC.

If it is assumed that half of the potentially recyclable materials within the remaining residual waste legitimately entering the site were diverted, an additional 1,960 tonnes could be recycled, which represents an increase to the HWRC recycling rate of around 6% and an increase to the overall recycling rate for the authority of around 2%. The estimated savings of a 50% increased recycling capture would be in the region of £200,000 per year.

4. Opening Times

The HWRC's currently operate spring/summer and autumn/winter opening times.

April – September: 8.30am – 7.00pm.

October – March: 8.30am – 5.00pm.

Site user numbers were monitored from July 18 – October 18 to establish level of site usage and vehicle throughput.

Month/Time	Average No. Vehicles	Daily Percentage
July (Summer Hours)		
8.30 – 9.30am	86	11.3%
5 – 6pm	33	4.3%
6 – 7pm	24	3.1%
August (Summer Hours)		
8.30 – 9.30am	60	7.2%
5 – 6pm	51	5.7%
6 – 7pm	42	4.7%
September (Summer Hours)		
8.30 – 9.30am	64	8.2%
5 – 6pm	56	8.0%
6 – 7pm	39	5.2%
October (Winter Hours)		
8.30 – 9.30am	74	10.00%
4 – 5pm	65	8.7%

Due to the significantly reduced site usage between 6 -7pm in summer and 4-5pm in winter it is proposed to reduce the spring/summer opening times to 8.30am – 6.00pm (1-hour reduction) and autumn/winter opening times to 8.30am – 4.00pm (1-hour reduction).

In undertaking this 1-hour reduction over a 12-month period would result in cost savings in the region of £40,000.

5. Recommendations including Savings and impact

Given the extent of increased waste, particularly residual waste, as a result of suspected commercial activity, use non-Carmarthenshire residents and a reluctance to recycle in general terms, the high level recommendations are as follows:

Intervention	Planned date	Additional Cost	Potential Savings	Potential Net Savings
Reduction in site opening times by one hour per day	April 2019	-	£40,000	£40,000
Ban commercial waste and divert via CWM Environmental Ltd.'s commercial route at Nantycaws	April 2019	£190,000 (additional staffing personnel across the sites)	£300,000	£110,000
Residency checks are conducted at HWRCs to ensure only Carmarthenshire residents use the sites.	From April 2019			
Introduce a permit system whereby some private vans can use the HWRCs for domestic purposes through a permit scheme (12 permits a year is recommended).	June 2019			

*Vehicle Permit Proposal in Appendix 1				
Controls on residual waste is implemented through restrictions and checks on what is brought in to site. Provide areas for residents to segregate black bag waste into appropriate receptacles for recyclable materials.	From Oct 2019	£75,000	£200,000	£125,000
TOTAL	-	£265,000	£540,000	£275,000

Through the implementation of proposed policies it has been modelled that the impact on Carmarthenshire's recycling rates are likely to lead to a 4.1 percentage point increase. Financial benefit is likely to be realised through savings in the region of £110,000 per year from reducing trade and cross border use. In addition, a further £125,000 per year could be achieved from increased diversion and recycling of residual waste by sorting on site and a £40,000 saving from reduced operating times.

6. Summary

It is recommended that the following proposals are implemented as set out:

- Reduce opening hours by 1 hour each day – 1st April 2019.
- Ban on commercial waste at HWRC's – 1st April 2019.
- Residency checks – phased from 1st April 2019.
- Permit system – June 2019 (see Appendix A relating to vehicle types).
- Black Bag sorting – phased from 1st October 2019.

If the proposed policies are adopted this could lead to a 4.1% increase in our overall recycling rate and a potential net saving to the waste budget of approximately £275k for reinvestment into other initiatives to further increase recycling.











1. FEEDBACK FROM CONSULTATIONS UNDERTAKEN




1. **SCRUTINY COMMITTEE – to be consulted:**
Environmental and Public Protection Scrutiny Committee, 22/2/2019
2. **LOCAL MEMBER (S) - N/A**
3. **COMMUNITY TOWN COUNCIL (S) - N/A**
4. **RELEVANT PARTNERS – CWM Environmental Ltd.**

2. LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THE REPORT

Title of Document	File Ref No.	Where available for public inspection

Appendix A – Vehicle Access Guidance List (carrying private domestic household waste only). No commercial/industrial waste will be allowed to enter into the facilities.

Type of vehicle	Access
 Car/Car type 4x4/SUV (including estate cars)	No permit required
 Car, car type 4x4/SUV with advertising/sign writing	No permit required
 Any car, car type 4x4/SUV with a single axle trailer	No permit required
 Compact pick-up 4x4/SUV with rear side windows, second row of seats with or without enclosed load bay (non-commercial waste)	No permit required
 Compact pick-up 4x4/SUV with rear side windows, second row of seats with or without enclosed load bay (non-commercial waste) with advertising/sign writing.	No permit required
 Car type van/people carrier with rear side windows, second row of seats.	No permit required
 Small Van (non-commercial waste)	Permit required
 Large van (non-commercial waste)	Permit Required
 Commercial Pick-up/Van with flatbed, cage and/ or drop-sider (including double cabs).	Vehicle not allowed at HWRCs
 Vehicle not allowed at HWRCs	Vehicle not allowed at HWRCs

Type of vehicle	Access
Small/large Van or Pick-up with a single axle trailer	
 Any vehicle towing a trailer with a more than one axle	Vehicle not allowed at HWRCs
 Horsebox or agricultural vehicles	Vehicle not allowed at HWRCs
 Large goods vehicle including Luton Box vans.	Vehicle not allowed at HWRCs

*Residents accessing the facilities with short term hired vans (with hire company sign writing) will be allowed to dispose of domestic (non-commercial) waste only, subject to providing a copy of the rental agreement to the site attendant.

