

# AGENDA

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Meeting: **Cabinet**  
Place: **Kennet Room - County Hall, Bythesea Road, Trowbridge,  
BA14 8JN**  
Date: **Tuesday 15 January 2019**  
Time: **9.30 am**

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Please direct any enquiries on this Agenda to Stuart Figini, of Democratic Services, County Hall, Trowbridge, direct line 01225 718221 or email [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

All public reports referred to on this agenda are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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## Membership:

Cllr Baroness Scott of Bybrook OBE	Leader of Council
Cllr John Thomson	Deputy Leader, and Cabinet Member for Communications, Communities, Leisure and Libraries
Cllr Pauline Church	Cabinet Member for Economic Development and South Wiltshire Recovery
Cllr Richard Clewer	Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism
Cllr Laura Mayes	Cabinet Member for Children, Education and Skills
Cllr Toby Sturgis	Cabinet Member for Spatial Planning, Development Management and Property
Cllr Bridget Wayman	Cabinet Member for Highways, Transport and Waste
Cllr Philip Whitehead	Cabinet Member for Finance, Procurement, ICT and Operational Assets
Cllr Jerry Wickham	Cabinet Member for Adult Social Care, Public Health and Public Protection

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## **Public Participation**


Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

The full constitution can be found at [this link](#). Cabinet Procedure rules are found at Part 7.

For assistance on these and other matters please contact the officer named above for details

## Part I

### Items to be considered while the meeting is open to the public

Key Decisions Matters defined as 'Key' Decisions and included in the Council's Forward Work Plan are shown as 

1 **Apologies**

2 **Minutes of the previous meeting** (*Pages 7 - 22*)

To confirm and sign the minutes of the Cabinet meeting held on 11<sup>th</sup> December 2018, previously circulated.

3 **Declarations of Interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 **Leader's announcements**

5 **Public participation and Questions from Councillors**

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Questions may also be asked by members of the Council. Written notice of questions or statements should be given to Stuart Figini of Democratic Services by 12.00 noon on 9<sup>th</sup> January 2019. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Treasury Management Mid Year** (*Pages 23 - 38*)

Report by Corporate Director Alistair Cunningham.

7 **Service Devolution & Asset Transfer Package - Devizes**



Report by Corporate Director Alistair Cunningham. Report to follow.

8 **Wiltshire Council Adoption Service: 2018 Q1-2 6 Month Report** (*Pages 39 - 54*)

Report by Corporate Director Terence Herbert.

9 **Establishing a Local Housing Company and Local Development Company**  
(Pages 55 - 64)

 Report by Corporate Director Alistair Cunningham.

10 **Urgent Items**

Any other items of business, which the Leader agrees to consider as a matter of urgency.

**Part II**

**Items during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed**

11 **Exclusion of the Press and Public**

This is to give further notice in accordance with paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 12 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for taking item in private:

Paragraph 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

12 **Establishing a Local Housing Company and Local Development Company**  
(Pages 65 - 70)

 Report by Corporate Director Alistair Cunningham.

This item is exempt due to financial information provided in the appendix.

Our vision is to create stronger and more resilient communities. Our priorities are: To protect those who are most vulnerable; to boost the local economy - creating and safeguarding jobs; and to support and empower communities to do more themselves.

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## **CABINET**

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### **MINUTES OF THE CABINET MEETING HELD ON 11 DECEMBER 2018 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.**

#### **Present:**

Cllr Baroness Scott of Bybrook OBE (Chairman), Cllr John Thomson (Vice-Chairman), Cllr Pauline Church, Cllr Richard Clewer, Cllr Laura Mayes, Cllr Toby Sturgis, Cllr Bridget Wayman and Cllr Philip Whitehead

#### **Also Present:**

Cllr Ian Blair-Pilling, Cllr Trevor Carbin, Cllr Clare Cape, Cllr Matthew Dean, Cllr Richard Gamble, Cllr Gavin Grant, Cllr Alan Hill, Cllr Ruth Hopkinson, Cllr Atiquel Hoque, Cllr Jon Hubbard, Cllr Tony Jackson, Cllr Simon Jacobs, Cllr Bob Jones MBE, Cllr Gordon King, Cllr Brian Mathew, Cllr Steve Oldrieve, Cllr Horace Prickett, Cllr Jonathon Seed, Cllr Ian Thorn, Cllr Philip Whalley, Cllr Stuart Wheeler, Cllr Graham Wright and Cllr Robert Yuill

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#### 309 **Apologies**

Apologies were received from Cllr Jerry Wickham.

#### 310 **Minutes of the previous meeting**

The minutes of the meeting held on 27<sup>th</sup> November 2018 were presented.

#### **Resolved:**

**To approve as a correct record and sign the minutes of the meeting held on 27<sup>th</sup> November 2018.**

#### 311 **Declarations of Interest**

There were no declarations of interest.

#### 312 **Leader's announcements**

The Leader explained the approach to public participation during the meeting.

313 **Public participation and Questions from Councillors**

1. Dan Hunt made a statement about climate change and called on the Council to declare a climate emergency.
2. Alice Brown asked if Wiltshire Council will join Bristol City, Manchester and a growing number of other Councils in declaring a state of climate emergency.

The Leader of the Council thanked Dan and Alice for their attending the Cabinet meeting and raising the important issues of climate change in their statement and question. The Leader explained that climate change is a matter that the Council take very seriously and that this was demonstrated by (i) the high level of waste recycled in the county, (ii) considering proposals for LED lighting to be installed across the county, (iii) encouraging the use of electric cars, and (iv) the main council offices in Trowbridge being very energy efficient. The Leader indicated that the Council does what it can within the current financial constraints, and suggested that local MP's should be lobbied as they have more influence over national policies relating to climate change, and therefore, it was not appropriate for Wiltshire Council to declare a climate emergency.

3. Colin Gale, on behalf of Pewsey Community Area Partnership (PCAP), Campaign to Protect Rural England (CPRE) and Pewsey Parish Council (PPC), reported that he had not received a response to the questions he had asked at the last meeting of the cabinet on 27<sup>th</sup> November 2018.

The Leader of the Council asked for a written response to be sent to Mr Gale by the end of the week at the latest.

4. Colin Gale, on behalf of Pewsey Community Area Partnership (PCAP), Campaign to Protect Rural England (CPRE) and Pewsey Parish Council (PPC), asked a number of questions about the Cabinet Forward Work Plan and how it complied with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, in relation to the decision made by Cabinet at its meeting on 9<sup>th</sup> October 2018 to close the Everleigh Household Recycling Centre.

Cllr Richard Clewer, Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism confirmed that a written response would be prepared for Mr Gale.

5. Cllr Jon Hubbard reported that he had attended a public meeting about the closure of a doctor's surgery in Melksham and expressed a concern about the number of GP's available to serve the population in Melksham. He asked whether the number of GP's was sufficient and what steps were being taken to attract GP's to Wiltshire, especially as it was proving difficult to recruit them to the service.



The Leader of the Council explained that a Special Health and Wellbeing meeting was being held later in the week and she would raise his concerns at this meeting.

#### 314 **Outdoor Education**

Cllr Philip Whitehead presented a report which set out proposals received for the sale of the Council's outdoor education sites and operation at Oxenwood and Braeside, and identified the preferred bidders.

The Leader invited statements and questions as detailed below:

Giles Aspinall, Chief Executive of the Magdalen Environmental Trust, who had submitted a tender for the purchase of Braeside Outdoor Education Centre. The statement and question from Mr Aspinall was published on the Council's website prior to the Cabinet meeting. The statement detailed the concerns of Mr Aspinall that the proposed arrangements for Braeside were outside the published parameters of the sale, which was in contradiction to the resolution made by Cabinet on 27<sup>th</sup> March 2018. The statement also relayed a concern about the report omitting key information from the Trust's tender with regard to social value.

Rachael Ross, representing Devizes Labour Party, (i) was pleased to read in the report that the closure of Braeside would be deferred until January 2020 at the latest, although she was unsure about the detail of the proposed move to Lackham College; (ii) asked about increased transparency within the process, since the Cabinet meeting on 27<sup>th</sup> March 2018; and (iii) asked for details about the Council's plans for future consultation on the sale of both Centre's and the decision process. Ms Ross, commented later in the meeting about the importance of staff consultation and asked that the future of Braeside is considered as a separate entity to Oxenwood.

In response to the questions from Mr Aspinall and Ms Ross, Cllr Whitehead (i) explained that they key financial information was contained in the exempt report, which would be considered later in the meeting; (ii) commented on the exhaustive consultation already undertaken with stakeholders regarding the future operation of the two outdoor education centres; and (iii) explained that the report proposed to delegate to officers, in consultation with the Cabinet member, negotiations with the preferred bidders and the completion of contracts on terms to be agreed.

Cllr Whitehead reminded the Cabinet that they had considered the review of outdoor education facilities at their meeting on 27<sup>th</sup> March 2018 and agreed that both Braeside and Oxenwood would close in August 2018. Following representation from the public and community groups, and organisations expressing interest in continuing the Centre's operations, an exercise was undertaken to explore the interest further. Cabinet at its meeting on 2<sup>nd</sup> June 2018 agreed to keep the Centre's open until December 2018 and a formal bidding process commenced. Seven proposals were received and evaluated

against an agreed set of criteria by officers. In addition to the review and evaluation by officers, the proposals were considered by outdoor education staff, outdoor education specialists and the Traded Services for School Task Group. Cllr Whitehead thanked all involved in the negotiations for their contributions, which were very valuable and assisted in the development of the proposals to be considered by the Cabinet for the future of outdoor education in Wiltshire.

The Leader welcomed John Hawkins, Chairman of the Traded Services for School Task Group, who undertook a review of outdoor education and the evidence previously presented to Cabinet. Mr Hawkins thanked the Cabinet for the opportunity given to the Task Group to be consulted on outdoor education facilities within Wiltshire. He referred to the Task Group report and comments on the proposals, and welcomed the proposals detailed in the Cabinet report. Mr Hawkins explained that the Task Group appreciated that a careful balancing act had to be taken on the bids received and the requirement for the Council to achieve savings.

Mr Hawkins asked the Cabinet not to preclude other bidders at this stage in case negotiations did not come to fruition. Cllr Whitehead confirmed that this would be the case.

Cllr Whitehead responded to questions about staff consultation and the facilities available at Lackham College, compared to those at Braeside, and he indicated that consultation and discussion with staff was very important and would continue, and the Council were considering the long term multigenerational viability of facilities.

Cllr Jon Hubbard thanked (i) Mr Hawkins for his excellent Chairmanship of the Task Group, (ii) Cllr Whitehead and his officer team, for the open and transparent work they have undertaken, which has helped the process to be more productive and ensured targeted comments and feedback had been received. Cllr Hubbard welcomed the preferred bidder for Oxenwood and suggested this be taken forward as soon as possible. The issues surrounding Braeside would be more difficult to complete, as there needed to be a solution that ensured that a suitable facility was available for future generations.

Cllr Thorn, Chairman of the Financial Planning Task Group, thanked Cllr Whitehead for engaging and taking on board the comments of Task Groups. He also welcomed the outcome for Oxenwood, although still had concerns about the proposals for Braeside.

Cllr Wheeler referred to and welcomed the proposals for Oxenwood including the preferred bidder's proposal to move the offices to Lackham. He felt that it was an ideal opportunity for the development of an education programme. He also welcomed the involvement of residents in the east of the county who signed a Facebook petition on the matter.

Cllr Whitehead indicated that if any of the proposals were accepted, the Council could be accepting a 'less than best financial consideration' for one or both sites

for alternative uses. The decision, would however, be offset by the broader social and economic values which are likely to be delivered through the proposals. He thanked officers for their hard work in generating interest in the future operations of the outdoor education facilities, and the originators of the online petition which generated interest in the matter.

**Resolved:**

- i) Cabinet delegates to the Director for Children's Services in consultation with the Cabinet Member for Finance, Procurement, ICT and Operational Assets, the commencement of negotiations with the preferred bidders Wiltshire College and Community First, having regard to the recommendations and advice of the Outdoor Education Scrutiny Task Group.**
- ii) Cabinet approves the deferral of closure of Braeside and Oxenwood outdoor education site until at the latest January 2020 to allow for negotiations and successful transfer arrangements.**
- iii) Cabinet delegates to the Director for Children's Service in consultation with the Cabinet Member for Finance, Procurement, ICT and Operational Assets the completion of contracts to sell and/or transfer the Councils outdoor education businesses on terms to be agreed, including sale of the asset at less than best consideration providing social value benefit can be demonstrated.**

*Reason for Decision:*

- i) Following the Council's review of the two outdoor education sites, Braeside and Oxenwood, and the Cabinet's decision to close both sites, interested parties have come forward through a formal process with viable proposals for the continuation of outdoor education in Wiltshire.*
- ii) This report considers the formal submissions received and how best to continue the provision of outdoor education in Wiltshire.*

**315 Proposed closure of Lypiatt Primary School**

Councillor Laura Mayes presented the report which provided relevant information for the Cabinet to make a fully informed decision on the closure proposal in relation to Corsham Lypiatt Primary School.

The Cabinet were reminded that following their meeting held on 25<sup>th</sup> September 2018, a Statutory Notice was published proposing to close Lypiatt Primary School with effect from 31<sup>st</sup> March 2019. There were no objections received to the proposed closure.

Cllr Mayes was pleased to announce that funding of £38,000 had been secured from the MOD Education Support Fund, which would allow the school to remain open until the end of the academic year 2018/19 (August 2019).

Councillor Ruth Hopkinson expressed her support for and gratitude to the Headteacher and her team for the incredible work undertaken at the school. She also thanked Cllr Mayes for securing the additional funding that would keep the school open until the end of the 2018/19 academic year.

**Resolved: That the proposal to discontinue (Close) Corsham Lypiatt Primary School with effect from 31 August 2019 to allow pupils to complete the academic year at the school be approved.**

*Reason for decision:*

*Given the size of the forecast deficit and the absence of sustainable additional funding, the only viable long term option is to close the school*

### 316 **Council Tax Base 2019/2020**

Councillor Philip Whitehead presented the report which recommended that Cabinet approve the Council Tax Base for 2019/2020.

Councillor Whitehead explained that he was confident that the expected number of new build homes in Wiltshire would meet the expected number included in the calculation for the Council Tax Base.

Concerns were raised about the potential for a number of residents to default on their Council Tax due to Universal Credit, and the policies and procedures implemented by the Council to recover the debts. Councillor Whitehead explained that the Council did follow up Council Tax debt, but that this was undertaken in a compassionate way and the Council would provide as much help as possible to those who were experiencing difficult circumstances, to help them back onto an even keel. The Leader of the Council explained that the Council worked closely with a number of organisations to help people in difficult financial positions to receive the appropriate support.

The Cabinet noted that the proposal had been scrutinised by the Financial Planning Task Group, who noted that historically the Council had achieved a good level of accuracy in predicting council tax income.

**Resolved:**

- i) To approve the Council Tax Base for 2019/2020.**
- ii) To note that the recommended collection rate adjustments are set at 99.75% and 82.50%, to give a resulting overall collection rate adjustment of 98.92% which reflects current expectations for collection (further details are outlined in the main body of the report).**

- iii) Approve that The Chief Finance Officer is continued to be given delegated authority to determine the estimated Collection Fund balances (council tax and business rates) as at 31 March 2019 by 15 January 2019.**

*Reason for decision:*

*Before the Council Tax can be set by the Council in February 2019 a calculation has to be made and approved of the Council Tax Base, which is an annual requirement as laid out in the Local Government Finance Act 1992.*

### **317 Revenue & Capital Budget Monitoring Report**

Cllr Philip Whitehead presented a report which (i) advised on the revenue and capital budget monitoring position as at the end of period 7 (end of October 2018) for the financial year 2018/19 with suggested actions as appropriate, and (ii) advised on the position of the 2018/19 capital programme, as at period 7 (31 October 2018), including budget changes.

Matters raised in the course of the presentation and discussion included: that if no management action was taken that there would be a £2.064m deficit, but that action would be taken in many areas to ensure that a balanced budget would be delivered; that whilst it was a significant amount of money, the projected overspend represented 2 days spend.

In response to questions from Councillor Ian Thorn, Chair of the Financial Planning Task Group, Councillor Philip Whitehead stated that the Council had limited control over the Dedicated Schools Grant (DSG), provided by the Education and Skills Funding Agency, and the Interim Director Finance and Procurement, confirmed that the DSG could be carried forward for 3 years with the Council rectifying the issue within this timescale.

Councillor Mayes confirmed that the Council was still amongst one of the lowest 40 funded authorities and the consequences of this on the provision of SEND. A written response would be provided by Councillor Jerry Wickham about the cost for levels of spot purchases and how this could be addressed in the future.

#### **Resolved:**

- i) To note the outcome of the period 7 (end of October) budget monitoring and to approve all revenue budget amendments outlined in the report in appendix B.**
- ii) To reinforce the need for expenditure to be contained within the budget agreed in February 2018, with individual recovery plans to be produced for areas showing overspends, and these will be reported to Members in the next monitoring report at period 9.**

- iii) **To note the budget movements undertaken to the capital programme shown in appendices E and F and to also note the reprogramming of £37.980 million capital budget between 2018/19 and 2019/20.**

*Reason for decision:*

*To inform effective decision making and ensure a sound financial control environment.*

*To inform Cabinet of the position of the 2018/19 capital programme as at Period 7 (31 October 2018), including highlighting any budget changes.*

318 **Performance Management and Risk Outturn Report: Q2 2018/19**

Cllr Philip Whitehead presented a report which provided an update on performance against the stated aims in the council's Business Plan 2017-27. The report provided information on key measures as well as the council's strategic risk register.

In response to a question from Cllr Ian Thorn about the metrics included in the report and how they were used as a management tool, Cllr Whitehead explained that improvements were required in this area and the forthcoming digitisation of services would help in this respect.

In response to further questions from Cllr Gavin Grant about the standards point score achieved by A Level students in Wiltshire compared to the England average and the reduced number of young people attending road safety training in the current quarter, Cllr Mayes explained that the Education Standards Board had considered the standards in A Level results and there were no particular reasons why there was a lower average compared to the national figures.

Cllr Toby Sturgis commented on an issue raised by Cllr Clare Cape about the successful defence of planning appeals by the Council. He explained that the graph in the report represented both householder and strategic appeals, which detailed an overall picture of appeals, and that he would consider the most appropriate way to represent this information in future performance management reports.

Cllr Richard Clewer reminded members that the graphs and metrics were aligned to various priorities within the current business plan.

**Resolved: To note the updates and outturns**

- i) **Against the measures and activities ascribed against the council's priorities.**
- ii) **To the strategic risk register.**

*Reason for decision:*

*The current corporate performance framework compiles measures used to monitor progress in service areas against planned objectives that relate to the goals laid out in Wiltshire Council's current Business Plan 2017-27.*

*The strategic risk register captures and monitors significant risks facing the council: in relation to significant in-service risks facing individual areas and in managing its business across the authority generally.*

### 319 **Prioritisation of Community Infrastructure Levy Spending**

Cllr Toby Sturgis presented a report seeking approval for (i) the first allocation of Community Infrastructure Levy (CIL) funding from the strategic fund; (ii) delegated authority to approve allocation of strategic CIL funding in relation to projects needed to support growth and ensure compliance with the Habitats Regulations; and (iii) consultation to be undertaken on a limited change to the Regulation 123 List.

Cllr Sturgis reminded Cabinet that it had approved the process for the review of the regulation 123 List and prioritisation of spending of strategic funds raised through the CIL at its meeting on 14<sup>th</sup> March 2017. He referred to a number of projects including Abbeyfield School, Chippenham and several transport projects. Cllr Sturgis also referred to the emerging Trowbridge Bat Migration Strategy, and indicated that an amendment would be required to the Regulation 123 List to allow strategic CIL funding to be allocated towards relevant projects.

Cllr Hubbard expressed a concern that CIL funding was to be allocated towards the Abbeyfield School, Chippenham, a non Council asset, that only a few residents would benefit from. It was noted that the expansion of school places was an immediate priority to fulfil the Council's statutory duty to provide school places, in light of a number of housing developments within Chippenham.

Cllr Matthew Dean, Chairman of the Environment Select Committee, reported that the Committee had not considered the report prior to it being considered by Cabinet, but the Committee had considered elements of the report. He noted that a small amount of funding would be raised by CIL for the Authority, and there would be competing demand for limited resources.

Cllr Dean suggested that a discussion was necessary about how Town and Parish Council's could collaborate in a community area in order to benefit from joint resources. Cllr Sturgis confirmed that CIL funds were limited during the current transition period, however, in the longer term they would increase. He explained that Town and Parish Council's would have the ability to unlock funding that was not available to the Council. The Leader of the Council reminded the Cabinet that Town and Parish Councils had the ability to develop Neighbourhood Plans which would benefit them with a 25% contribution from any CIL payments.

**Resolved:**

- i) Approve the allocation of £119,000 CIL funding for preliminary studies for the expansion of secondary school places at Abbeyfield School, Chippenham.**
- ii) Approve the allocation of £136,000 CIL funding for preliminary studies for the following three transport projects; Malmesbury Road Roundabout, Chippenham; Bridge Centre Gyratory, Chippenham, and A361 Holy Trinity Gyratory, Trowbridge.**
- iii) Delegate authority to the Director for Economic Development and Planning, in consultation with the Cabinet Member for Spatial Planning, Development Management and Property and Director for Finance and Procurement, to approve variances to the funding approved in (i) and (ii).**
- iv) Delegate authority to the Director for Economic Development and Planning to approve in consultation with the Cabinet Member for Spatial Planning, Development Management and Property and Director for Finance and Procurement the allocation of CIL funding towards projects on the current and future Regulation 123 Lists relating to European protected sites as and when required.**
- v) Delegate authority to the Director for Economic Development and Planning to undertake consultation on the inclusion of relevant projects on the Regulation 123 List, for subsequent approval by Cabinet, once identified in the Trowbridge Bat Mitigation Strategy.**

*Reason for decision:*

*To assist with the effective operation of CIL and ensure open and transparent decision making in the allocation of strategic CIL funds.*

**320 LED Lighting Project**

Cllr Bridget Wayman presented a report seeking approval to proceed with an 'invest to save' project to convert the Council's existing street lighting to more energy efficient Light Emitting Diode (LED) units, and to approve the procurement of the new lighting units.

Cllr Wayman reported that energy costs had risen sharply in recent years, with an expectation that the costs would continue to rise in the future. The annual energy costs for street lighting are currently over £1.9m and with budget restrictions the costs were becoming increasingly unaffordable. Members were reminded that the Council had implemented a scheme to reduce energy consumption by operating the street lighting in the side roads in towns for part of the night only. This scheme was introduced from 2014 in all of the larger towns, and has operated successfully. Rising energy costs, and the reducing cost of LED lighting, have justified reviewing the case for LED lighting. The



current units are becoming obsolete and going out of production, and are becoming increasingly difficult to obtain.

The report noted that LED lights used considerably less energy than the current lighting units, and a major advantage is that LED lights provide the opportunity to dim the lighting during off-peak periods to further reduce energy consumption. The report detailed the costs of the project and potential savings that could be achieved by implementing the proposals, with a payback period of 12 years.

The Cabinet noted that the proposal had been scrutinised by the Environment Select Committee, who were broadly supportive of the proposals and were pleased to hear that this was not a 'PFI Scheme'. They favoured the invest to save approach and the fact that the installation of such lights would help to reduce Wiltshire's carbon footprint.

Cllr Thorne commented on the proposal for a blanket dimming of lights between 8.00pm and 6.00am, and suggested that timings may need to be more flexible, taking into account the needs of the different communities throughout the county. Cllr Wayman indicated that 8.00pm was after the rush hour in most communities, but took into account the comments that were well made.

In response to comments about the historical process of considering a scheme to replace existing street lights with LED's, Cllr Whitehead explained that with the modern advancements in technology, the implementation of the proposals was now economically viable.

**Resolved:**

- i) Agree to proceed with a scheme to replace the Council's older street lighting lanterns with LED units.**
- ii) Acknowledge the economic benefits of the proposed LED lighting project and the environmental benefits it will bring, especially in terms of reduced carbon footprint.**
- iii) Include provision in the Council's capital budget from 2019/20 for the scheme.**
- iv) Approve the proposal to dim the new lighting between 8.00pm and 6.00am, with additional dimming after 11.00pm.**
- v) Give consideration to the options for extending the LED lighting to other suitable Council owned lighting, including in public open space and car parks.**
- vi) Delegate authority to the Director, Highways and Transport to invite tenders and award contracts, instruct legal to execute all necessary documentation: that officer should consult with the Director of**

**Finance and Procurement and the Cabinet Member, Highways,  
Transport and Waste.**

*Reason for decision:*

*There is a good economic and environmental case for replacing the Council's aging street lighting stock with energy efficient LED lighting, especially in view of the cost and difficulty of maintaining the existing equipment and the rising cost of energy.*

**321 Integrated Community Equipment and Support Services -  
Recommissioning**

Councillor Simon Jacobs, in the absence of Councillor Jerry Wickham, presented a report providing an update on the joint procurement process between Wiltshire Council and NHS Wiltshire Clinical Commissioning Group for Integrated Community Equipment and Support Services. The report set out the approach being taken, including an indicative timetable for the procurement and scope of services.