Permits will be free of charge

Adapted vehicles for disabled use will not require permits.

Executive Board 4th March 2019

Universal Credit Full Programme Rollout in Carmarthenshire

Recommendations / key decisions required:

1. That the support provided by the Council is noted.

Reasons:

To provide information on the support being provided by the Council, working with other agencies, to support Carmarthenshire residents with the introduction of Universal Credit in Carmarthenshire from 12 December 2018.

Relevant scrutiny committee consulted: YES

Scrutiny committee and date: Communities Scrutiny 23 January 2018

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr Cefin Campbell, Cllr Linda Evans & Cllr David Jenkins

Directorate:

Chief Executives, Communities & Corporate Resources

Designations:

Tel Nos.

01267 224659

Name of Head of Service:

Jonathan Morgan

Acting Head of Homes & Safer Communities

Helen Pugh

Head of Revenues & Financial Compliance

Report Author:

Gwyneth Ayers

Corporate Policy & Partnership Manager

Rebecca Llewellyn

Performance, Governance and Policy Officer

E Mail Addresses:

GAyers@carmarthenshire.gov.uk

RSLlewellyn@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

Universal Credit Full Programme Rollout in Carmarthenshire

With effect from 12th December 2018 Carmarthenshire will become a Full Service Area for Universal Credit. Anyone making a new claim for one of the effected legacy benefits will be required to claim Universal Credit

Universal Credit will replace: Income Based Jobseekers Allowance

- Housing Benefit
- Working Tax Credit
- Income related Employment & Support Allowance
- Income Support
- Child Tax Credit.

Following on from the budget in October 2018, a test and learn exercise will begin for managed migration in July 2019. Migration for existing claimants of the above benefits to Universal Credit will begin sometime after this date and will run until March 2024. As yet, the Department of Works and Pension have not issued any information on how this will be carried out. It is likely to be based on benefit type and this will allow the Authority to identify who will be moved onto Universal Credit and when that change will happen.

For a number of years Carmarthenshire County Council have been working very closely with partners and stakeholders to ensure that we mitigate any potential negative impacts this change may have on some of our customers.

This short summary provides an overview of the key support currently offered and planned, as full service roll out is implemented. The report outlines the package of support and advice provided by Council Services to help those affected with a view of minimising the financial impact and to help, where appropriate, people back into employment. This includes:

- Support for Council Tenants;
- Support for Housing Benefit Claimants;
- From April 2019 the contract for Assisted Digital support and personal budgeting will transfer to the Citizens Advice Bureau.
- Support against Financial Exploitation through Trading Standards;
- Signposting to support through Yr Hwb'
- Support for Veterans.

DETAILED REPORT ATTACHED?

YES – UC Support

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: Jonathan Morgan, Acting Head of Homes & Safer Communities

Helen Pugh, Head of Revenues & Financial Compliance

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

Policy, Crime & Disorder and Equalities

UC is a UK Government led programme introduced as part of the Welfare Reform Act 2012. The programme is being introduced in stages across Britain.

Finance

It is expected that rent arrears will rise in the short to medium term based on the experience of other social housing landlords. We will however be offering tailored advice and support to our most vulnerable tenants in order to navigate them through the process.

Provision for bad debt for 2018/19 currently stands at £494K. While we expect the impact of Universal Credit may influence this, we do not envisage any increase in this provision for the next 12-18 months.

ICT

The UC programme requires that applications are completed online. Assisted Digital Support is being provided through the Council's Libraries and Yr Hwb with access to necessary IT equipment and staff support for residents going through the application process.

Risk Management Issues

3230 of our tenants currently claim Housing Benefit and they are likely to all transfer to U.C by 2024. Whilst it is expected that rent arrears will rise in the short to medium term based on the experience of other social housing landlords there are robust plans to mitigate the impact.

Staffing Implications

We recently completed the re-alignment of the Homes and Safer Communities Division where we reviewed our capacity to provide additional support to those affected. As a part of that re-alignment we have created a dedicated Tenancy Support Team which will assist in providing the focus required.

Through additional funding provided by Welsh Government we have employed two new members of staff. In addition new funding will provide three specialist welfare benefit and debt advisors via a 3rd sector partner.

CONSULTATIONS

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

Signed: Jonathan Morgan, Acting Head of Homes & Safer Communities

Helen Pugh, Head of Revenues & Financial Compliance

1. Scrutiny Committee

Communities Scrutiny – 23 January 2018

2. Local Member(s)

All members have been invited to take part in numerous seminars relating to UC rollout.

3. Community / Town Council

The Council has supported circulation of information to all Carmarthenshire Town & Community Councils about the programme and officers from Department for Work & Pensions (DWP) attended the Liaison Forum on the 8 November 2018.

4. Relevant Partners

On-going discussions with Department for Work & Pensions and third sector support services.

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

Carmarthenshire County Council Universal Credit Support

December 2018



Summary

With effect from 12th December 2018 Carmarthenshire will become a Full Service Area for Universal Credit. Anyone making a new claim for one of the effected legacy benefits will be required to claim Universal Credit.

Following on from the budget in October 2018, a test and learn exercise will begin for managed migration in July 2019. Migration for existing claimants of the affected legacy benefits to Universal Credit will begin sometime after this date and will run until March 2024

As yet, the Department for Work and Pensions have not issued any information on how this will be carried out. It is likely to be based on benefit type and this will allow us to identify who will be moved onto Universal Credit and when that change will happen.

For a number of years Carmarthenshire County Council have been working very closely with partners and stakeholders to ensure that we mitigate any potential negative impacts this change may have on some of our customers. This included being awarded one of eleven UK USDL trials to develop and test new models of working and customer support services with a range of public and third sector partners. We are committed to ensuring that the transition to this new way of claiming and receiving financial assistance is as smooth as possible for Carmarthenshire residents.

This summary provides an overview of the key support currently offered and planned, as full service roll out is implemented. The report outlines the package of support and advice provided by Council Services to help those affected with a view of minimising the financial impact and to help, where appropriate, people back into employment.

Universal Credit Full Service Support

Division: Housing Benefit

Department: Corporate Services

1. Following the Carmarthenshire USDL trial the personal budgeting support service is now embedded in the Benefits Section. The personal budgeting support officer is proactively providing assistance to customers including via referrals from:
 - Jobcentre Plus (JCP) of both Universal Credit and ESA customers
 - The council's housing services division
 - The benefits assessment team for claimants seeking additional support to meet their rent via Discretionary Housing Payments

The personal budgeting support officer (Craig Evans), is based for one day a week at each of the 3 JCP offices in Carmarthenshire – Ammanford, Llanelli & Carmarthen. He ensures that the customer is able to budget their finances providing money advice, recommending applying for alternative payments, liaising with stakeholders / organisations, such as the foodbanks, for additional support and apply for discretionary assistance fund grants. From April 2019, the personal budgeting support service will be provided by the Citizens Advice Bureau.

2. The section are the first point of contact and the main link with DWP.
3. The Revenue Services Unit have facilitated the acquisition of the Data Tank Welfare Reform Impact Analysis System. This system uses a range of data including housing benefit and council tax data provided by the revenue services unit to gain a clearer understanding of the impact welfare reform policies are having on residents. The system will enable better targeting of resources to provide support where it is most needed, and the housing division will use this analysis to determine those tenants most in need of support.
4. The housing benefits section continues to make other stakeholder services aware of key changes and updates as provided by the DWP and other information sources, particularly in relation to the roll-out of Universal Credit and issues arising from the roll-out areas elsewhere in the country.
5. The unit has facilitated Universal Credit awareness training for unit staff, staff in other relevant services and colleagues in other stakeholder organisations whose customers are likely to be affected by Universal Credit roll-out. Working closely with DWP colleagues these sessions have been delivered to: Landlords, Elected Members, Customer Service Centre & Contact Centre Staff and other partners delivering support in the community. Further training sessions are planned as we approach full service roll out.
6. The section co-ordinates the Delivery Partnership Agreement.
7. The housing benefits section is currently facilitating and co-ordinating liaison between council services that will either be impacted upon, or otherwise involved in the Full-Service Roll-out of Universal Credit. These meetings have provided the platform to encourage good working relationships and in these meetings we have been able to successfully address how we will be delivering support throughout the County. They have also resulted in the development of an information leaflet – Appendix 1.
8. The benefits team have attended regular meetings with JCP Work Coach Team Leaders, Council Housing Services, PBSO, Housing Associations e.g. Gwalia, Family Housing etc., with the purpose of addressing and resolving operational issues prior to going live with full service.
9. The housing benefits section is represented on the Universal Credit Full Service Engagement Workshops run by the DWP and attended by all the Welsh Local Authorities. Here we are able to learn from the experiences of those already live in full service and share best practice.
10. We have visited Swansea and Neath Port Talbot who have already gone live with full service to better understand the problems and issues they went through in order to inform how we go forward i.e. ensuring a good communication / relationship is set up between the HB officer and JCP work coaches.

Support for Council Tenants

Division: Homes and Safer Communities

Department: Communities

Within Carmarthenshire County Council's housing stock, we have approximately 3,300 tenancies that are in receipt of housing benefit that fall within the working age category. Experience in other housing organisations with a similar level of housing stock report around a hundred households a month move onto Universal Credit following the launch of Full Service.

We have a further 2,100 tenancies below pensionable age, not in receipt of benefits but if they have a change of circumstances, will need to claim Universal Credit. These changes do not apply to those who occupy temporary accommodation because they are homeless or threatened with homelessness.

We currently have 70 tenancies in receipt of Universal Credit made up of live service and full service tenants. Whilst these are low numbers it has given us a flavour of the impact and issues locally.

We have engaged the Department of Works and Pensions and Housing Quality Network (a national organisation who work with local authorities to develop best practise) to ensure we are doing all we can to support our tenants through the process. We have also learned from other local authority pilots. The main focus is clearly to try to mitigate the financial impact by providing early support and intervention. An outline of actions and progress is provided in Appendix 2. The main actions are as follows:

Build capacity to ensure we can meet demand

- Realignment of the service to offer a dedicated Advice and Tenancy Support Team;
- We have refocused the work of 14 Housing Officers who will specialise in providing the necessary support to tenants. These Officers will work closely with our Housing Advisors to ensure we maintain tenancies and prevent homelessness;
- Established a pre-tenancy service using new grant funding to help and advise new tenants to ensure appropriate benefits are accessed.

Provide tenants with early support and specialist advice

- Working with the Communication team to ensure we raise awareness of UC. This will involve press releases, newsletters, promotional material and use of social media;
- Visiting and or contacting all tenants likely to be affected by UC in order to raise awareness and determine vulnerability in order to correctly target support;
- We will be notified when a tenant makes an application for Universal Credit via the landlord portal and aim to make immediate contact to offer support if required.

Support tenants to maximise income and gain employment

- Advise on where to get employment advice and actively make referrals to Workways;
- Look to improve a household's income through activities including basic budgeting support, advice on savings via utility bills etc. and help to complete DHP applications;
- Housing Officers to work out of JCP offices
- Work closely with our colleagues in Shelter Cymru to help sustain tenancies.

Support tenants to access and use smart technology

- As part of our visit program we will ensure tenants have access to the appropriate technology. Officers will have iPads which may assist
- Tenants will be signposted to our libraries and Hubs where they can access computers and free wifi From April 2019, Assisted Digital Support will be provided by the Citizens Advice Bureau.