**Resolved:**

- i) Note the scope of this joint procurement of Integrated Community Equipment and Support Services in Wiltshire.**
- ii) Authorise the extension of the Section 75 Agreement between Wiltshire Council and NHS Wiltshire CCG in relation to ICESS (as set out in paragraph 29).**
- iii) Delegate the authority, in relation to the services being commissioned by Wiltshire Council (as set out in paragraph 2 below):**
  - a. i. to approve the terms of the contract and all associated documents within the parameters set out in this report; and**
  - b. to award and enter into the contract and all associated documents, to the Corporate Director for Adult Social Care in consultation with the Cabinet Member for Health (including Public Health) and Adult Social Care.**

*Reason for decision:*

- 1. The purpose of this paper is to provide an update to Cabinet on the joint procurement process between Wiltshire Council and NHS Wiltshire CCG for Integrated Community Equipment and Support Services and sets out the approach that is being taken, including an indicative timetable for the procurement and scope of services.*

2. *The need to facilitate hospital discharges and to support more people within the community has increased the need for efficient, appropriately resourced equipment services and referrals into the service have subsequently grown. This increase in demand is expected to continue and, where equipment may avoid the need for spend on more costly interventions (such as home care and care home placements), this is encouraged.*
3. *This report is seeking approval to delegate authority to award contract, in relation to the services being commissioned by Wiltshire Council (as set out in paragraph 2 below).*
4. *Cabinet is asked to authorise the extension of the Section 75 Agreement between Wiltshire Council and NHS Wiltshire CCG in relation to ICESS (as set out in paragraph 29).*

322 **Urgent Items**

There were no urgent items.

323 **Exclusion of the Press and Public**

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Number 324-325 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

324 **Outdoor Education**

**Resolved:**

- i) Cabinet delegates to the Director for Children's Services in consultation with the Cabinet Member for Finance, Procurement, ICT and Operational Assets, the commencement of negotiations with the preferred bidders Wiltshire College and Community First, having regard to the recommendations and advice of the Outdoor Education Scrutiny Task Group.**
- ii) Cabinet approves the deferral of closure of Braeside and Oxenwood outdoor education site until at the latest January 2020 to allow for negotiations and successful transfer arrangements.**
- iii) Cabinet delegates to the Director for Children's Service in consultation with the Cabinet Member for Finance, Procurement, ICT and Operational Assets the completion of contracts to sell**

**and/or transfer the Councils outdoor education businesses on terms to be agreed, including sale of the asset at less than best consideration providing social value benefit can be demonstrated.**

*Reason for Decision:*

- i) Following the Council's review of the two outdoor education sites, Braeside and Oxenwood, and the Cabinet's decision to close both sites, interested parties have come forward through a formal process with viable proposals for the continuation of outdoor education in Wiltshire.*
- ii) This report considers the formal submissions received and how best to continue the provision of outdoor education in Wiltshire.*

325 **Integrated Community Equipment and Support Services -  
Recommissioning**

**Resolved:**

- i) Note the scope of this joint procurement of Integrated Community Equipment and Support Services in Wiltshire.**
- ii) Authorise the extension of the Section 75 Agreement between Wiltshire Council and NHS Wiltshire CCG in relation to ICESS (as set out in paragraph 29).**
- iii) Delegate the authority, in relation to the services being commissioned by Wiltshire Council (as set out in paragraph 2 below):**
  - a. i. to approve the terms of the contract and all associated documents within the parameters set out in this report; and**
  - b. to award and enter into the contract and all associated documents, to the Corporate Director for Adult Social Care in consultation with the Cabinet Member for Health (including Public Health) and Adult Social Care.**

*Reason for decision:*

- 1. The purpose of this paper is to provide an update to Cabinet on the joint procurement process between Wiltshire Council and NHS Wiltshire CCG for Integrated Community Equipment and Support Services and sets out the approach that is being taken, including an indicative timetable for the procurement and scope of services.*
- 2. The need to facilitate hospital discharges and to support more people within the community has increased the need for efficient, appropriately resourced equipment services and referrals into the service have subsequently grown. This increase in demand is expected to continue and, where equipment may*

*avoid the need for spend on more costly interventions (such as home care and care home placements), this is encouraged.*

3. *This report is seeking approval to delegate authority to award contract, in relation to the services being commissioned by Wiltshire Council (as set out in paragraph 2 below).*
4. *Cabinet is asked to authorise the extension of the Section 75 Agreement between Wiltshire Council and NHS Wiltshire CCG in relation to ICESS (as set out in paragraph 29).*

(Duration of meeting: 9.30 am - 12.05 pm)

These decisions were published, earlier, on the 13<sup>th</sup> December 2018 and will come into force on 21<sup>st</sup> December 2018

The Officer who has produced these minutes is Stuart Figini of Democratic Services, direct line 01225 718221, e-mail [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

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**Wiltshire Council**

**Cabinet**

**15 January 2019**

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**Subject: Report on Treasury Management Strategy 2018/2019  
Half Year ended 30 September 2018**

**Cabinet member: Cllr Philip Whitehead – Finance, Procurement, ICT and  
Operational Assets**

**Key Decision: Non Key**

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## **Executive Summary**

The Council has adopted a Treasury Management Strategy and an Annual Investment Strategy for 2018/2019 at its meeting on 20 February 2018.

In addition to an Annual Report, the Treasury Management Strategy requires a mid-year report reviewing the Treasury Management activities for the current year so far. This report covers the period from 1 April 2018 to 30 September 2018.

The Council has not taken out any new external borrowing (loans) during 2018/2019.

Against budget, there is a projected variance in respect of interest receivable/payable of £0.208 million.

The Council did not breach any of its performance indicators during 2018/2019.

## **Proposals**

The Cabinet is asked to note that the contents of this report are in line with the Treasury Management Strategy.

## **Reasons for Proposals**

To give members an opportunity to consider the performance of the Council in the period to 30 September 2018 against the parameters set out in the approved Treasury Management Strategy for 2018/2019.

**Alistair Cunningham**  
**Corporate Director Growth, Investment & Place**

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**Subject: Report on Treasury Management Strategy 2018/2019  
Half Year ended 30 September 2018**

**Cabinet member: Cllr Philip Whitehead – Finance, Procurement, ICT and  
Operational Assets**

**Key Decision: Non Key**

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## PURPOSE OF REPORT

1. The Council adopted a Treasury Management Strategy for 2018/2019 at its meeting on 20 February 2018, incorporating Prudential Indicators, Treasury Management Indicators and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly. This report, therefore, ensures Wiltshire Council is implementing best practice in accordance with the Code.

## Economic Background and Interest Rate Forecast

3. In August 2018 the Monetary Policy Committee (MPC) voted unanimously (9-0) to increase bank rate from 0.50% to 0.75%. The MPC has indicated that bank rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in bank rate for the second half of 2019.
4. The Council's treasury advisor, Link Asset Services, has provided the following interest rate forecast,

	2018/2019		2019/2020				2020/2021			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Bank Rate</b>	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.50	1.50
<b>25yr PWLB Rate</b>	2.70	2.80	2.90	2.90	3.00	3.10	3.10	3.20	3.30	3.30

5. Link Asset Services report that the interest rate forecasts are predicated on an assumption that sufficient progress is made, in respect of negotiations, to produce a reasonable agreement for Brexit, that benefits both the UK and the EU in a sensible manner. If no agreement is reached at all, then the forecasts for increases in bank rate and PWLB rates will be subject to change, most likely downwards.
6. Against this background and the specific risks associated with Brexit within the economic forecast, caution will be adopted with future treasury operations. The Director of Finance & Procurement will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.



## Annual Investment Strategy 2018/2019

7. The Treasury Management Strategy Statement 2018/2019, which includes the Annual Investment Strategy, was approved by the Council on 20 February 2018. It sets out the Council's investment priorities as being:
  - Security of capital;
  - Liquidity; and
  - Yield.
8. The Council will aim 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 cash flow needs but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using our advisors suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swaps (CDS) overlay information.
9. Officers can confirm that the approved limits with the Annual Investment Strategy were not breached during the half year ended 30 September 2018.
10. The average level of funds available for investment purposes during the half year was £122 million. These funds were available on a temporary basis, are mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

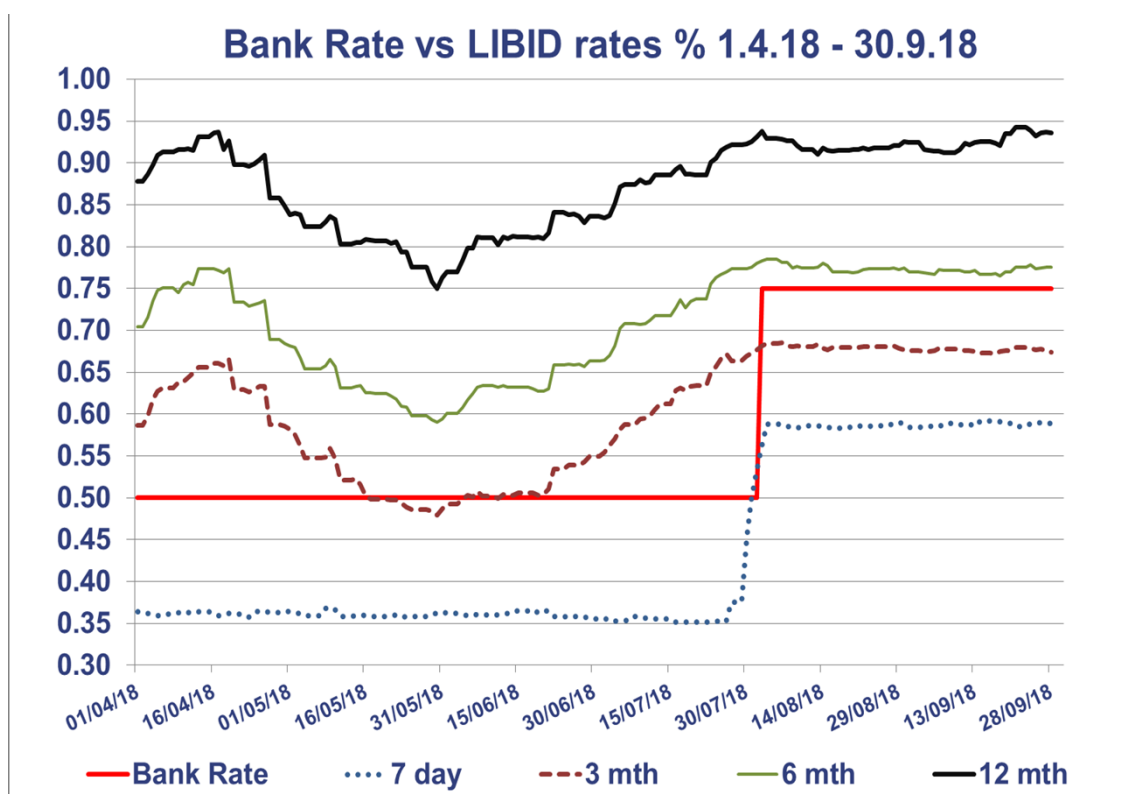
### Investment Performance for Financial Year to Date as at 30 September 2018

Benchmark	Benchmark Return (%)
7 day	0.44
1 month	0.47
3 month	0.61
6 month	0.71
Council Performance	0.65
Total Interest Earned (Accrued) – General Fund, HRA & other balances	£0.401 million

11. The Council had a Weighted Average Total Time on its fixed term investment portfolio of Maturity of 140 days.
12. As shown, the Council outperformed the 3 month benchmark by 4bps (basis points).
13. The estimate for General Fund interest receivable is currently £0.491 million for 2018/2019. This compares to a budget of £0.350 million. The projected variance is therefore £0.141 million.
14. In terms of interest payable, the estimate for the General Fund is currently £8.933 million for 2018/2019. This compares to a budget of £9.000 million. The projected variance is therefore £0.067 million.

15. The overall estimated net variance on interest receivable/payable is therefore £0.208 million. This projected variance is factored into the period 7 general fund revenue budget monitoring position reported to Cabinet in December 2018.
16. Investment rates available in the market have risen during quarter 2 as a result of the increase in Bank Rate in August. This is shown in the following table and graph.

	Bank rate	7 day	1 month	3 month	6 month	12 month
High	0.75	0.59	0.60	0.68	0.78	0.94
High date	02/08/18	14/09/18	18/09/18	06/08/18	08/08/18	21/09/18
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low date	01/04/18	19/07/18	30/05/18	30/05/18	30/05/18	30/05/18
Average	0.58	0.43	0.47	0.61	0.71	0.87
Spread	0.25	0.24	0.23	0.21	0.19	0.19



### Borrowing

17. No new borrowing was undertaken during the half year.

### Debt Rescheduling

18. Debt rescheduling opportunities have been limited in the current economic climate and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010.
19. No debt rescheduling was undertaken during the half year.