Ensure we develop and enhance key partnerships

- Work closely with JCP and DWP staff who oversee the introduction of Full Service;
- Continue to work with third sector partners to ensure we provide as much advice and support as possible;
- Co-location of the Wallich Mediation Service and Shelter Cymru with our Advice and Tenancy Support Team in our Eastgate Offices;
- We will procure a partner to provide specialist debt and welfare benefits advice, co-located at Eastgate to allow ease of referral by Housing Officers.

Digital Support

Division: Library Services

Department: Communities

Carmarthenshire's Library Service will be providing Assisted Digital Support across the County, with 3 main libraries and 19 branches available to customers. Computers will be available for customers to use to access the internet and claim Universal Credit along with support from staff based at the library to do so. The main libraries at Llanelli, Carmarthen and Ammanford will offer extended opening times until 6pm on Tuesday, Wednesday and Friday and until 7pm on Monday and Thursday. Saturday opening hours will remain as 9am-5pm, along with the mobile library service they provide.

Support against Financial Exploitation

Division: Trading Standards

Department: Communities

The implementation of Universal Credit and the hardship that may befall recipients during the transition may provide opportunities for high risk credit providers, doorstep lenders, payday and illegal money lenders to take advantage of favourable market conditions brought about by consumer hardship.

Trading Standards operate a number of initiatives designed to prevent hardship and to protect the public from financial abuse:

1. The Financial Exploitation Safeguarding Scheme (FESS) creates a network of support and intelligence sharing with social care partners, private and third sector organisations to help identify and support vulnerable victims.
2. Trading Standards will work closely with debt advice providers, such as Citizens Advice Bureau, during the transition to ensure that vulnerable recipients of Universal Credit are

not taken advantage of by unscrupulous lenders nor intimidated/harassed by debt collection agencies.

3. Where financial abuse is identified Trading Standards working with partners such as Social Services and the Police, may take civil/criminal enforcement action against the perpetrators.
4. Trading Standards provide specialist advice and training to partner agencies in relation to consumer credit and debt collection practices and have the powers to intervene in cases of irresponsible/inappropriate lending, aggressive or non-compliant debt collection practices.
5. Trading Standards administer Money Wise, digital financial education resources available in all county primary schools and are developing a financial education app for mobile devices designed to prevent financial hardship and to provide consumers with information about their consumer rights.
6. Trading Standards are further able to install protective/assistive technology in vulnerable consumers' homes in the form of nuisance call blockers, telephone line monitoring and call recording to prevent abuse and harassment.
7. Trading Standards Officers attend "pop-up shops" at local building societies, banks and Job Centre Plus to offer advice and guidance to service users and take priority referrals for vulnerable persons.
8. Trading Standards Officers sit on the Mid & West Wales Financial Capability Forum, giving them access to a range of regional support services such as Money Advice Service and Housing Associations.

Signposting Support

Division: Yr Hwb

Department: Regeneration & Policy

Similarly to library services, Yr Hwb in Llanelli will be offering digital support to customers affected by Universal Credit. Yr Hwb also works with a range of advice and support agencies to offer appropriate and effective signposting to relevant support for those affected by Universal Credit.

In addition, as part of a six month trial, the rural hwb will be heading out into five pilot communities (Meidrim, Cwmann, Llanybydder, Ffarmers and Crugybar) to ensure rural residents are also able to access this support. The mobile libraries and customer services are working together to provide services that Carmarthenshire County Council offer on the door step of those living in rural areas.

Support for Veterans

Division: Corporate Policy

Department: Regeneration & Policy

Two 'Armed Forces Universal Credit' overview sessions were held in September 2018 in partnership with DWP as part of a regional Veterans Hubs and One Stop Shops project, funded by the Ministry of Defence (MOD). Members of the Carmarthenshire Armed Forces Steering Group including the Royal British Legion, Alabare (Wales Homes for Veterans),

University of Wales Trinity Saint David and Links Combined Forces Project attended and positive feedback received. As a result a further session is being arranged in October 2019.

DWP have presented an overview of the Universal Credit and wider welfare reform changes to the Carmarthenshire Armed Forces Steering Group on a separate occasion. Many of the steering group member organisations are offering some level of advice on UC and also some digitally based support, so these links have helped to ensure a consistent level of knowledge and to create links between member organisations and the DWP for detailed advice and signposting.

Universal Credit Action Plan

Action:	Outcome:	Progress:
<p>1. Identify how many tenants will potentially be affected across tenures including Simple Lettings and Temporary Accommodation</p>	<ul style="list-style-type: none"> • Determine potential impact on rent arrears in council housing, Simple Lettings and Temporary Accommodation. • Identify any potential impact on the private sector and homelessness. • Identify Business Plan implications including provision of bad debt. • Develop performance measures 	<ul style="list-style-type: none"> • We have completed an analysis to identify all tenants of working age who will be expected to migrate to UC to allow a program of support. We anticipate approx. 3,300 tenants will be affected. We have completed a mapping process and broken down those affected by ward and will target resources according to demand. • Provision of bad debt for 2018/19 currently stands at £494K. While we expect the impact of the UC may influence this, we do not envisage any increases in this provision for the next 12 – 18 months. • We expect to see a rise in rent arrears rising in the short to medium term. We expect the actions within this plan to mitigate the level of arrears. • Temporary accommodation will no longer be subject to UC from April 2018. • New performance measures have been devised using a themed approach under the headings: income, tenancy support, affordability and tenancy sustainment.