## **Compliance with Treasury and Prudential Limits**

20. It is a statutory duty for the Council to determine and keep under review affordable borrowing limits. The Council's approved treasury and prudential Indicators (affordability limits), are included in the approved Treasury Management Strategy 2018/2019.
21. During the half year ended 30 September 2018, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy 2018/2019 and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 1.
22. A summary of the Council's investments are detailed at Appendix 2, and the borrowing position is detailed in Appendix 3.

## **Other Treasury Management Issues**

### **Overdraft Facility Exceeded**

23. The Council has an overdraft limit with HSBC of £0.500 million. On 1 October 2018, this limit was exceeded by approximately £0.680 million. This was due to a reporting anomaly where the returned funds from the previous days investment in the HSBC overnight investment account were returned several hours earlier than normal; this resulted in a cashflow forecasting error on the day whereby these returned funds were effectively accounted for twice. There was a resulting minimal interest charge to the Council of £70.
24. The Council procedures have been adjusted to ensure that this error does not reoccur in the future.

### **UK Banks – Ring Fencing**

25. The largest UK banks are required by UK law to separate core retail banking services from their investment and international banking activities by 1 January 2019. This is known as 'ring fencing'. This is a regulatory initiative created in response to the global financial crisis, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.
26. While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

### **Accounting Standard - IFRS 9**

27. This accounting standard came into effect from 1 April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the

Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments (currently used by Wiltshire Council) but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments) are likely to be impacted. The impact on this authority is likely to be minimal.

### **Overview & Scrutiny Engagement**

28. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position

### **Safeguarding Implications**

29. None have been identified as arising directly from this report.

### **Public Health Implications**

30. None have been identified as arising directly from this report.

### **Procurement Implications**

31. None have been identified as arising directly from this report.

### **Equalities Impact of the Proposal**

32. None have been identified as arising directly from this report.

### **Environmental and Climate Change Considerations**

33. None have been identified as arising directly from this report.

### **Risk Assessment**

34. All investments have been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.76%, which compares favourably with similar rates of other UK local authorities.

35. The primary management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.

36. Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

### **Financial Implications**

37. These have been examined and are implicit throughout the report.

### **Legal Implications**

38. None have been identified as arising directly from this report.

## **Proposals**

39. To note that the contents of this report are in line with the Treasury Management Strategy 2018/2019.
40. To give members an opportunity to consider the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2018/2019.

**Alistair Cunningham**  
**Corporate Director Growth, Investment & Place**

**Becky Hellard**  
**Interim Director Finance & Procurement**

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Report Author:

Stuart Donnelly, Head of Finance (Corporate)  
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Tel: 01225 718582

12 December 2018

## **Appendices**

- Appendix 1 Prudential and Treasury Indicators
- Appendix 2 Investment Portfolio
- Appendix 3 Borrowing Portfolio
- Appendix 4 Approved Countries for Investments

## Treasury and Prudential Indicators as at 30 September 2018

Treasury Indicators	2018/2019 Budget (£m)	Half Year Actual (£m)
Authorised limit for external debt	570.6	333.9
Operational boundary for external debt	559.7	333.9
Gross external debt	313.1	334.1
Consisting of:		
Investments		112.1
Net Borrowing		222.0

Maturity structure of fixed rate borrowing	2018/2019 Budget (%)		Half Year Actual (%)	
	Upper Limit	Lower Limit	Next Call Date	Contractual Maturity
Under 12 months	25	0	15	5
12 months to 2 years	25	0	2	2
2 years to 5 years	45	0	9	7
5 years to 10 years	75	0	16	16
10 years and above	100	0	58	70

Upper limit of fixed interest rates based on net debt	100%	100%
Upper limit of variable interest rates based on net debt	48%	0%
Upper limit for principal sums invested over 364 days	£30m	£0
Local Treasury Indicator Debt Repayment (based on call dates – CIPFA Guidance)	Maximum 15% per year	15% (2018/2019)

<b>Prudential Indicators</b>	<b>2018/2019 Original Budget (£m)</b>	<b>Half Year Actual (£m)</b>
Capital Expenditure – General Fund (GF)	113.1	40.0
Capital Expenditure – HRA	10.5	9.1
Capital Financing Requirement – GF	408.2	431.0
Capital Financing Requirement – HRA	122.6	124.7
Annual change in CFR – GF		22.8
Annual change in CFR – HRA		2.1
<b>In year borrowing requirement</b>		
Ratio of financing costs to net revenue stream - GF	7.6%	5.9%
Ratio of financing costs to net revenue stream – HRA	15.2%	15.0%

## Investment Portfolio as at 30 September 2018 (compared to the counterparty list)

Borrower	Amount (£m)	Interest Rate	Start Date	Maturity	Link Credit Rating (see next page for explanatory key)
Close Brothers	3.00	0.9	20/04/2018	19/10/2018	Red - 6 months
Australia and New Zealand Banking Group	8.00	0.95	03/05/2018	19/10/2018	Orange - 12 months
Barclays Bank	8.00	0.70	09/05/2018	09/11/2018	Red - 6 months
Landesbank Hessen Thuringen Girobank	8.00	0.64	16/05/2018	16/11/2018	Orange - 12 months
North Lanarkshire County Council	5.00	0.70	04/06/2018	04/02/2018	Local Authority - 60 months
Commonwealth Bank of Australia	8.00	0.79	15/06/2018	15/03/2019	Orange - 12 months
DBS Bank Ltd.	8.00	0.73	18/06/2018	04/01/2019	Orange - 12 months
Lloyds TSB Bank	8.00	0.75	29/06/2018	31/12/2018	Red - 6 months
Nationwide Building Society	8.00	0.65	04/07/2018	04/01/2019	Red - 6 months
Santander UK PLC	8.00	0.73	05/07/2018	07/01/2019	Red - 6 months
Goldman Sachs International Bank	8.00	0.87	25/07/2018	25/01/2019	Red - 6 months
Sumitomo Mitsui BC Europe	8.00	0.83	25/07/2018	25/01/2019	Red - 6 months
First Abu Dhabi Bank	8.00	1.04	13/09/2018	12/09/2019	Orange - 12 months
Close Brothers	5.00	0.85	17/09/2018	15/03/2019	Red - 6 months
HSBC Overnight Investment Account	1.25	0.60	*	*	Orange - 12 months
Svenska Handelsbanken	7.99	0.75	*	*	AAA
Black Rock Money Market Fund	0.02	0.64	*	*	AAA
JP Morgan Money Market Fund	0.00	0.52	*	*	AAA
Prime Rate Money Market Fund	1.79	0.55	*	*	AAA
Goldman Sachs Money Market Fund	0.00	0.5	*	*	AAA
Standard Life Investments Liquidity Fund	0.00	0.65	*	*	AAA
<b>Total</b>	<b>112.05</b>				

\* Money Market Funds/HSBC Overnight Investment Account – cash can be invested and withdrawn on a daily basis (subject to maximum investment limits) so there is no start date or maturity date for the purposes of this report. Link provide a creditworthiness service, which



employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- a) credit watches and credit outlooks from credit rating agencies;
- b) CDS spreads to give early warning of likely changes in credit ratings;
- c) sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- a) Yellow – 5 years (this category is for AAA rated Government debt or its equivalent, including an investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);
- b) Dark pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- c) Light pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- d) Purple – 2 years;
- e) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);
- f) Orange – 1 year;
- g) Red – 6 months;
- h) Green – 100 days; and
- i) No Colour – not to be used.

The advisor's creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

## Borrowing Portfolio as at 30 September 2018

Lender	Start Date	Maturity Date	Amount £m	Rate	Annual Interest £m
<b>Public Works Loan Board (PWLB)</b>					
PWLB	18/03/2016	18/03/2019	10.00	1.38	0.14
PWLB	28/03/2012	28/03/2019	4.81	1.76	0.08
PWLB	28/03/2012	28/03/2020	8.00	1.99	0.16
PWLB	28/03/2012	28/03/2021	4.00	2.21	0.09
PWLB	15/02/2010	01/06/2021	2.00	4.33	0.09
PWLB	28/03/2012	28/03/2022	8.00	2.4	0.19
PWLB	28/03/2012	28/03/2023	8.00	2.56	0.20
PWLB	15/02/2010	01/06/2023	2.00	4.45	0.09
PWLB	28/03/2012	28/03/2024	8.00	2.7	0.22
PWLB	15/02/2010	01/06/2024	2.00	4.49	0.09
PWLB	28/03/2012	28/03/2025	8.00	2.82	0.23
PWLB	14/08/2001	01/12/2025	0.12	4.875	0.01
PWLB	28/03/2012	28/03/2026	10.00	2.92	0.23
PWLB	15/02/2010	01/06/2026	2.00	4.54	0.09
PWLB	28/03/2012	28/03/2027	8.00	3.01	0.24
PWLB	21/08/2002	01/06/2027	4.00	4.75	0.19
PWLB	28/03/2012	28/03/2028	6.00	3.08	0.18
PWLB	29/07/1999	01/06/2028	1.00	4.75	0.05
PWLB	15/02/2010	01/06/2028	2.00	4.56	0.09
PWLB	28/03/2012	28/03/2029	7.00	3.15	0.22
PWLB	29/07/1999	01/06/2029	1.00	4.75	0.05
PWLB	28/03/2012	28/03/2030	8.00	3.21	0.26
PWLB	29/07/1999	01/06/2030	1.00	4.75	0.05
PWLB	20/05/2005	01/06/2030	2.00	4.45	0.09
PWLB	05/12/2005	18/03/2031	5.00	4.25	0.21
PWLB	28/03/2012	28/03/2031	2.00	3.26	0.07
PWLB	29/07/1999	01/06/2031	1.00	4.75	0.05
PWLB	20/05/2005	01/06/2031	2.00	4.45	0.09
PWLB	21/11/2005	18/09/2031	2.00	4.25	0.09
PWLB	28/03/2012	28/03/2032	5.00	3.3	0.17
PWLB	20/05/2005	01/06/2032	2.00	4.45	0.09
PWLB	04/11/1999	01/12/2032	1.50	4.625	0.07
PWLB	28/03/2012	28/03/2033	6.00	3.34	0.20
PWLB	20/05/2005	01/06/2033	2.00	4.45	0.09
PWLB	15/11/1999	19/09/2033	1.00	4.25	0.04
PWLB	28/03/2012	28/03/2034	7.00	3.37	0.24
PWLB	20/05/2005	01/06/2034	2.00	4.45	0.09
PWLB	15/11/1999	18/09/2034	1.00	4.25	0.04
PWLB	21/11/2005	18/09/2034	5.00	4.25	0.21
PWLB	28/03/2012	28/03/2035	2.00	3.4	0.07
PWLB	14/06/2005	14/06/2035	5.00	4.35	0.22

PWLB	15/11/1999	18/09/2035	1.00	4.25	0.04
PWLB	21/11/2005	18/09/2035	5.00	4.25	0.21
PWLB	15/11/1999	18/09/2036	0.50	4.25	0.02
PWLB	15/11/1999	18/09/2036	0.50	4.25	0.02
PWLB	28/03/2012	28/03/2037	9.00	3.44	0.31
PWLB	11/01/2006	01/12/2037	4.00	4	0.16
PWLB	11/01/2006	01/12/2038	4.00	4	0.16
PWLB	15/02/2010	01/06/2041	2.00	4.57	0.09
PWLB	11/08/2006	01/12/2041	3.00	4.35	0.13
PWLB	15/02/2010	01/06/2042	2.00	4.57	0.09
PWLB	11/08/2006	01/12/2042	2.00	4.35	0.09
PWLB	11/08/2006	01/12/2043	2.00	4.35	0.09
PWLB	06/09/2006	01/12/2044	3.00	4.25	0.13
PWLB	06/09/2006	01/12/2045	3.00	4.25	0.13
PWLB	29/06/2006	18/09/2046	4.00	4.45	0.18
PWLB	30/08/2006	01/12/2046	2.00	4.25	0.09
PWLB	29/06/2006	18/09/2047	4.00	4.45	0.18
PWLB	30/08/2006	01/12/2047	2.00	4.25	0.09
PWLB	09/10/1998	18/09/2048	1.00	4.5	0.05
PWLB	29/06/2006	18/09/2048	3.50	4.45	0.16
PWLB	30/08/2006	01/12/2048	2.00	4.25	0.09
PWLB	09/10/1998	18/09/2049	1.00	4.5	0.05
PWLB	29/06/2006	18/09/2049	3.00	4.45	0.13
PWLB	30/08/2006	01/12/2049	2.00	4.25	0.09
PWLB	30/08/2006	01/06/2050	5.00	4.25	0.21
PWLB	17/09/1998	18/09/2050	1.00	5.125	0.05
PWLB	17/09/1998	18/09/2051	1.00	5.125	0.05
PWLB	07/03/2007	01/06/2052	2.00	4.25	0.09
PWLB	23/07/1998	03/06/2052	1.00	5.5	0.06
PWLB	07/03/2007	01/06/2053	2.00	4.25	0.09
PWLB	23/07/1998	02/06/2053	1.00	5.5	0.06
PWLB	19/06/1998	01/06/2054	1.00	5.375	0.05
PWLB	19/06/1998	01/06/2055	1.00	5.375	0.05
PWLB	21/06/2006	01/06/2055	2.00	4.3	0.09
PWLB	22/06/2006	18/09/2055	4.00	4.35	0.17
PWLB	19/06/1998	01/06/2056	1.50	5.375	0.08
PWLB	21/06/2006	01/06/2056	3.00	4.3	0.13
PWLB	22/06/2006	01/06/2056	6.00	4.35	0.26
PWLB	02/10/1997	25/09/2057	1.50	6.625	0.10
<b>TOTAL PWLB LOANS</b>			<b>266.93</b>		<b>9.67</b>