		<ul style="list-style-type: none"> • Simple lettings are carrying out awareness visits to all of the tenants they believe will be effected. From this visit a detailed individual plan for them on how they can manage their income. • The potential impact on the private sector and homelessness is ongoing.
<p>2. Devise a communications plan to include for example:</p> <ul style="list-style-type: none"> • UC Impact presentation to staff & members • Use of social media to raise awareness • Use of website to convey key messages • Regular Tenant 2 Tenant articles • Mail shots • The preparation of a Pre Tenancy package • Radio Adverts • Dangers of illegal Borrowing • Doctors and health professionals • Domestic violence / abuse 	<ul style="list-style-type: none"> • To inform and raise awareness of the UC internally and externally • Prepare staff and customers for likely impact. • Prepare Local Members • Include Tenant Groups • Advise and signpost to support 	<ul style="list-style-type: none"> • A programme of presentations on awareness of Universal Credit to staff has been completed, including front line staff in Customer Services and on the Contact centre. • Corporate/ Housing leaflet is complete and is awaiting final approval prior to circulation. • Articles have been published in Tenant 2 Tenant, with further articles scheduled for each new issue. • A suite of new correspondence and information packages are complete and have been circulated for use. • A package of training has been completed on: <ul style="list-style-type: none"> ✓ Illegal borrowing ✓ Appealing sanctions ✓ Recognising domestic abuse ✓ Applying for direct payments ✓ Third party deductions ✓ Hardship payments ✓ Water rates direct

		<ul style="list-style-type: none">• Presentation completed to some local members and tenants via Housing Service Advisory Panel.• We plan to arrange further briefing session for local members prior to launch of Full Service in December – waiting for guidance from Executive Board Member.• A package of support has been developed for new tenants by the pre-tenancy team, with particular emphasis on Universal Credit. The team has been particularly successful in the promotion of DD with 41% of new tenants completing a mandate.• Universal Credit information has been update on the corporate website, with regular updates planned as changes occur.• Communications plan will target the use of social media, including such platforms as twitter and Facebook to raise awareness of Universal credit and encourage our tenants to seek help and support if required – we are currently working with our corporate partners and DWP Partnership Managers to agree a combined approach.
		<ul style="list-style-type: none">• Guidance documents for staff have been developed and training given on:<ul style="list-style-type: none">✓ Alternative Payment Arrangements

<p>Map UC application and payment process to identify triggers and interventions</p>	<p>Develop guidance documents to assist staff and provide training to give absolute clarity on how the key processes work. e.g.</p> <ul style="list-style-type: none"> • Making an application online • Alternative Payment Arrangements (APA) • DWP Sanction process and appeal • Third Party deductions (APA) • Eligible service charges • Water Rates (APA) • Hardship advance payments • Secure Email Address • Arrears Recovery Process • Supporting customers through hardship • UC user guide 	<ul style="list-style-type: none"> ✓ Appealing Sanctions ✓ Third Party Deductions ✓ Eligible service charges and water rates ✓ Hardship and advance of payments <ul style="list-style-type: none"> • Training on making an online application has been agreed and will be provided by the DWP on 27th November / 4th of December. • Secure emails are required to allow email discussions with DWP. These have been completed including a dedicated Rent Matters email address. • Research points to a 30% increase of the use of foodbanks with the introduction of Universal Credit Full Service. In anticipation for this we have met with the 3 local foodbanks. Each area office now issue foodbank vouchers or can deliver food parcels to support our tenants through financial hardship. • Additionally, a proposal to provide additional funding to the foodbanks to further assist in the work they carry out supporting the tenants and residents of Carmarthenshire has been agreed. We are currently in the process of raising the cheques for distribution. • Further training of housing staff is being undertaken – a training presentation has been undertaken. 8 UC awareness sessions have been carried out in different locations – this has seen a total of 79 Homes and Safer Communities staff, 17
--	--	--

		<p>Customer Service Staff, 9 form the New Homes team and 21 3 party support providers</p> <ul style="list-style-type: none"> • A Carmarthenshire specific UC user guide including a new rent recovery process has been completed. Once the Landlord Portal has been set up, the UC user guide will be complete and should be available to staff before Full Service roll out. Training will be given to Housing Officers via team meetings.
<p>4. Plan and undertake programme of visits to Council tenants who are likely to change to UC.</p> <p>Visit each of the current UC cases to ensure that sufficient support is being provided.</p>	<ul style="list-style-type: none"> • Gather up to date information. • Identify vulnerability which will determine ongoing support. • Identify possible digital exclusion. • Raise awareness of the need for an email address and bank account. • Offer and signpost to assistance & support. • Begin profiling exercise to enable targeting of resources. • Warn of the dangers of borrowing from illegal lenders 	<ul style="list-style-type: none"> • Visits are complete for SA4 Hendy Area as part of Swansea roll out of UC. The OHMS system has been updated with triage information. • Following the mapping process the tenancy support team officers have begun the programme of visits to the tenants who will be affected by Universal Credit. The visit includes raising awareness of Universal Credit, maximise income through completion of Welsh Waters Help U and Discretionary Housing Payment. Pathways to employment is also an important part of the visit, with the option for a referral to the Workways project. • Where possible, visits have been prioritised based on current issues of known vulnerabilities, as it is unlikely that all visits will be completed by December. These include, but are not limited to: current or former tenant arrears, those currently