Lender	Start Date	Maturity Date	Amount £m	Rate	Annual Interest £m
<b>LOBO Loans</b>					
Barclays Bank	03/12/2004	03/12/2054	10.00	4.45	0.45
FMS Wermanagement	07/12/2004	08/12/2053	10.00	4.45	0.45
PBB Deutsche Pfandbriefbank	10/12/2004	10/12/2052	10.00	4.45	0.45
Dexia Credit Local	10/12/2004	11/12/2051	10.00	4.45	0.45
Barclays Bank	31/08/2005	31/08/2055	5.00	3.99	0.20
Dexia Credit Local	20/02/2006	18/02/2066	6.00	4.45	0.27
Beyern LB	05/03/2007	07/03/2067	4.00	4.2	0.17
Barclays Bank	31/07/2007	01/08/2067	6.00	4.21	0.25
<b>TOTAL LOBO LOANS</b>			<b>61.00</b>		<b>2.67</b>
<b>Temporary Loans</b>					
Bristol City Council	25/09/2018	09/10/2018	6.00	0.73	0.04
<b>TOTAL TEMPORARY LOANS</b>			<b>6.00</b>		<b>0.04</b>
<b>TOTAL - ALL LOANS</b>			<b>333.93</b>		<b>12.38</b>

**Approved Countries for Investments as at 30 September 2018**

(Based on lowest available rating)

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Hong Kong
- U.K.

AA-

- Belgium
- Qatar

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**Wiltshire Council**

**Cabinet**

**Date of meeting: 15 January 2019**

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**Subject: Wiltshire Council Adoption Service: 2018/19 Q1-2, 6 Month Report**

**Cabinet member: Councillor Laura Mayes – Cabinet Member for Children, Education & Skills**

**Key Decision: Non Key**

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## **Executive Summary**

It is a statutory requirement that the Adoption Service provides regular assurance reports to the Council. The main mechanism is the provision of the annual year-end report which is supported by a brief six-month update report relating to Quarters 1 and 2 of the financial year.

For this reporting period, two main areas remain as the focus for continued improvement regarding the Adoption Service:

- The need for timeliness of the assessment of adopters and their match with a child to be adopted, and
- The need for timeliness of the adoption of children with complex needs.

As previously reported, for the year 2017/18, 22 adoption orders were granted and 19 families were approved as suitable to adopt. In Quarters 1-2 of 2018/19, 15 adoption orders were granted, 15 children were placed for adoption and 13 families were approved as suitable to adopt. A further 3 children have been matched at matching panel in October and November.

Recognising the Government's commitment to improving adoption services in terms of numbers of children being adopted and the timeliness of matches for children requiring adoptive placements, the development of the Adoption Service, within the broader context of the development and implementation of Adoption West, has continued. Annual comparative performance is measured using the Adoption Scorecard which, for Wiltshire Council, shows overall continued improvement and is included within this report for information.

The 2017-18 Annual Report described progress in developing the collaborative arrangements to improve adoption performance. The regional response to this is Adoption West, comprising of six local authorities and a small number of locally operating Voluntary Adoption Agencies working together to form a new adoption agency. Wiltshire Council is a member of the Adoption West partnership.

Cabinet has previously received detailed information regarding Adoption West and the role, responsibility and accountability arrangements that are in place

**Proposal(s)**

It is recommended that the contents of this report are noted and accepted.

**Reason for Proposal**

Wiltshire Council is an Adoption Agency registered with Ofsted. The 2014 Adoption Minimum Standards (25.6) and 2013 Statutory Guidance (3.93 and 5.39) describe the information that is required to be regularly reported to the executive side of the local authority to provide assurance that the adoption agency is complying with the conditions of registration whilst being effective and achieving good outcomes for children and service users.

Adoption West will be required, as a registered Adoption Agency, to provide regular reports to the Local Authorities within the partnership.

**Terence Herbert**  
**Corporate Director**



## **Wiltshire Council**

### **Cabinet**

**Date of meeting: 15 January 2019**

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**Subject: Wiltshire Council Adoption Service: 2018/19 Q1-2 6 Month Report**

**Cabinet member: Councillor Laura Mayes – Cabinet Member for Children, Education & Skills**

**Key Decision: Non Key**

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### **Purpose of Report**

1. This report provides an interim six-month report to Cabinet regarding the performance of the Adoption Service within Wiltshire Council. It is a requirement of the condition of registration as described in 2014 Adoption Minimum Standards and 2013 Statutory Guidance that Cabinet is satisfied that the Adoption Agency complies with the conditions of registration, is effective and is achieving good outcomes for children.
2. Cabinet received the Annual Report for 2017-18 in July 2018, covering the period from 1 April 2017 to 31 March 2018.
3. There are two main areas of focus for the Adoption Service:
  - The timeliness of the assessment of adopters and their match with a child to be adopted, and
  - The timeliness of the adoption of children with complex needs.
4. This report includes brief information regarding the management of the Adoption Service, children who require adoptive placements and those who are placed, the recruitment and approval of adopters, the disruption of placements, children where the plan for adoption changes and the work of the Adoption Panel. There is information about the development of Adoption West.
5. It is recommended that the contents of this report are noted and accepted.

### **Relevance to the Council's Business Plan**

6. The Wiltshire Council Adoption Service supports a central priority of the Wiltshire Council Business Plan, to protect those who are most vulnerable. Two specific actions are:
  - To develop an outstanding Adoption Service for all children for whom adoption is in their best interest, and

- To work with voluntary sector partners to ensure that we offer and deliver a comprehensive array of adoption support services.
7. Adoption West became an Ofsted registered Adoption Agency in October 2018 and is scheduled to become fully operational in January 2019. This represents a delay from the initial anticipated go-live date, in 2018, because of the highly complex nature of the work required to secure the new Agency and the time taken to recruit a permanent Service Director.
  8. Some aspects of work, within the Adoption West remit, are developing closer alignment across the partnership, building on Adoption West Panels which began in October 2017. Until January 2019, Wiltshire Adoption Service remains responsible for the recruitment, assessment and support of adopters, matching them with children and providing adoption support. From January 2019, this set of responsibilities will formally move to Adoption West. The Council will retain some functions of an Adoption Service in respect of the children to be adopted and, therefore, it will remain as an approved Adoption Agency with reduced responsibilities.

### **Main Considerations for the Council**

9. The main consideration for the Council is to be assured about statutory compliance and the effectiveness of the Adoption Service. In 2017/18 22 children were adopted. Of these, 19 (86%) were placed within 12 months of the decision that adoption was in their best interest being made. In 2017/18 19 families were approved as suitable to adopt. Whilst this approval rate needs to increase to be able to provide adoptive families for the children who need them, this is a similar situation across Adoption West. What Adoption West does provide is a wider pool of approved adopters who can be accessed directly through the partnership.
10. In Quarters 1-2, 15 children were adopted, 13 (87%) were placed within 12 months of the decision that adoption was in their best interest being made. The two children falling outside this had complex needs. In this time, 13 families were approved as suitable to adopt
11. Wiltshire's current Adoption Scorecard is included, below, for information. The most recently published performance to March 2017 shows overall continued improvement. There are three key measures that are included:

#### **A1: the average time between a child entering care and moving in with its adoptive family, for children who have been adopted:**

- The local authority three-year average (2014-17) is 469 days. This is shorter than the three-year average of 545 days in 2013-16 and shorter than the England three-year average for 2014-17 of 520 days. The Scorecard shows steady improvement over time.
- Excluding two legacy cases the three-year average figure becomes 419 days for 2014-17
- The local authority figure for 2017-18 is 326 days, down from 445 in the previous year.

- Including Early Permanence (Fostering for Adoption) placements and legacy cases, locally reported data estimates the figure for 2015-18 as 392 days, a continued improvement on 469 days and a marked improvement on 545 days, remaining significantly less than the England average.

**A2: the average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family:**

- The local authority three-year average (2014-17) is 186 days. This is an increase on the three-year average of 158 days in 2013-16. Excluding two legacy cases this figure becomes 154 days for 2014-17.
- It remains shorter than the England three-year average of 220 days. Overall the Scorecard shows steady improvement over time.
- The local authority one year figure for 2017-18 is 126 days. In 2016-17 the figure was 221 days, excluding 2 legacy cases this figure becomes 144 days for 2016-17
- This includes 2 children adopted in May 2016 following protracted court proceedings, who were originally placed for adoption in 2014 with the placement orders being granted in 2011. One child has significant additional needs and the second experienced placement disruption prior to being matched with adoptive parents. In addition, 2 children were adopted by their foster carers whose adoption assessments needed to be completed once placement orders were granted. Three adoptive placements were found for a family of 7 children, meaning significant sibling contact was required.
- Including legacy cases where they remain in the three-year period, locally reported data estimates the figure for 2015-18 as 171 days. 2019-20 will be the final three-year average where these legacy cases will have an impact.

**A3: the number of children who waited less than 14 months between entering care and moving in with their adoptive family:**

- In the period 2017-18, there were 69% (85) of children who waited less than 14 months between entering care and moving in with their adoptive family. This is an increase from 48% (60) in the previous cycle when the measure was those who waited *less than 16 months*. The England three-year average (2014-17) is 53%. Locally reported data estimates the figure for 2015-18 as 94 children (73%). This shows steady improvement over time.

12. As indicated in the previous annual report, the most recent Scorecard three year averages relate to 2014-17, therefore there has been a further year of work taking place in Wiltshire which has produced the unverified averages described above. This data indicates that the three key measures have continued to improve, with the overall pace and trajectory of improvement being positive. There is significant improvement for indicator **A1** (which is showing an improvement of about 20%, meaning that more children are being placed in their adoptive placements in a shorter time after being received into care) and **A3** where there is an improvement of about 20 percentage points and in the context of a tougher definition (a reduction of two months each reporting year). This is good progress. The increase in **A2** includes two children who have been hard to place and who are now in adoptive placements, demonstrating commitment to seek secure,

permanent arrangements for all children where adoption is in their best interest.

13. There is robust tracking of children who require decisions that they should be placed for adoption, through to home finding, matching and the application for adoption order.
14. It is concerning that the number of families being approved as suitable to adopt has been low, with the increased risk that if the need for adoptive placements remains high, it may be harder to place children. This reflects a national and regional challenge, although some parts of Adoption West have reported stronger recruitment, bringing benefit to the wider Agency. Appropriate steps are being taken to increase the number of families being approved and an upturn in numbers can be seen through the approval process. It is anticipated that this rise will be reflected in the 2018/19 Adoption West Annual Report.
15. Despite this concern, there has not been an impact on timeliness to date, indicated in Scorecard, below. Improvements to processes have continued, to ensure that family finding starts at the earliest opportunity and that all activities are monitored and completed in a timely fashion. Previous practice had family finding beginning later in the child's journey with the resultant impact on timeliness. This work will continue in the coming year and into the development of Adoption West, making sure that best practice is recognised and delivered within Wiltshire and across the Adoption West area.
16. The full Scorecard is as follows:

# Adoption Scorecard

Choose Local Authority

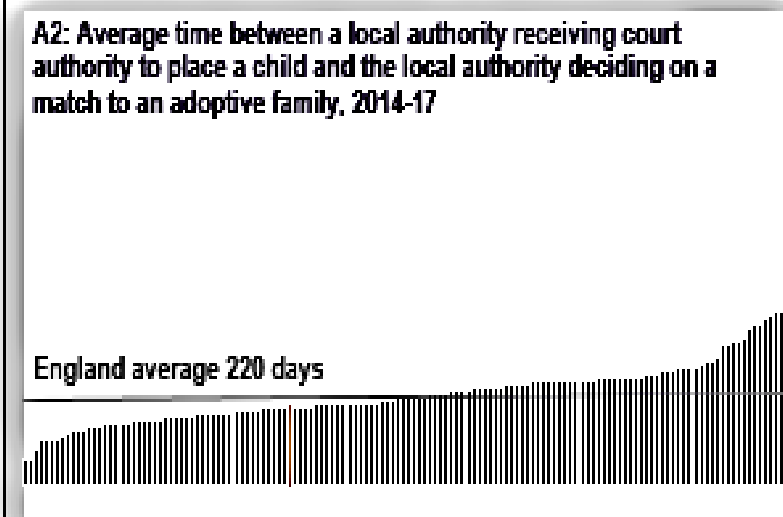
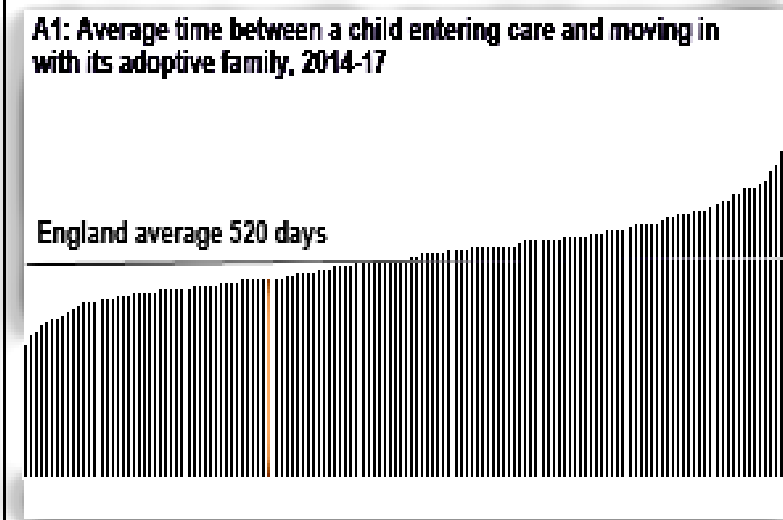
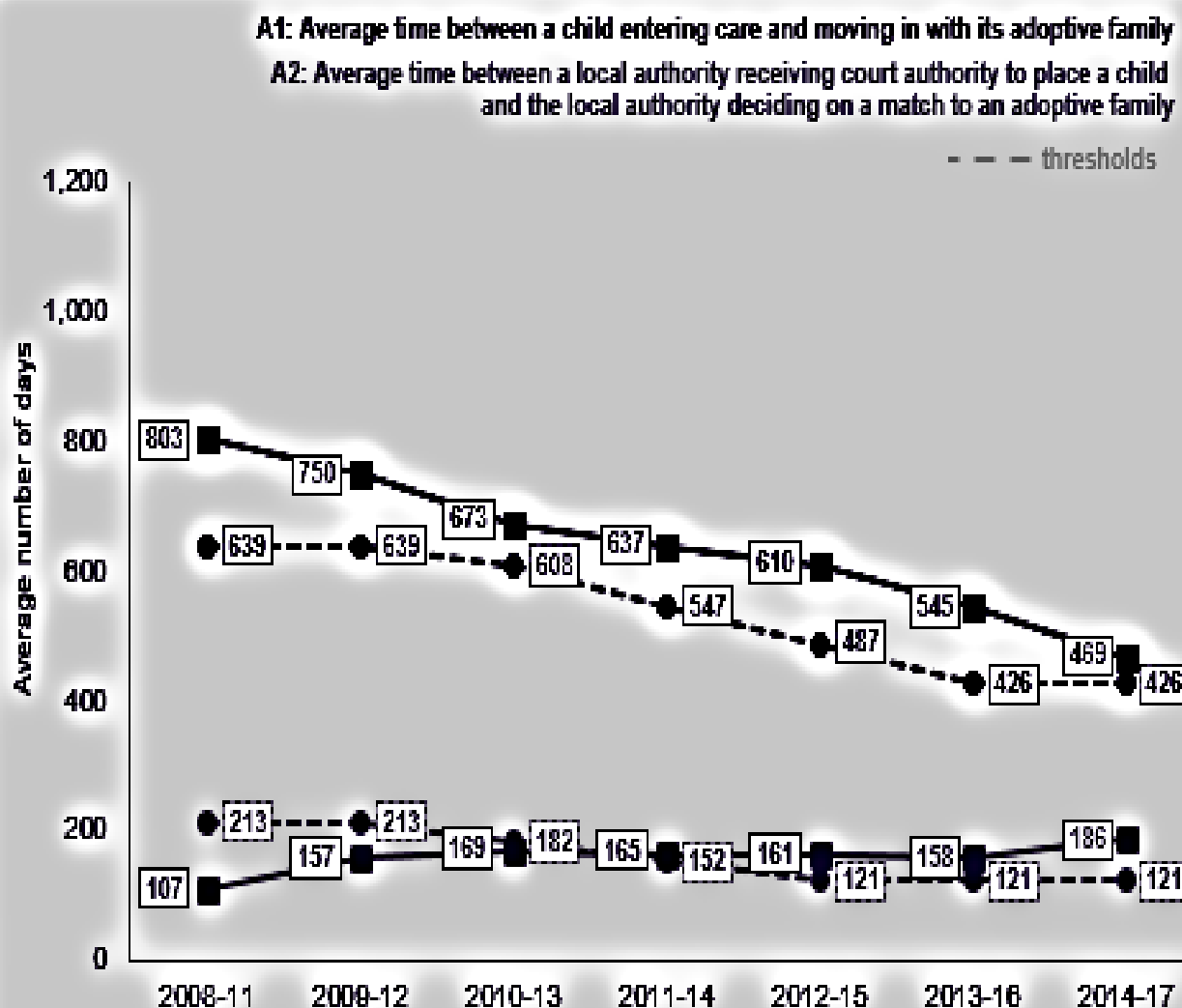
Wiltshire

See methodology and guidance document for further information

## Children

## Average time indicators

	A1: Average time between a child entering care and moving in with its adoptive family (days)	A2: Average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family	A3: Children who wait less than 14 months between entering care and moving in with their adoptive family (number and %)
LA's 3 year average (2014-17)	469	184	85 (69%)
Distance from 2014-17 performance threshold (426 and 121 days)	43 days	65 days	n/a
1 year trend - Improvement from 2016 to 2017	Average time in 2017 was longer than in 2016	Average time in 2017 was longer than in 2016	n/a
3 year trend - Improvement from 2013-16 to 2014-17	Average time in 2014-17 was shorter than in 2013-16	Average time in 2014-17 was longer than in 2013-16	n/a
England 3 year average (2014-17)	520	220	11120 (53%)



## Adopters

## Related Information

	Number of approved adoptive families waiting to be matched as at 31 March 2017	Number of applications to become an adoptive family still being assessed (not yet approved or rejected) as at 31 March 2017	Proportion of adoptive families who were matched to a child during 2016-17 who waited more than 3 months from approval to being matched	New ADM decisions				New placement orders granted				Adoption from care during 2014-17 (with % leaving care who are)	Children for whom the permanent decision has changed since from	Number of children waiting to be placed for adoption (as at 31 March 2017)	Number of children waiting to be placed for adoption with a placement order	A1 timeliness where times for children who are adopted by their foster family are stopped at the date the child moved in with the foster family (days) (2014-17)	Number of children in a Fostering / Concurrent / Planning foster placement	Adoption of children from ethnic minority backgrounds during 2014-17 (number adopted and % of BME children leaving)	Adoption of children aged five or over during 2014-17 (number adopted and % of children aged 5 or over leaving care who)	Average length of care preceding locally during 2014-17 (weeks)
				2016	2017	2016	2017	LA	England	LA	England									
LA	25	20	79%	30	35	30	25	80 (16%)	30 (19%)	20	10	402	0	5 (10%)	15 (5%)	27				
England	2,040	1,690	74%	LA 20% National -3%	LA -17% National -%	14410 (15%)	2880 (12%)	4,100	2,580	435	380	2210 (8%)	3130 (5%)	30						

17. Management arrangements and staffing have remained broadly as described in the Annual Report and are compliant with regulation in terms of qualification and experience. Significant support has been given to the development of Adoption West and the implementation of Adoption West adoption panels. A Service Director has been appointed to Adoption West. The appointee was the Wiltshire Adoption Team Manager and a successor Team Manager has also been appointed. In the interim, cover has been provided through a temporary arrangement.
18. The core task of the Adoption Service is to provide secure and stable adoptive placements for children who require legal permanence and are no longer able to remain living safely with their parents or other family members. Services have continued to be delivered by two teams within the Adoption Service:
- The Adoption Recruitment and Assessment Team
  - The Adoption Support Team
19. In addition, the Adoption Service is responsible for providing an intermediary service for adopted adults and birth relatives wishing to trace family members, for those wishing to trace adopted children, support for non-agency adoptions (typically step-parents wishing to adopt), and those wishing to adopt children from overseas. The Adoption Service is also responsible for providing support to Special Guardians; this work will not move to Adoption West at this time and so arrangements have been made to manage this work within the Wiltshire Council Fostering Service.
20. The establishment operational staffing of the Service (Recruitment and Assessment and Adoption Support) is unchanged from that described in the Annual Report. The Service is managed by a Team Manager. Staff will transfer to Adoption West via TUPE arrangements in January 2019, remaining as Wiltshire Council employees in the meantime. Consultation was carried out with staff and the Trades Unions. Wiltshire Council provides Human Resource support to Adoption West and so is well placed to support affected staff.
21. The Service continues to work to a 3-year development plan, supported by an adopter recruitment strategy, which was published in autumn 2016 and reviewed in 2017. This reflects the priorities of the Service and the key areas of improvement. This plan is monitored and refreshed and will be replaced by the Adoption West Development Plan and a new plan for the adoption responsibilities that remain within the Council.
22. The priorities of the 2016-17 3-year Adoption Service Development Plan include:
- Identification of suitable adoptive families without delay for children for whom adoption is in their best interest
  - Adopter recruitment and retention

- Provision of an effective and efficient home finding service
- Provision of an adopters' training pathway
- Promotion and continued development of Early Permanence for children
- Provision of an adoption support service that is responsive to the needs of adopters, special guardians, adopted children and their families
- Ensure that the Adoption Panel is effective
- Ensure that the Adoption Service is integral to the development of Adoption West

23. Adoption West is managed through the Governance Group which is supported by a Service Manager group

24. As required to be provided to Cabinet, brief performance information and commentary relating to Quarters 1-2 in 2017 is as follows:

**Profile of children waiting for an adoptive placement (at end of period)**

<b>Legal status</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Q 1-2 2018</b>
<b>Section 20</b>	0	0	1
<b>Interim Care Order</b>	7	17	21
<b>Care Order</b>	7	0	0
<b>None</b>	10	3	3
<b>Total</b>	<b>24</b>	<b>20</b>	<b>25</b>

<b>Ethnic Origin</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Q 1-2 2018</b>
<b>White British</b>	20	19	24
<b>Mixed/Other</b>	3	0	0
<b>White Irish</b>	0	0	0
<b>Other Ethnic Group</b>	1	1	1
<b>Total</b>	<b>24</b>	<b>20</b>	<b>25</b>

<b>Age</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Q 1-2 2018</b>
<b>0-11 months</b>	4	9	7
<b>12-23 months</b>	3	2	2
<b>2-4 years</b>	11	5	6
<b>5-10 years</b>	6	4	10
<b>11 and over</b>	0	0	0
<b>Total</b>	<b>24</b>	<b>20</b>	<b>25</b>

25. To be noted is that several children remained at home with birth family whilst subject to care proceedings with a care plan for adoption. This meant that other permanence options (such as Special Guardianship Orders) will be considered by the court for these children.

**Children adopted**

<b>Age</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Q 1-2 2018</b>
<b>0-11 months</b>	3	5	1
<b>12-23 months</b>	7	8	6

<b>2-4 years</b>	14	5	6
<b>5-10 years</b>	8	4	2
<b>11 and over</b>	1	0	0
<b>Total</b>	<b>33</b>	<b>22</b>	<b>15</b>

### Rescissions of Placement Orders and Disruptions

26. In 2017-18, 7 rescissions were made where the plan for the child moved away from adoption, leading to the rescission of Adoption and Placement Orders. Wiltshire Council applies rigorous scrutiny to care planning and it is inevitable that there will be developments in a case or a child's situation that means that adoption is no longer in that child's best interest; for example, a family member or parent can resume the care of a child where it had not previously been envisaged, a court may not grant a Placement Order but make a Special Guardianship Order instead or a plan will move to long term fostering, particularly for older children. In Q1-2, 1 rescission was made and there are a further 3 children who are currently in this rescission process.

27. During 2017-18, there were no adoption placement disruptions notified to the Adoption Service before an Adoption Order was made. In Q1-2, there have been no disruptions.