		<p>in receipt of DWP direct payments and involvement with support services.</p> <p>The visits further seek to triage around vulnerability to determine the level of support that maybe require on full roll out.</p> <ul style="list-style-type: none"> • Visits to all live Universal Credit tenants has started and these will additionally be used to advise that they will need to claim online when full service rolls out. • Through the mapping process a number of wards have been identified with very high levels of those likely to be affected. We are currently undertaking public awareness sessions in these areas. One session was carried out in September in Llwynhendy with another on planned for 29th of November in Brynsierfel School fair. Also one is planned in Glanymor ward for the 6th of December. • If digital exclusion, no e-mail address or lack of a current bank account is identified on the visit, tenants will be provided with the help and support needed to overcome this barrier. This could mean assistance by our officers, or sign posting to the library service and Hubs who are the main providers of assisted digital support. Assisted Digital Support with be provided by the CAB from the 1st of April. We are waiting instruction from the DWP Partnership Managers on how this will work in practice.
<p>5. Impact through better relationships with key</p>		<ul style="list-style-type: none"> • We have established an officer working group which includes representatives from the RSL's, DWP, frontline services,

<p>partners by forming a dedicated partnership group</p>	<ul style="list-style-type: none">• Ensure there is a joined up approach to the introduction of U.C and key actions are delivered <p>Further partnership arrangements with:</p> <ul style="list-style-type: none">• DWP Jobcentre +• Support Providers• CAB• Shelter• Housing Benefit• Mobile Library	<p>housing benefit and Shelter Cymru. This allows us to discuss issues at a local level and build key relationships with staff from the Job Centre Plus.</p> <ul style="list-style-type: none">• Shadowing has been arranged with the DWP for its Service Improvement leads to work with Housing Officers in order to understand the importance of getting the rent element right, the effect of non-payment of rent on the business and understanding the relationships we have with our tenants.• It has been further agreed that Housing Staff will locate themselves at the three main Job Centre offices during the initial first weeks of full rollout. A rota has been produced and will start in January on the request of the Job Centre Managers. They do not anticipate a large number of cases in the first few weeks. This is based on historical changes at this time of the year and evidence from other local areas that have gone Full Service in the last few months.• We have met with all Carmarthenshire support providers including supporting people and begun discussions on how best to support our tenants and ensure speedy referrals. We have also included these providers in our training programme.• We have an established relationship with Shelter through co-location and expect that to continue.
--	--	---

		<ul style="list-style-type: none"> • We have met with representatives of the library service and they are happy for us to use the mobile library to reach rural tenants and to use the Wi-Fi in areas of poor internet access.
<p>6. Ensure there is sufficient officer resources to mitigate demand.</p>	<ul style="list-style-type: none"> • Ensure officer resources are established in the right areas • Identify specialist requirements e.g. welfare benefit assessors 	<ul style="list-style-type: none"> • The tenancy support team now has 14 officers dedicated to income recovery and tenancy sustainment. This will allow a more focus approach to supporting our tenant through debt and the introduction of Universal Credit Full Service. • We recently secured grant funding of to expand the team in key areas: <ul style="list-style-type: none"> ✓ A further 2 officers within the pre-tenancy team providing help and support to approx. 800 new tenants each year. Specific emphasis will be placed on UC and our preferred method of payment – Direct Debit(DD). ✓ Approval for 3 new welfare benefit advisors sourced through our 3rd sector partners, exclusively accepting referral from the tenancy support team and options and advice staff. They will deal with more complex debt issues, focus on maximising income and tenancy sustainment. These are in addition to the Money Advice Officer currently dealing with crisis debt.
<p>7. Plan and coordinate county wide Direct Debit campaign to actively encourage all tenants to pay by DD where possible.</p>	<ul style="list-style-type: none"> • More efficient method of payment • Positive impact on account management • Cost saving in comparison to GIRO • Helping our tenants manage their money better 	<ul style="list-style-type: none"> • A pilot exercise was undertaken in the Ammanford area, with 1100 tenants contacted leading to a 3% take up. • Monthly direct debit draw offering a prize of £200 was launched to encourage take up.

		<ul style="list-style-type: none"> • Through our partners we have identified 394 of our tenants who pay council tax by DD but not ourselves. These were contacted at the end of August. • We have met with the contact centre and hub staff and they in turn will encourage all tenants where possible to sign up to a DD. • Signing up to a DD is also part of the discussion on the Universal Credit visit. • The pre-tenancy team actively promote payment by DD and have successfully encouraged 41% of the tenants they have supported to pay by this method.
<p>8. Further develop our management information systems to help us communicate better and analyse data.</p>	<ul style="list-style-type: none"> • We have an automatic Payment Reminder Email/SMS • Better household profile information • A better way of analysing • Data Tank profiling system for welfare reform planning • Save Customers Money • Target Resources 	<ul style="list-style-type: none"> • The facility for automatic payment reminder emails is now available and in use. The SMS function is currently being tested and is due to be rolled out by mid-December. • Checklist function for UC on OHMS is now active and has been further expanded. This allows the reporting of up-to-date key information including support required, DHP, Help U, use of foodbanks and prevention fund. • The Data tank profiling system has been procured, however there have been some teething problems. This is currently being looked into. Linked to up-to date benefit information, this will allow us to map our tenants that are adversely

		<p>affected by welfare reform and target our resources accordingly.</p> <ul style="list-style-type: none"> • The Data tank system will also allow us to target tenants in order to maximise their income and provide better off calculations.
<p>9. Revise process for current activities to tie in with Universal Credit procedures.</p>	<ul style="list-style-type: none"> • Rent Arrears • Former Tenants • Allocations • Tenancy Support 	<ul style="list-style-type: none"> • We have reviewed and amended our current processes around tenancy support and rent arrears to reflect the changes that Universal C will bring. • Discussions on Universal Credit former tenant arrears and any potential impact on allocations remain on going.

Ehangu gwaith_

Mae Credyd Cynhwysol Gwasanaeth Llawn yn cael ei gyflwyno yn Sir Gaerfyrddin o 12 Rhagfyr 2018

A ydych chi'n derbyn unrhyw un o'r rhain?

- *Credyd Treth Plant*
 - *Budd-dal Tai*
- *Cymhorthdal Incwm*
- *Credyd Treth Gwaith*
- *Lwfans Ceisio Gwaith sy'n seiliedig ar incwm*
- *Y Lwfans Cyflogaeth a Chymorth sy'n gysylltiedig ag incwm*

Bydd angen i unrhyw un sy'n cyflwyno hawliad newydd ar gyfer un o'r buddion uchod ar ôl y dyddiad hwn hawlio Credyd Cynhwysol.

Peidiwch â becsu...

Os ydych yn derbyn un neu fwy o'r budd-daliadau a restrir ar hyn o bryd, ni fydd hyn yn effeithio arnoch ar unwaith. Bydd yr Adran Gwaith a Phensiynau yn rhoi gwybod i chi pryd a sut i hawlio Credyd Cynhwysol.

Mae Credyd Cynhwysol yn dod...

Ydych chi'n barod?

Page 208

Bydd Credyd Cynhwysol yn disodli:

- Lwfans Ceisio Gwaith sy'n seiliedig ar incwm
- Budd-dal Tai
- Credyd Treth Gwaith
- Y Lwfans Cyflogaeth a Chymorth sy'n gysylltiedig ag incwm
- Cymorthdal Incwm
- Credyd Treth Plant

O 12 Rhagfyr ymlaen, bydd angen i Drigolion Sir Gaerfyrddin sy'n cyflwyno hawliad newydd am un neu fwy o'r chwe budd-daliad a restrir hawlio Credyd Cynhwysol.

Nid yw'r Credyd Cynhwysol yn effeithio ar Gredyd Pensiwn na'r Taliad Annibyniaeth Bersonol.

Talu eich rhent...

Ar ôl ichi hawlio Credyd Cynhwysol bydd eich Budd-dal Tai yn dod i ben a bydd angen ichi hawlio Elfen Cost Tai fel rhan o'ch hawliad Credyd Cynhwysol. Caiff hwn ei dalu yn uniongyrchol ichi ac mae'n rhaid ichi ddefnyddio'r arian hwn i dalu eich rhent. Gallai methu â gwneud hyn achosi i chi golli eich cartref.

Gall rhai tenantiaid fod yn gymwys i gael eu rhent wedi'i dalu'n uniongyrchol i'w landlord. Siaradwch â'ch Canolfan Waith.

Os ydych yn denant i Gyngor Sir Caerfyrddin, siaradwch â'ch Swyddog Tai a rhowch wybod iddynt eich bod wedi hawlio Credyd Cynhwysol.

Ffôn: 01267 234567

Mae Rhent yn bwysig



Os bydd angen cymorth ariannol arnoch cyn i chi gael eich taliad cyntaf, gallwch ofyn am Flaenswm. Mae hwn yn fenthyciad di-log. Gwneir didyniadau o'ch taliad Credyd Cynhwysol misol.

Bydd gennych hyd at 12 mis i ad-dalu'r Blaenswm.

Mewn rhai achosion, gellir eich talu unwaith bob pythefnos neu gellir rhannu'r taliad.

Eich Ymrwymiad Hawlydd

Mae hwn yn gcontract sydd wedi'i addasu, sy'n rhoi manylion am y camau y bydd angen i chi eu cymryd i baratoi a chwilio am waith.



Bancio

Bydd Credyd Cynhwysol yn cael ei dalu i gyfrif banc.

Gallwch agor cyfrif neu ddefnyddio'r un sydd gennych eisoes.



Ar-lein

Caiff yr holl hawliadau eu rheoli ar-lein, felly mae angen i chi wybod lle gallwch chi gael mynediad i'r rhyngwyd a bydd angen cyfrif e-bost arnoch.



Cyllidebu

Mae angen i chi gynllunio'ch cyllideb. Caiff Credyd Cynhwysol ei dalu bob mis yn hytrach na phob wythnos neu bob bythefnos. Gofynnwch yn eich Canolfan Waith pa gymorth sydd ar gael.

Sut fyddwch chi'n cael eich talu

Bydd Credyd Cynhwysol yn cael ei dalu unwaith y mis, i mewn i'ch cyfrif banc / cymdeithas adeiladu.

Os ydych chi'n byw gyda phartner ac mae'r ddau ohonoch yn hawlio Credyd Cynhwysol byddwch chi'n derbyn un taliad i'r ddau ohonoch.

Gostyngiadau'r Dreth Gyngor

Os ydych yn gwneud cais am Gredyd Cynhwysol, mae eich taliad Credyd Cynhwysol yn cynnwys taliad eich rhent (costau tai), ond nid yw yn cynnwys gostyngiadau'r Dreth Gyngor. Gellir dod o hyd i'r ffurflen gais ar wefan Cyngor

Sir Caerfyrddin, am fwy o wybodaeth cysylltwch â:
01554 742100 neu **budd.dalaidau@sirgar.gov.uk**

I hawlio ewch i: www.gov.uk/credyd-cynhwysol
Llinell Gymorth Credyd Cynhwysol - 0800 328 5644

neu gallwch gysylltu drwy eich dyddlyfr neu drwy fynd i'ch Canolfan Byd Gwaith leol.