### Prospective adopters

	2016/17	2017/18	Q 1-2 2018
<b>Enquiries to be an adopter</b>	85	66	32
<b>Applications to be an adopter</b>	n/a	30	15
<b>Number of newly approved adopters</b>	26	18	10
<b>Application to approval:</b>			
<b>0-3 months</b>	3	0	0
<b>4-6 months</b>	15	3	3
<b>7-12 months</b>	7	13	4
<b>Over 12 months</b>	1	1	3
<b>Number approved adopters unmatched</b>	14	12	25
<b>Number approved adopters matched</b>	14	18	12

28. Of the 25 adopters, unmatched in Q1-2 and "waiting", 6 were linked and waiting to go to Adoption Panel for a match and 4 had withdrawn from wanting to adopt and required deregistration (briefly, the reasons were that two families experienced significant life changes, one became pregnant and one formally resigned after transition for a child broke down). This left 15 families actively looking to be matched with children. There were 10 children with Placement Orders waiting for placements at the end of Q2. Of these 8 children, 4 have subsequently had a change of care plan to long-term fostering; despite extensive searches for adoptive families, 2 had significant additional needs and all were aged 5 plus. The remaining 4 children have all been successfully linked and will be progressing to adoption panel in November 2019 (this includes one sibling group of two). All but one of the matches are with adopters from the Adoption West region.

### Financial summary of the agency

29. The table below indicates the current budget for the financial year 2018/19:



Adoption Team	2018/19 Budget (£)	2018/19 Forecast (£)	2018/19 Forecast Variance (£)
Salaries and team running costs	576,800	506,464	(70,336)
Adopter recruitment and training	17,000	12,124	(4,876)
Adoption allowances (all types)	610,600	888,130	277,530
Special Guardianship Allowances	1,654,700	1,585,681	(69,019)
Adoption income (from interagency placements)	(200,000)	(111,333)	88,667
<b>Total</b>	<b>2,659,100</b>	<b>2,881,065</b>	<b>221,965</b>

30. The overspend in the table above relates to an overspend on inter authority fees paid and a shortfall on budgeted inter authority income. It is thought this is the impact of many regional adoption agencies taking from their own larger pools rather than our pool of children. In year, this overspend is offset with underspends elsewhere in the Children in Care service.

31. Please note that from 1st March 2019, the service will be provided through the Regional Adoption Agency (RAA) Adoption West and under the terms of the agreement, approximately one twelfth of team costs above will be paid to the RAA to use as operating budget.

32. With effect from 1st April 2019, there will be a contract for services with the RAA but the local authority will retain the inter authority budgets and special guardianship budgets.

33. There are adoptive families who are financially supported:

	At 31 March 2017 Children/Carers	At 31 March 2018 Children/Carers	Q 1-2 2018
RO Allowance	14/11	11/10	11/10
Adoption Allowance	38/31	32/26	34/27
Other (SGO)	184/136	195/150	203/155
<b>Total</b>	<b>236/178</b>	<b>238/186</b>	<b>248/192</b>

### Adoption Panel

	2016/17	2017/18	Q 1-2 2018
<b>No. Panels held</b>	19	19 (inc AW)	8
<b>Adoptive families considered</b>	25	24* (including 4 assessed by other AW local authorities)	15 (including 2 assessed by other AW authorities)
<b>Matches considered</b>	31	36 (28 Wiltshire children and	14 (All Wiltshire children)

		8 from other AW local authorities)	
<b>Relinquished Children</b>	0	1 (Wiltshire child)	1 (Wiltshire child)
<b>Reviews of Adopters notified</b>	0	0	0

\* Two suitability assessments were considered by panel on 27.3.18 and their ADM decision was made in April. Therefore, they do not appear in the 2017-18 count.

33. During Quarters 1-2, the Adoption Panel complied with Regulation as described in the Annual Report. Appraisals for members have been held and Adoption West Training days are planned. The arrangement for Panel recommendations being considered by the Agency Decision Maker (ADM) is robust within Wiltshire Council. This responsibility will move to Adoption West in January 2019.

### **Next Steps and Recommendations**

34. It is important to continue the effective work of the Adoption Service during the period up to the full implementation of Adoption West in January 2019. In addition to normal activity, attention will be paid to the following:

- Through the chairing of the Governance Group and other means, maintain a high level of involvement in the development and implementation of Adoption West before and after implementation; considering the needs of children and adopters in Wiltshire, staff currently working in the local authority and other stakeholders
- Provide Early Permanence placements for children in partnership with Adoption West and continue to support them once they are provided by the new Agency.
- Use positive family finding practice (anonymised profiles, information days and events, Link Maker, child appreciation events) to ensure the effectiveness of the process to bring about timely identification of potential adoptive matches for children who require adoption
- In partnership with Adoption West, continue to ensure a sufficiency of adopters who can meet the diverse needs of the population of children requiring adoption in Wiltshire. A suitably diverse pool of approved adopters allows matching to begin early in the process, often before a Placement Order is made.
- In cases where it is recognised that the agency may struggle to match children with in-house prospective adopters, request Court consent to feature the children's profiles beyond Wiltshire's boundaries and be proactive in referring children to regional and national placement finding services once a Placement Order has been granted (sooner with the consent of the court)
- Continue to ensure that formal Disruption Meetings take place where adoption placements breakdown before Adoption Orders are made to consider key learning in to inform whole service improvement

## Background

35. The Adoption Service provides permanency for children who are no longer able to live safely with their parents or other family members. This is achieved through the provision of quality adoptive placements for children who live in Wiltshire and where a decision has been made that adoption is in their best interest.
36. The fundamental requirement of the Service is that children are placed with families who have been assessed as being suitable to adopt. A recommendation of suitability is made by an Adoption Panel and this is ratified as a decision by the Agency Decision Maker (ADM). Through this process, there is rigorous assurance that approved adopters can provide safe, secure and enduring family placements for this vulnerable group of children. This allows them to grow, develop and thrive in a nurturing, supportive and loving family environment, removed from the stigma of being Looked After by the local authority.
37. To do this, there must be an appropriate range of enduring adoption placements to meet the assessed needs of children who need permanent adoptive families. These families must promote stability, safety and positive outcomes for children by working in partnership with all agencies as required.
38. The legislative basis of this work is the Adoption and Children Act 2002 and the accompanying 2005 Regulations. From April 2018, Adoption West will be the regional adoption agency; Wiltshire will retain the functions of an Adoption Agency that relate directly to children's planning.
39. The local authority, through reporting to Cabinet, must be assured of regulatory compliance and effectiveness through performance monitoring, challenge and improvement planning.
40. The Adoption Service, working in partnership with Adoption West, continues to be able to recruit adopters for infants and younger children. Through a programme of recruitment, this will be maintained and the pool of adopters will be expanded to include those who can provide permanence for children who may be considered "harder to place". This group includes older children, sibling groups and children with disabilities. The Service is part of the South West Adoption Consortium (SWAC) which works regionally to identify matches for children across the area. Where necessary, children are also referred to the National Adoption Register (NAR) which provides national opportunity to identify adopters for children who cannot be placed locally. The authority subscribes to Link Maker, an online adopter-lead resource.
41. Adoption West is a Regional Adoption Agency involving six local authorities and a small number of locally operating Voluntary Adoption Agencies. This will provide a single Adoption Agency for the region in line with government requirement. Adoption West will have significant impact on outcomes for children as it will deliver a more effective regional response to adoption and the needs of children.

## **Safeguarding Implications**

42. Wiltshire Council Adoption Service is part of Children's Services, all of which are delivered in accordance with Wiltshire Children's Services Policy and Procedures, overseen by the Wiltshire Safeguarding Children Board. The local authority has clear and effective safeguarding procedures in place for children and vulnerable adults.

43. This report is for note by Wiltshire Council Cabinet.

## **Public Health Implications**

44. Not applicable - for note by Wiltshire Council Cabinet.

## **Corporate Procurement Implications**

45. Not applicable - for note by Wiltshire Council Cabinet.

## **Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

46. Not applicable - for note by Wiltshire Council Cabinet.

## **Environmental and Climate Change Considerations**

47. Not applicable - for note by Wiltshire Council Cabinet.

## **Risk Assessment**

48. Risks that may arise if the performance and management of the Adoption Service (and Adoption West) is not effective and it does not achieve good outcomes for children:

- Safeguarding risk to looked after children if they are placed with adopters who have not been fully assessed, prepared and supported. Safeguarding is considered a high-level risk within the corporate risk register.
- An inadequate supply of adopters to meet the needs of Wiltshire children requiring permanence through adoption.
- Reputational risk for the Council if the Agency (and Adoption West) is not effective and does not achieve good outcomes for children who require adoption.
- Reputational risk if statutory timescales are not met regarding adoption.
- Reputational risk if the Agency is rated as Inadequate through inspection.
- Financial risk if placements are made, are unstable and subsequently breakdown leading to children returning to local authority care.
- Looking ahead, there are risks associated with the safety and effectiveness of service delivery should the development and delivery of services through Adoption West not be robust.

Effective delivery of the Service and implementation of Adoption West, the improvement plan, reporting and challenge will mitigate these risks.

## **Risks that may arise if the proposed decision and related work is not taken**

49. See above. Not applicable - for note by Wiltshire Council Cabinet.

## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

50. See above. Not applicable - for note by Wiltshire Council Cabinet.

## **Financial Implications (MT for BH 131218)**

51. The budget and forecast expenditure is included in the table in paragraph 29 above, the service is forecasting an overspend which is 8% of the net budget. The shortfall in inter authority activity is offset slightly by the team having vacancies which are largely due to the forthcoming transfer to Adoption West and the overall forecast overspend offset by underspends elsewhere in the children in care service.

52. The cost of supporting an adopted child is less than the average cost of looking after a child in the care system and is often time limited as opposed to costs of care which extend to 18 years old and beyond. Cabinet has received information relating to the financial implications of Adoption West and the contribution that the Council will make to the new organisation. This annual report relates to the work of the Wiltshire Adoption Service and *not* Adoption West, the implementation of which does have financial implications.

## **Legal Implications**

53. It is a requirement of registration as an Adoption Agency that the Executive side of the Council receive regular written reports regarding the effectiveness, compliance and management of the Agency. It has been agreed that this will be in the form of an annual report and interim report and so it ensures that legal requirements are met. There are no additional legal implications arising.

## **Options Considered**

54. Not applicable - for note by Wiltshire Council Cabinet.

## **Conclusion**

55. Recent years have seen considerable change within the world of adoption and a focus on improving adoption performance. This has led to the need to review and develop services, amend policy and practice and so increase the effectiveness of the Wiltshire Adoption Service. At the heart of this is the belief that, for some children, adoption is the best route to legal permanence, security and the opportunity to achieve their potential. Wiltshire Council's Adoption Service is committed to improving service delivery and, therefore, outcomes for children. Adoption West will bring further significant change and improvement in coming years. The Council

is an Adoption West partner, working collaboratively and regionally to ensure a whole service approach to prevent delay in securing appropriate adoptive placements for children in a timely and safe way.

**Terence Herbert**  
**Corporate Director**

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November 2018

### **Background Papers**

The following documents have been relied on in the preparation of this report:

None

### **Appendices**

None

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**Wiltshire Council**

**Cabinet**

**15 January 2019**

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**Subject:                    Establishing a Local Housing company and local development company**

**Cabinet Member: Cllr Richard Clewer - Cabinet Member for Corporate Services, Housing, Heritage, Arts and Tourism.  
Cllr Philip Whitehead - Cabinet Member for Finance, Procurement, ICT and Operational Assets**

**Key Decision:            Key**

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## **Executive Summary**

The purpose of this report is to seek consideration of the establishment of a Council owned local housing company and a local development company.

## **Proposal(s)**

Cabinet are being asked to confirm:

1. The establishment of a local housing company as a company limited by shares initially set up as a wholly owned subsidiary of the Council
2. The establishment of a local development company as a company limited by shares initially set up as a wholly owned subsidiary of the Council
3. That the Council nominates the cabinet member for Corporate services, Housing, Heritage, Arts and Tourism and the cabinet member for Finance, procurement, ICT and operational assets, a member from the opposition party and the Corporate Director of Growth, investment and Place to the boards of both companies.
4. That the Council recruits an independent nominee to each board who has the requisite skills for each company
5. That the Council provides short term loan start up funding or services for the companies
6. That the Council provides loan finance of up to £ 50 million from 2019/20 to 2023/24 to the local housing company
7. That the Council agrees a provision of up to £ 5 million to fund equity investment and loan finance to the local development company from 2019/20 to 20123/24
8. That the provision of loan finance to the Local Housing company is subject to a nominations agreement with the Council.
9. That the Council will offer services to both companies.
10. That the detailed arrangements to establish the company and contracts for services provided by the Council is delegated to the Corporate

Directors, other than Corporate Director Growth, investment and place, in consultation with the Director of Legal and Democratic services (Monitoring Officer) and the Director of Finance and Procurement (section 151 Officer).

**Reason for Proposal(s)**

The proposal to establish a local housing company is aimed at providing residential accommodation in Wiltshire that can meet the wider strategic housing needs of the Council as well as generating a return for the Council. The proposal to develop a local development company is aimed at enabling Council land assets to be developed to meet the strategic economic and social needs of Wiltshire whilst maximising the return for the Council.

**Alistair Cunningham - Corporate Director Growth, Investment & Place**



**15 January 2019**

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**Subject:        Establishing a Local Housing Company and Local  
Development Company**

**Cabinet Member:    Cllr Richard Clewer - Cabinet member for Corporate  
Services, Housing, Heritage, Arts and Tourism  
Cllr Philip Whitehead - Cabinet Member for Finance,  
Procurement, ICT and Operational Assets**

**Key Decision:        Key**

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### **Purpose of Report**

1. The purpose of this report is to seek consideration of the Council supporting the establishment of a local housing company and a local development company.

### **Relevance to the Council's Business Plan**

2. The Council's business plan seeks to grow the economy and protect vulnerable people. The proposals in this report will provide the framework to enable the Council to meet the residential accommodation needs in Wiltshire in a flexible way as well as supporting development of the Council's assets to support the local economy.
3. The proposals directly support the Council's objective to operate in an innovative and effective way employing a commercial approach.

### **Background**

4. There are a range of strategic housing needs facing the Council that cannot be easily addressed by the Council's current approaches. The lack of key worker accommodation is impacting on the availability of services in parts of Wiltshire. Accommodation to meet the needs of specific vulnerable households in a timely manner from the existing housing stock in Wiltshire is not a priority for the Council's registered provider partners. The Council procures accommodation for homeless households that is costly and the quality and cost could be improved by private rented sector accommodation provided by a local housing company.
5. The Council has a successful programme of asset disposal. Over the next three years the Council estimates that it may be able to offer to the market sites capable of residential development which subject to planning permission could deliver over 500 units of accommodation. If the Council were to establish a local development company not only would it enable the strategic housing needs across the County to be better met it would also

increase the potential return that could be generated from the developments.

6. A number of Local Authorities have established wholly owned local housing companies and development companies and there is a track record and body of professional advice to help establish such bodies.

## **Main Considerations for the Council**

### **Local Housing company**

7. The Council has received professional advice as to the viability of a local housing company in Wiltshire. Due to the commercial nature of the assumptions and modelling the detail is contained in appendix one in the exempt part of this agenda. However, in summary the model is based on;
  - £ 10million loan finance from the Council per year for the next five years
  - Acquisition of existing properties across the county but split 40% of acquisitions in Salisbury, 30% in Trowbridge and 30% in Chippenham.
  - Rent set at Local housing allowance levels plus 10%
  - Management costs set at those achieved by the Council in managing its housing revenue account properties.
  - Industry standard allowances for maintenance, company administration.
8. The loan finance provided by the Council will be below commercial rates as rents to be charged by the company will be sub market and as such a state aid exemption can apply. The Council's loans would be secured by charges against the properties the company purchases. The Council will receive a margin on the loan finance provided. It may be that the Council will wish to provide services to the Company at start up safe in the knowledge that it could receive dividends in return as the company trading position improves. In addition, the Council may need to provide short term loan finance at start up of the company until the company's cash flow is sufficient to meet its costs.
9. The modelling shows that the Council's total loan can be repaid over a 50-year period based on a revolver loan arrangement employing surplus income to repay debt as shown in appendix one.
10. It is recommended that the Company structure is a company limited by shares wholly owned by the Council. There are standard model articles of association that can be considered and if appropriate can be used with or without modification as required. The Council will nominate directors to the Company board and care should be taken in avoiding conflict of interest for the nominees due to their position in the Council and their role as furthering the interests of the Company. The model articles allow for five directors. The recommended structure will allow the company to trade for profit and thus pay a dividend to its shareholder. It is recommended that the cabinet member for Corporate services, Housing, Heritage, Arts and Tourism and the cabinet member for Finance, procurement, ICT and operational assets, a member from the opposition party and the Corporate Director of Growth, investment and Place are nominated to the boards of both companies.

Given the nature of the company it is recommended that the Council should seek to recruit and nominate an independent director who has the relevant skills required for the company. The model articles provide the shareholder the ability to appoint and remove Directors. The model articles allow for remuneration of Directors as approved by the shareholder.

11. The Company will require a start-up funding loan from the Council before the properties are purchased and rents charged. In addition, the Council will provide services to the company at cost until it is economic for the company to contract or employ staff to undertake functions.
12. The Council will enter a nomination agreement with the company which will provide the Council with the ability to specify the type of property it would wish to nominate households for as well as first refusal on the letting of each property. The Council will wish to nominate households which will best achieve its overall strategic housing needs.
13. It will be for the company to determine rents to be charged albeit the Council's loan agreement will require rents to be sub market so as to provide protection from any state aid challenges.
14. The benefits for the Council in setting up the local housing company are;
  - The margin on loan finance
  - The sale of services from the Council to the company
  - The equity growth in the properties the Company purchases
  - The ability to meet accommodation needs for groups that are not easily addressed in the Council's allocation policy such as key workers or households with specific housing needs.
  - The proposal will relieve pressure from the Council housing register.

#### **Local development company**

15. The Council's asset disposal programme seeks to maximise the return for the Council by offering sites to the market for development. Although the Council employs mechanisms to ensure maximum return is secured the Council is limited in its ability to secure an element of development profit.
16. The Council has received professional advice concerning the viability of a local development company undertaking the development of Council owned assets. Due to the commercial nature of the assumptions and modelling the detail is contained in Appendix one in the exempt part of this agenda.
17. If the Council provided its assets to the company for development the Council would receive market value for its asset. Due to the commercial nature of the company the Council would provide loan finance to the company at commercial rates as no state aid exemption would apply. In addition, the Council has been advised that to protect any challenges of the provision of state aid to the Company from the Council it will be necessary for the Council to invest at least 40% equity into the company as that is the industry standard level of equity investment in residential developments. If

the value of the Council's land assets do not equate to the 40% equity there will be a need for the Council to directly invest in the development. The Council would receive a return from the development equivalent to its overall equity investment after the company's tax liabilities have been met as well as a margin on the loan finance. It will be necessary for the Council to consider the economics of supporting the development company to develop Council owned sites on a site by site basis compared to the return that could be generated from disposal on the open market. Appendix one contains a viability assessment setting out the added benefit that could be delivered if two Council owned sites were developed by the local development company as opposed to those sites being disposed on the open market.

18. It will be for the development company to determine the way in which the best return can be generated from the development and the Council's control will be limited to its statutory planning function. In the early life of the company it may want to purchase services from the Council which could be reflected in the equity investment.
19. It is recommended that the company structure is the same as for the local housing company and therefore it will be necessary for the Council to nominate at least five directors to the company board on the same basis as that recommended for the Local housing company.

### **Overview and Scrutiny Engagement**

20. A briefing was provided to the Financial planning task group on the 8<sup>th</sup> January 2019 concerning the proposals contained in this report.

### **Safeguarding Implications**

21. There are no immediate safeguarding implications from this report.

### **Public Health Implications**

22. The flexibility offered by a Local housing company in meeting the accommodation needs of vulnerable people may offer public health benefits.

### **Procurement Implications**

23. The report proposes establishing companies and as such there will be no procurement by the Council taking place. The companies will have to establish their own procurement and contracting arrangements.

### **Equalities Impact of the Proposal**

24. It is not considered that there is a direct equalities impact because of this report. The nominations to the local housing company will need to consider alongside the Council's ability to meet the housing needs via the Council's own housing stock and nominations to registered providers.

## **Environmental and Climate Change Considerations**

25. It is not considered that there is a direct environmental and climate change impact because of this report

### **Risks that may arise if the proposed decision and related work is not taken**

26. The proposal to establish a local housing company is aimed at meeting the strategic needs of the Council in terms of housing that are not currently met by existing approaches. In addition, the development company proposal aims to meet the Council's development ambition to strategically meet needs as well as maximise the return the Council can achieve from its assets.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

27. The proposals contained in this report aim at balancing risk and reward for the Council. For the Local housing company the risk facing the Council is that the company will not be able to repay the loan to the Council from its business plan. As the Council, will place a charge on each property that it provides loan finance for the risk is mitigated in that the Council could redeem its debt by the sale of the property. However, that action would be at the expense of the tenants and the Council would have to intervene to help them avoid homelessness.
28. The risk posed by the Local development company is that the development it undertakes does not realise a return which repays the Council's equity investment due to a downturn in the market. This risk could be mitigated by the local development company disposing the units to the Council to be contained in its housing revenue account if viable or leasing the development to the local housing company for market rent until the market conditions improve.
29. The Council has sought external professional advice on the viability of the companies, and legal implications.

## **Financial Implications**

30. The Council has sought professional advice as to the viability of a Local Housing Company and a Local Development Company.

Assumptions were developed with Savills based upon extensive market analysis and input into the models based on Wiltshire Council experience from its own Housing Stock, New Build programmes, Industry standard allowances and Savills experience.

The Local Housing Company has been modelled on the assumption of Loan Finance of £50 million over five years, circa £10 million per year from 2019/2020.

The model demonstrates that the Local Housing Company can repay the Loan to the Council over a 50 year period based on a revolver loan arrangement employing surplus income to repay debt.

The Council will receive a margin on the loan finance which will be provided to the Local Housing Company below commercial rates and secured against the properties the company purchases.

The Council may choose to provide services to the Local Housing Company either through sale of services or in return for future dividends.

The Council will need to provide start-up funding loan to set up the company and assist the company's cashflow until properties are purchased and leased at a level whether the company can cover its costs.

The major risk to the Council of setting up a Local Housing Company is that the company is unable to repay the loan. This will be mitigated by a charge against the properties.

The modelling undertaken has demonstrated that the Local Housing Company will be successful and repay the Loan over the 50 year period. This will generate an annual revenue return to the Council in the way of Loan margin.

Market factors outside of the Council and Company's control will need to be managed and rent strategy and service trading adjusted accordingly to ensure sustainability.

The Local Development Company has been modelled on the assumption of Loan Finance/Equity Investment of £5 million over five years.

The aim of setting up the Development Company is to ensure maximum return is generated for the Council's surplus sites, the Council through the Local Development Company will undertake development and secure an element of development profit in the form of a dividend.

The Council will provide assets to the Local Development Company at market value, and will receive a return from the development equivalent to its overall equity investments after the companies tax liabilities.

The Council will provide Loan Finance to the Local Development Company at commercial rates, generating a margin on the Loan Finance.

If the Land Value is less than 40% equity the Council will invest in the development up to this level to avoid any state aid issues.

The Local Housing Development Company may choose to purchase services from the Council either through sale of services or as part of equity investment.

The major risk to the Council, of setting up a Local Development Company is that the Development undertaken do not realise sufficient return to

repay the Councils equity investment due to downturn in the market or unexpected costs. This risk can be mitigated by disposing of the units to the Council to be held in either the Housing Revenue Account or Local Housing Company for market rent.

Savills and The Council modelled the review of two council owned sites.

The model showed an overall benefit of circa £2m from establishing a Local Development Company and developing the sites compared to land receipt.

The detailed arrangements for both companies will need to be developed and entered into ensuring the most efficient tax and return arrangements for the Council.

### **Legal Implications**

31. The General power of competence provides a wide power to the Council however it is subject to any existing statutory restrictions. Therefore, formation of a local Authority Company must have regard to the Ministerial oversight prescribed in Part V of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 and any borrowings must have regard to Part 1 of the Local Government Act 2003.

The formation of a development company to realise a return to the shareholder (by way of a dividend) also carries with it a risk of a loss which the Company must make up.

It is therefore recommended that specialist external legal and finance advisors are retained to ensure that these risks are minimised and that the final approval of documentation be taken in consultation with the Monitoring Officer and the section 151 Officer.

### **Options Considered**

32. The Council could provide loan finance to registered providers to meet specific housing needs in Wiltshire. However, the Council would not benefit from the ownership of the properties as is the case with a company which it wholly owns. Moreover, the Council would have to nominate households from its housing register in line with its allocation policy thus preventing more flexible allocations to meet specific housing needs such as those of key workers or those households with urgent housing need.
33. The alternative to the Council establishing a local development company to undertake development of its assets would be to procure a joint venture partner to undertake development. The Council has sought advice on this approach and the nature and size of the assets the Council will dispose is unlikely to be attractive to a partner and moreover a JV partner development, by its very nature would return a percentage of developer profit related to the equity the Council held in the partnership. The development company offers the Council the opportunity to receive dividends based on its equity investment net of tax. It is for these reasons a development company is proposed.

## **Conclusions**

34. The report recommends the establishment of a local housing company to; offer a flexible way to meet strategic housing needs of the Council, and generate a margin on loan finance offered. It also recommends establishing a local development company to; maximise the return from the disposal of Council assets including equity investment and generate a return on loan finance whilst meeting strategic development objectives.

## **Alistair Cunningham - Corporate Director Growth, Investment & Place**

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Report Author: Simon Hendey Director of Housing and commercial development

11<sup>th</sup> December 2018

## **Appendices**

Appendix One – modelling of LHC and LDC.

## **Background Papers**

The following documents have been relied on in the preparation of this report:

Report from Savills on viability of Local housing company and local development company.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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