Rhestr wirio ar gyfer Hawlio

Cyn i chi allu cwblhau eich cais ar-lein am Gredyd Cynhwysol, bydd angen yr holl fanylion canlynol arnoch:

- ✓ Eich manylion cyfrif banc neu cymdeithas adeiladu (ffoniwch y Llinell Gymorth Credyd Cynhwysol os nad oes gennych un)
- ✓ Cyfeiriad E-bost
- ✓ Eich Rhif Yswiriant Gwladol
- ✓ Gwybodaeth am eich tŷ, er enghraifft, faint o rent rydych yn ei dalu
- ✓ Manylion ynghylch eich incwm, er enghraifft, slipiau cyflog
- ✓ Manylion ynghylch cynilon ac unrhyw fuddsoddiadau, er enghraifft, cyfranddaliadau neu eiddo ar rent gennych
- ✓ Manylion ynghylch faint rydych yn ei dalu am ofal plant os ydych yn gwneud cais am gymorth â chostau gofal plant

Yn ogystal, mae'n rhaid ichi wirio eich hunaniaeth ar-lein. Bydd angen prawf adnabod arnoch ar gyfer hyn, er enghraifft:

- ✓ Trwydded Yrru
- ✓ Pasbort
- ✓ Carden Ddebyd neu Gredyd

Pa gymorth fydd Cyngor Sir Caerfyrddin yn ei gynnig i'w drigolion...

Mynediad i Wi-Fi a chyfrifiaduron ar gael yn y lleoedd canlynol...

Llyfrgell Llanelli 01554 744327

Llyfrgell Caerfyrddin 01267 244824

Llyfrgell Rhydaman 01269 598360

Dydd Llun a Dydd Iau rhwng 9am a 7pm

Dydd Mawrth, Dydd Mercher a Dydd Gwener rhwng 9am a 6pm

Dydd Sadwrn rhwng 9am a 5pm

Os nad ydych yn aelod, cofiwch eich Prawf Adnabod (prawf o'ch cyfeiriad, er enghraifft, trwydded yrru neu fil cyfleustodau) i ymuno am ddim.

Hwb Llanelli

01267 234567

Monday: Thursday – 9am – 5pm

Friday: 9am – 4pm

Gyda chefnogaeth | Supported by



Page 209

This page is intentionally left blank

Opening up work_

Universal Credit Full Service is coming to
Carmarthenshire from the 12th December 2018

Are you in receipt of any of these?

- *Child Tax Credit*
- *Housing Benefit*
- *Income Support*
- *Working Tax Credit*
- *Income based Jobseekers Allowance*
- *Income-related Employment and Support Allowance*

***Anyone making a new claim for one of the above benefits
after this date will be required to claim Universal Credit.***

Don't panic...

**If you are currently getting one or more of the benefits listed,
you will not be affected straight away.**

The DWP will let you know when and how to claim Universal Credit.

Universal Credit is Coming...

Are you ready?

Page 212

Universal Credit will replace:

- Income based Jobseekers Allowance
- Housing Benefit
- Working Tax Credit
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credit

From 12th December Carmarthenshire Residents making a new claim to one or more of the six benefits listed will be required to make a claim for Universal Credit.

Pension Credit and Personal Independent Payment (PIP) are not affected by Universal Credit.

Paying your rent...

Once you make a claim for Universal Credit your Housing Benefit will stop and you will need to claim the Housing Cost Element as part of your Universal Credit claim. This will be paid directly to you and you must use this money to pay your rent. Failure to do so may cause you to lose your home.

Some tenants may be eligible to have rent paid directly to their landlord. Please speak to your Jobcentre.

If you are a tenant of Carmarthenshire County Council, please speak to your Housing Officer and advise them that you have claimed Universal Credit

Tel: 01267 234567

Rent Matters



If you need help with money before you receive your first payment, you can request an Advance. This is an interest free loan. Deductions are made from your monthly Universal Credit Payment.

You will have up to 12 months to repay the Advance.

In some instances you can be paid every two weeks or have your payment split.

Your Claimant Commitment

You will have to accept a 'claimant commitment' if you want to get Universal Credit. This is a tailored contract that details the steps you will take to prepare and look for work.



Banking

Universal Credit will be paid into a bank account

Set one up or use the one you have.



Online

All claims are managed online, so you need to know where you can access the internet and you will need an e-mail account.



Budgeting

You need to plan your budget. Universal Credit is paid **monthly** rather than weekly or fortnightly. Please ask at your Jobcentre what support is available.

How you will be paid

Universal Credit will be paid once a month, into your bank / building society account

If you live with a partner and you both claim Universal Credit you'll receive a single payment that covers you both.

Council Tax Reduction

If you apply for Universal Credit, your Universal Credit payment includes a payment of your rent (housing costs), but does not include Council Tax Reduction. The application form can be found on the Carmarthenshire County Council website, for information contact:

01554 742100 or **hb@carmarthenshire.gov.uk**

To claim go to: www.gov.uk/universal-credit
Universal Credit helpline – 0800 328 5644

or contact via your journal or visiting your local Jobcentre Plus office.

Claim Checklist

Before you can complete your Universal Credit Claim online, you will need all of the following details:

- ✓ Your bank or building society account details (call the Universal Credit helpline if you do not have one)
- ✓ An email address
- ✓ Your National Insurance number
- ✓ Information about your housing, for example how much rent you pay
- ✓ Details of your income, for example payslips
- ✓ Details of savings and any investments, like shares or a property that you rent out
- ✓ Details of how much you pay for childcare if you're applying for help with childcare costs

You also have to verify your identity online.

You'll need some proof of identity for this, for example your:

- ✓ Driving licence
- ✓ Passport
- ✓ Debit or credit card

What support Carmarthenshire County Council will offer their residents...

Access to Wi-Fi and computers available in the following...

Llanelli Library - 01554 744327

Carmarthen Library - 01267 244824

Ammanford Library - 01269 598360

Monday & Thursday: 9am – 7pm

Tuesday, Wednesday & Friday: 9am – 6pm

Saturday: 9am – 5pm

If you're not a member remember your ID (proof of address e.g. driving licence or utility bill) to join for free.

Hwb Llanelli

01267 234567

Monday - Thursday: 9am – 5pm

Friday: 9am – 4pm

Gyda chefnogaeth | Supported by



Page 213

This page is intentionally left blank

Agenda Item 16

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank