

AGENDA

Meeting: **Cabinet**
Place: **Council Chamber - Council Offices, Monkton Park,
Chippenham, SN15 1ER**
Date: **Tuesday 24 September 2013**
Time: **10.30 am**

Membership:

Cllr Keith Humphries	Cabinet Member for Public Health, Protection Services, Adult Care and Housing (exc strategic housing)
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economy, Skills and Transport
Cllr Jane Scott OBE	Leader of the Council
Cllr Jonathon Seed	Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)

Please direct any enquiries on this Agenda to Yamina Rhouati, of Democratic Services, County Hall, Trowbridge, direct line 01225 718024 or email Yamina.Rhouati@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

Part I

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

1 **Apologies**

2 **Minutes of the Previous Meeting** (*Pages 1 - 14*)

To confirm and sign the minutes of the Cabinet meeting held on 23 July 2013.

3 **Declarations of interest**

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

4 **Public participation**

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. Written notice of questions or statements should be given to Yamina Rhouati of Democratic Services by 12.00 noon on 20 September 2013. Anyone wishing to ask a question or make a statement should contact the officer named above.

5 **Leader's announcements**

Policy

6 **Wiltshire Council's Business Plan for 2013-17** (*Pages 15 - 18*)

Report by the Leader of the Council and Corporate Directors.

HR and Organisational Development

7 **Proposed Senior Management Restructure**

Report by Barry Pirie, Service Director, Human Resources and Organisational Development

As the consultation period on the restructuring proposals does not expire until 20 September, a supplementary report will be circulated at the meeting.

8 **Transformational Leadership** (*Pages 19 - 34*)

Report by Barry Pirie, Service Director, Human Resources and Organisational Development.

Adult Social Care

9 **Winterbourne View Stock-take** (*Pages 35 - 54*)

Report by James Cawley, Service Director – Adult Care and Housing Strategy

10 **Help to Live at Home: Appointment of Contractors** (Pages 55 - 60)

Report by James Cawley, Service Director – Adult Care and Housing Strategy

Public Health

11 **Public Health Annual Report 2012/13** (Pages 61 - 62)

Report by Maggie Rae, Corporate Director

Copies of the Annual Report are enclosed separately for members of Cabinet, available on our website along with this agenda or available on request, contact details above.

Economic Development

12 **Military Civilian Integration Programme** (Pages 63 - 72)

Report by Carolyn Godfrey, Corporate Director

Financial Services

13 **Report on Treasury Management** (Pages 73 - 86)

Report by Michael Hudson, Service Director - Finance.

14 **Revenue Budget Monitoring - Period 5** (Pages 87 - 106)

Report by Michael Hudson, Service Director - Finance.

15 **Supply of Energy, Electricity and Gas** (Pages 107 - 122)

Report by Michael Hudson, Service Director – Finance and Jacqui White, Service Director – Business Services.

16 **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 be excluded because of the likelihood that exempt information would be disclosed

17 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 Numbers 18 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 the items in private:

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

18 Supply of Energy, Electricity and Gas (Pages 123 - 196)

Report which contains exempt information as referred to in Item 15 above.

19 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 20 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).

20 **Proposed Extension to Waste and Recycling Collection Contract (Pages 197 - 204)**

 Confidential Report by Tracey Carter, Service Director - Waste Management Services.

The items on this agenda reflect the key goals of Wiltshire Council, namely 'Work together to support Wiltshire's Communities', 'Deliver high quality, low cost, customer focused services and 'Ensure local, open, honest decision making'


This page is intentionally left blank

CABINET

MINUTES of a MEETING held in COUNCIL CHAMBER - COUNCIL OFFICES,
MONKTON PARK, CHIPPENHAM, SN15 1ER on Tuesday, 23 July 2013.

Cllr Keith Humphries	Cabinet Member for Public Health, Protection Services, Adult Care and Housing (exc strategic housing)
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economy, Skills and Transport
Cllr Jane Scott OBE	Leader of the Council
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)

Also in Attendance: Cllr Richard Britton, Cllr Allison Bucknell, Cllr Christine Crisp
Cllr Peter Edge, Cllr Peter Evans, Cllr Richard Gamble
Cllr Jon Hubbard, Cllr Peter Hutton, Cllr David Jenkins
Cllr Julian Johnson, Cllr Simon Killane, Cllr Gordon King
Cllr Jerry Kunkler, Cllr Magnus Macdonald, Cllr Alan MacRae
Cllr Jemima Milton, Cllr Bill Moss, Cllr Roy While
Cllr Philip Whitehead

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

54 Apologies

Apologies were received from Cllr Laura Mayes, Cabinet member for Children's Services and Cllr Jonathon Seed, Cabinet member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding.

55 Minutes of the Previous Meeting

The minutes of the meeting held on 18 June 2013 were presented.

Resolved:

To approve as a correct record and sign the minutes of the last meeting held on 18 June 2013.

56 Leader's announcement

Royal Birth

The Leader congratulated HRH the Duke of Cambridge and HRH the Duchess of Cambridge on the birth of their son on 22 July 2013. A joint letter from the Leader and Chairman of Council on behalf of Council would be sent to the royal couple to congratulate them and to say how pleased the Council was to hear of his safe arrival.

57 Declarations of interest

There were no declarations of interest.

58 Public participation

The Leader confirmed that as usual she would be happy to allow participation on any of the items listed on the agenda by members of the public present.

Cllr Hubbard expressed concern that some of his members had not as requested been given copies of the confidential part II report for this meeting and that one of his members had not as requested received a copy of the agenda. He appreciated that he had been given a copy of the Part II report on 19 June (along with other group leaders) but was only given a further 3 copies for his members shortly before the meeting. Whilst acknowledging he was an opposition group member, he considered that sharing information with the opposition was essential to enable them to robustly challenge proposals and therefore ensure good governance in decision making.

The Leader explained that she was aware that reference to the part II report had been posted to a liberal democrat website with an alarmist headline. She considered this to be unnecessarily unsettling to staff which was not only irresponsible but totally unacceptable. She considered that Councillors should despite political differences, above all act in the best interests of the Council.

The Monitoring Officer confirmed that confidential material could be provided to Councillors on request and on a need to know basis. He accepted that sharing information contributed to good governance but that confidentiality needed to be maintained in the best interests of the Council. He would be happy to review processes to ensure we were achieving the right balance between good governance and protecting the Council's position.

During the course of discussion later in the meeting, it was agreed to review processes through the Group Leaders.

59 **Wiltshire Council's Draft Business Plan for 2013-17**

Public Participation

Mr Brian Warwick, Chairman of the Melksham Seniors Forum addressed Cabinet on this item. He considered that the reference to tourism in the Plan should be strengthened, welcoming the comments of Scrutiny in this respect. The Leader confirmed that the point made by Scrutiny had been accepted. Cllr Fleur de Rhé Philipe, Cabinet member for Economy, Skills and Transport also referred Mr Warwick to the work of Visit Wiltshire.

The Leader presented the draft Business Plan for 2013-17 for Cabinet's consideration having regard to the views of Scrutiny before being recommended to Council for adoption at its extraordinary meeting called for that purpose on 3 September 2013.

The Plan gave an account of how the Council would manage the changes and challenges over this period. It focused on how the Council would continue to work with its communities and partners to protect those who were most vulnerable, to boost the local economy and to bring communities together to enable them to do more for themselves.

The Plan explained how the Council would deliver its shared vision, namely to create stronger and more resilient communities. The Leader referred to the various initiatives already implemented and those planned for the future which were innovative and ground breaking and would see the Council working more closely with its partners and sharing resources to meet the continued financial challenges.

To provide focus, the Plan set out the following 12 key actions to be delivered over the next four years:

- *Invest additional money between 2014 – 2017 to reduce the historic backlog in highway maintenance;*
- *Stimulate economic growth and create additional jobs in partnership with the LEP;*
- *Further enhance the role of Area Boards, developing innovative community led approaches to designing and delivering services;*
- *Improve the attainment, skills and achievement of all children and young people;*

- *Support the most vulnerable in our local communities and improve our safeguarding services;*
- *Invest to refurbish council housing and encourage the development of new affordable homes, including supported living in rural areas;*
- *Build on the work of the Military Civilian Integration Programme and maximise benefits arising from the Army Basing Plan;*
- *Delegate cost neutral packages of land, services and assets to town and parish councils;*
- *Create a campus opportunity in each of the 18 community areas;*
- *Integrate public health at the heart of all public services;*
- *Do things differently to deliver at least £120 million of savings over the next four years and*
- *Develop the leadership, knowledge, skills and expected behaviours of our managers and staff.*

The most important thing was that the Plan reflected the most important aspect which was to continue to support the people of Wiltshire and provide the services they needed and wanted and to continue to make Wiltshire a great place in which to live, work and visit.

The Business Plan had been subject to scrutiny by the Overview and Scrutiny Management Committee with detailed scrutiny undertaken by the individual Select Committees, each focusing on their respective disciplines. A meeting of the Chairmen of the Select Committees had co-ordinated the comments into one report.

Cllr Simon Killane, Chairman of the Overview and Scrutiny Management Committee explained that there had been good scrutiny of the Plan. He thanked the members of Scrutiny for their work in scrutinising the Plan so diligently in the time available and officers for their support. He presented the Scrutiny report together with an appendix of comments and suggested amendments for Cabinet's consideration. A summary of the Cabinet and CLT's response to these comments and suggested amendments was tabled at the meeting.

Cllr Killane and other Councillors commented that they had expected to see a revised Plan incorporating the views of Scrutiny. Corporate Director, Maggie Rae explained that these would subject to what was agreed at this meeting, be incorporated and circulated to Councillors. This it was felt would preserve an audit trail of the scrutiny comments.

Cllr Jon Hubbard welcomed the Plan accepting that a lot of it was indeed very good. He considered that Scrutiny should have an opportunity to review the

Plan as revised before progressing to Council. It was agreed to circulate the revised Plan as soon as possible and hopefully by the following day.

The Leader thanked Scrutiny for its contribution to the development of the Plan and answered Councillors' points of detail. She explained that between now and the Council meeting, the Plan would benefit from editing and design to ensure an easy to read format. It would also include a credit sized summary that would be a useful handout for Councillors, staff and the public.

Resolved:

- (a) To note the draft Business Plan as presented.**
- (b) To note the report of Scrutiny detailing their comments and suggestions and to thank Scrutiny for its work.**
- (c) To accept the report circulated at the meeting as Cabinet and the Corporate Leadership Team's responses to the comments and suggestions put forward by Scrutiny.**
- (d) That the draft Business Plan be revised to incorporate the responses referred in (c) above and be circulated to all members of the Overview and Scrutiny Management and Scrutiny Select Committees to give them an opportunity to consider the final draft Plan before being presented to Council.**

Recommended to Council

That the Draft Business Plan as revised be presented to Council for adoption at its extraordinary meeting on 3 September 2013 together with any further comments from Scrutiny.

Reason for decisions

To enable Cabinet to fully consider the draft Business Plan, to review feedback from Scrutiny and to recommend a final draft to Council. The Business Plan would enable the Council to set its strategic direction, priorities and key actions for the next four years.

60 Annual Governance Statement

Cllr Dick Tonge, Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform presented a report which asked Cabinet to consider a draft Annual Governance Statement (AGS) for 2012-13 before final approval was sought from the Audit Committee on 4 September 2013.

Cabinet noted that the Council was required as part of its annual review of the effectiveness of the governance arrangements, to produce an AGS for 2012-13.

This would be signed by the Leader of the Council and the Corporate Directors after final approval by the Audit Committee on 4 September 2013. The AGS would form part of the Annual Statement of Accounts for the same period.

The AGS had been considered initially by the Audit Committee at its meeting on 18 June with the resulting minute presented to Cabinet which indicated one minor amendment to the AGS being made. The AGS had also been considered by the Standards Committee at its meeting on 10 July where it had been accepted without any suggested amendment.

Resolved:

- a) **That having considered the draft Annual Governance Statement, that Cabinet notes and accepts it as presented with no recommended amendments.**
- b) **Note that the draft Annual Governance Statement would be revised in the light of the comment by the Audit Committee and acceptance of it as presented by Cabinet and the Standards Committee and ongoing work by the Governance Assurance Group before final consideration by the Audit Committee on 4 September 2013 and publication by 30 September 2013.**

Reason for decision

To prepare the Annual Governance Statement 2012-13 for publication in accordance with the requirements of the Audit and Accounts Regulations 2011.

61 Strategic Partnership with Wiltshire Police

The Leader presented a report which updated Cabinet on progress with the creation of a strategic partnership with Wiltshire Police and the Office of the Police and Crime Commissioner, outlined the next steps and sought delegated authority where this was necessary to progress further.

The Leader explained that as referred to in the draft Business Plan, this was very much about public services working together to reduce their respective costs especially in these financially challenging times for the public sector. A number of support services common to both organisations would be capable of being shared.

Deputy Chief Constable Mike Veale attended the meeting for this item. He considered that the only way to manage the financial challenges being faced similarly by the Police was to be innovative in the approach to service delivery. He and the Chief Constable felt strongly that proposals would not affect the integrity of operational policing or police branding. Collaboration in the ways being proposed he said would ensure protection of front line services and the quality of those services whilst maintaining individual responsibility. It would

also allow for seamless joint working where necessary to work more efficiently and effectively.

The Leader considered the proposals to be very innovative and would be followed nationally with interest. She thanked Deputy Chief Constable Mike Veale, Service Director for Transformation, Mark Stone and Head of Transformational Change, Julie Anderson-Hill and their teams for all their continued hard work on this ground breaking project. The Leader and officers responded to points of specific detail.

The Leader explained that having reviewed the governance arrangements of the Transformation Board and in the interests of transparency and open and honest decision making, she proposed to establish a Cabinet Committee on Transformation. It was envisaged that subject to any legal and constitutional constraints, the Committee would involve representatives from partner organisations.

Councillors welcomed the proposals. Cllr Jon Hubbard considered the report to be very positive, had no doubt that integrated working arrangements would lead to improvements and was pleased to hear that consideration was being given to also working with other partners.

Resolved:

That Cabinet:

- a) **note the significant progress that has been made between Wiltshire Council, Wiltshire Police and the Office of the Police and Crime Commissioner towards creating a Strategic Partnership;**
- b) **confirm its commitment to working within this Strategic Partnership to reduce the total support costs incurred by Wiltshire Council and Wiltshire Police;**
- c) **confirm that work should commence on the integration of shared services and that this should include the use of a mini-systems and transformational review in each area to drive the design of the future service;**
- d) **delegate the final approval of the design, timing and any required staff transfer arrangements for each individual area to Dr Carlton Brand following consultation with the Leader of Council, after taking advice from the Solicitor to the Council and**
- e) **to note the Leader's intention to establish a Cabinet Committee on Transformation.**

Reason for decision

To allow the ongoing development of the strategic partnership in a rapid, but appropriate manner, in support of the Police and Crime Plan and the Council's Business Plan. Full details of reasons as detailed in the report presented.

62 **Progress Report on Help to Live at Home Service**

Public Participation

Mr Brian Warwick, Chairman of the Melksham Seniors Forum addressed Cabinet on this item. He welcomed proposals before Cabinet and agreed with the approach to discuss making care a safe and professional career path with local colleges and universities.

Cllr Keith Humphries, Cabinet Member for Public Health, Adult Social Care and Housing presented a report which updated members on the Help to Live at Home service in the light of Aster Living's decision to terminate contracts in three of the eight contract areas. These contracts involved 600 customers, 33 sheltered housing schemes and approximately 200 Aster staff.

Cabinet was advised of arrangements to retender the contracts and to divide the 3 contract areas into smaller manageable lots to overcome difficulties encountered on the current contracts.

The report also highlighted the link between well paid staff and good quality care. The Help to Live at Home aspiration was to develop a professional care workforce with salaried staff and clear career pathways; to remove zero hour contracts whereby the employee was only paid for the time spent with clients rather than when they actually started and finished work.

Cllr Milton, Portfolio Holder for Adult Care and Public Health explained the need to work with Colleges and young people to make the caring industry attractive as a career path by making the staff well paid and valued.

Cllr Humphries responded to questions. The Leader agreed that a key factor in driving up standards of care was to adopt measures to make the caring sector a professional, well paid, well trained, respected and attractive career proposition.

Resolved that Cabinet:

- a) **notes the steps being taken to award three contracts for the provision of care and support services in Wiltshire and**
- b) **supports the position that the Council is looking to promote by valuing the domiciliary care workforce and ensuring domiciliary**

care providers reward staff appropriately, recognising the link between well valued staff and quality care.

Reason for decision

A tendering process is required due to the termination of three contracts with the Council for the provision of Help to Live at Home services in South and East Wiltshire. This termination comes into effect on 28 September 2013. Work is well underway to re-let these contracts to ensure customers receive continuity of care.

63 Future Service Delivery Model for Waste Management 

Cllr Toby Sturgis, Cabinet Member for Strategic Planning, Development Management, Strategic Housing and Waste presented a report which sought a decision from Cabinet on whether to deliver the waste and recycling collection service in-house or to invite tenders for the service.

Cabinet noted that the current main contract was due to terminate in 2016 and the current contract covering the West Wiltshire area was due to terminate in 2014 with an option to extend to 2016.

Details of the various elements of the waste and recycling service were presented together with the options available for the future delivery of the service within the context of the Council's Waste Management Strategy, details of which were also presented. Cllr Sturgis recommended options (i) (b) and (iii) of the report which essentially would mean inviting tenders for the service.

The report had been the subject of consideration by a specially convened meeting of the Environment Select Committee on 18 June. Cllr Peter Edge, Vice-Chairman of the Select Committee who had chaired the meeting expressed disappointment that the report had only been made available to his Committee at the time of being made available to Cabinet. He was concerned that receiving reports late could compromise Scrutiny's ability to thoroughly scrutinise proposals.

Cllr Simon Killane, Chairman of the Overview and Scrutiny Management Committee echoed these comments suggesting that arrangements should be made to provide proper and timely engagement with Scrutiny. The Leader suggested that this was something which could be looked into by Cllr Killane, Corporate Director Dr Carlton Brand and the Designated Scrutiny Officer, Paul Kelly.

Cllr Sturgis explained that the report which was quite complex in nature had been made available to Cabinet as well as the Committee and all other members as soon as it had been completed and could not therefore have been provided any earlier.

Cllr Edge presented a report which documented the views and recommendations of the Select Committee as follows:

'The Committee wishes to offer endorsement of the general contents of the report and recommends that:

The wording in the proposals of the Cabinet report on pages 3 and 5 be amended to recommend that Cabinet invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:

- 1) to include provision of a co-mingled collection of dry recyclable material with separate collection of glass;*
- 2) to include provision of a kerbside sort collection of dry recyclable material.*

And upon receiving more details make a determination on whether to deliver services in-house or to pursue the tender further at a future date'.

Cllr Sturgis explained that due to time constraints, it would not be possible to delay making a decision. Furthermore, the tender documentation would make it clear that the Council would not be obliged to accept a tender. Costs would be considered as part of the evaluation of tenders received.

Cllr Sturgis answered questions and responded to points of detail. He also thanked Tracy Carter, Service Director for Waste Management Services for her hard work in putting together such a comprehensive report.

Resolved:

That Cabinet agrees to:

- (a) invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:**
 - to include provision of a co-mingled collection of dry recyclable material with separate collection of glass**
 - to include provision of a kerbside sort collection of dry recyclable material;**
- (b) invite tenders for the following waste management services as three lots at the same time as inviting tenders as in (a) above:**
 - (i) landfill capacity or landfill diversion capacity for residual waste (excluding the treatment of residual waste under the contracts with Hills Waste Solutions for diversion of waste**

from landfill to the Lakeside Energy from Waste plant and the Northacre mechanical biological treatment plant)

- (ii) garden waste composting capacity
- (iii) transfer stations, wood waste treatment, servicing household recycling centres and materials (including plastic) recovery facility capacity for two options:
 - the sorting of co-mingled dry recyclable material
 - the sorting of co-mingled plastic and the bulking of other dry recyclable materials

(to include a percentage share of income from the sale of recyclable materials).

Reason for decision

To enable the council to maintain service delivery for residents and chargeable waste customers, to comply with its statutory duties to collect and dispose of waste and to continue to progress towards achieving statutory targets once existing contracts expire.

64 **Proposed Alignment of Senior Management Structure to the new Business Plan**

The Leader presented an executive summary which explained proposals to align the senior management structure of the Council to reflect the emerging Business Plan for 2013-17 as considered earlier in the meeting (minute no.59 refers).

The proposed structure if approved would be implemented following adoption of the Business Plan by the Council. Details of the structure would be considered under Part II of the meeting as it referred to individuals or post holders.

Resolved:

That Cabinet considers the proposed review of the senior management structure in line with the draft business plan 2013-17.

Reason for decision

The new draft business plan reflects the challenges and changes that the council faces in the next four years. It has evolved from being service specific and focusing on protecting the most vulnerable in our communities, investing in services and making savings; to a themed based focus that will continue to protect the most vulnerable, boost the local economy, do things differently

through being more innovative and deliver further savings. The proposed senior restructure will align posts to reflect the business plan 2013 - 2017.

65 Urgent Items

There were no urgent items.

66 Exclusion of the press and Public

Having complied with paragraphs 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in respect of the intention to take the following item in private,

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 following item of business because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 and 2 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:

Exempt paragraph 1 - information relating to any individual

Exempt paragraph 2 – information which is likely to reveal the identify of an individual

No representations had been received as to why the item should not be held in private.

67 Proposed Alignment of Senior Management Structure to the new Business Plan

The Leader explained that alongside consideration of the draft Business Plan, it was also necessary to review the senior management structure of the Council. The resulting structure would provide the necessary resources to the Corporate Leadership Team comprising the 3 Corporate Directors to deliver the Business Plan.

It was explained that the non-executive aspects of the restructuring exercise would be considered by the Staffing Policy Committee. Cllr Allison Bucknell, Chairman of the Staffing Policy Committee requested that the Committee's consideration of the item be preceded with a presentation by the Corporate Directors on the underlying principles of the restructuring to assist the Committee in its deliberations.

Resolved:

- a) **That Cabinet approve the proposed senior management restructuring as presented for the purposes of consultation and referral back to Cabinet at its meeting on 24 September 2013.**
- b) **To note that the Staffing Policy Committee would be considering the non-executive aspects of the restructuring at its meeting on 4 September 2013.**
- c) **That Corporate Directors be requested to prepare a timetable for Group Leaders in respect of the restructuring (linked with consideration and approval of the Business Plan) which would also include a timeframe for scrutiny to be able to comment on the restructuring proposals.**

Reason for decision

The new draft business plan reflects the challenges and changes that the council faces in the next four years. It has evolved from being service specific and focusing on protecting the most vulnerable in our communities, investing in services and making savings; to a themed based focus that will continue to protect the most vulnerable, boost the local economy, do things differently through being more innovative and deliver further savings. The proposed senior restructure will align posts to reflect the business plan 2013 - 2017.

(Duration of meeting: 10.30am – 1.10pm)

These decisions were published on the 29 July 2013 and will come into force on 6 August 2013
--

The Officer who has produced these minutes is Yamina Rhouati, of Democratic Services, direct line 01225 718024 or e-mail yamina.rhouati@wiltshire.gov.uk
Press enquiries to Communications, direct line (01225) 713114/713115

This page is intentionally left blank

Wiltshire Council

Cabinet

24 September 2013

Subject: Wiltshire Council's Business Plan for 2013-17

Cabinet member: Councillor Jane Scott OBE, Leader of the Council

Key Decision: No

Purpose of Report

1. To launch the public version of the council's business plan for 2013-17.
This includes;
 - a. A keepsake that summarises the councils, vision, priorities and actions for the next 4 years
 - b. A Young People's version of the business plan and keepsake that summarises the council's priorities and actions for young people.

Background

2. The business plan is an important document which sets the strategic direction of the council, its vision, goals, outcomes and objectives for the next four years.
3. The plan is designed to enable the council to be flexible and responsive over the next four years.
4. The plan sets out the council's vision to **create stronger and more resilient communities** which will continue to underpin the work and provides a clear focus for our three key priorities and twelve actions that we will deliver over the next four years;
 - to continue to protect the most vulnerable in our communities
 - boost the local economy, creating and safeguarding jobs
 - encourage communities to come together and provide support so they can do more for themselves
 1. Invest additional money between 2014-17 to reduce the historic backlog in highways maintenance
 2. Stimulate economic growth, including tourism, and create additional jobs in partnership with the LEP
 3. Further enhance the role of area boards, developing innovative community-led approaches to designing and delivering services
 4. Improve attainment, skills and achievement of all children and young people

5. Support the most vulnerable in our local communities and improve our safeguarding services
 6. Invest to refurbish council housing and encourage the development of new affordable homes, including supported living in rural areas
 7. Build on the work of the Military Civilian Integration Partnership and maximise the benefits of the Army Rebasing Plan
 8. Delegate cost neutral packages of land, services and assets to town and parish councils
 9. Create a campus opportunity in each community area
 10. Integrate public health at the heart of all public services
 11. Over the next 4 years our funding from central government will reduce by £22 million. Service pressures and inflation costs will be around £100 million. We plan to realign £100 million to deliver our priorities
 12. Develop the knowledge, skills, behaviours & leadership of our workforce, managers and councillors
5. The keepsake will promote the above vision, priorities and actions, along with how to contact the council via all channels including Twitter accounts and Facebook.

Young People's Business Plan

6. This plan and a keepsake has been written and designed for young people by young people. It has been written to communicate the vision, priorities and key actions and what these mean to young people.
7. The keepsake outlines how young people can communicate with the council.

Communications Plan

8. A detailed communication plan has been developed to support the publication and distribution of the business plans and keepsakes. The keepsake will be inserted into the autumn version of 'Your Wiltshire' magazine which will be distributed to every household in Wiltshire. It will also be distributed to all councillors and staff.
9. The Young People's version will be distributed to all key groups and organisations, as well as the Children's Trust Board.

Cllr Jane Scott OBE
Leader

Dr Carlton Brand Carolyn Godfrey Maggie Rae
Corporate Directors

Report Authors:

Robin Townsend, Interim Director, Executive Office –

robin.townsend@wiltshire.gov.uk

Laurie Bell, Communications Director – laurie.bell@wiltshire.gov.uk

Date of report: 13 September 2013

Background Papers - None

Appendices –

Business Plan 2013-17

A summary of the council's, vision, outcomes and actions

A Young People's version of the Business Plan

A summary of the council's vision, outcomes and actions written to appeal to Young People

This page is intentionally left blank

Wiltshire Council

Cabinet

24 September 2013

Subject: **Transformational Leadership**

Cabinet member: **Cllr Stuart Wheeler- Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services, HR, Legal, ICT, Business Services, Democratic Services**

Key Decision: **No**

Executive Summary

Since the formation of Wiltshire Council just over four years ago a strong emphasis has been placed on the importance of strengthening our leadership capacity. It has been widely recognised and acknowledged that developing the leadership capacity and transforming the organisational culture are both important prerequisites to delivering the corporate vision of building strong and resilient communities in Wiltshire.

Strong leadership and creating the right culture will be the key to our success over the next four years. Our councillors, directors and managers need to be outstanding leaders who can communicate our vision and philosophy in a way that is understood by everyone. We need to develop and deliver the right training and provide clear career paths for high performing staff with potential at all levels.

The Journey so far

Much has been achieved in recent years in developing outstanding leadership and shifting the organisational culture in Wiltshire Council. Whilst in no way exhaustive, a summary paper (Leadership Team Development: The Journey so far) is attached to highlight some of the leadership development initiatives and interventions that have been undertaken.

Moving forward

On this foundation, the new business plan has recognised the need for the Council to continue to change the way we do business and has developed the following 8 principles that will support this change:

- The council is a community leader, not just a service provider
- We are efficient and provide good value for money for our residents
- We put outcomes for people and places first
- We develop a new relationship between public services and communities
- We design our services with residents and communities
- Our services work well, are joined up and easy to access
- We have and we will grow outstanding leaders and managers
- Our staff are innovative and have a can-do approach

It is clearly vital that these principles along with the Council's Values and Behaviours are modelled by the Extended Leadership Team as they seek to both model and facilitate effective Community Leadership over the coming years. Furthermore, within the context of public sector cuts this leadership challenge becomes ever more important.

A presentation will be delivered on the 24th September to update cabinet on the transformational leadership concept proposals moving forward – Presentation: “Transformational Leadership Experience – Creating stronger more resilient communities”

Proposal

No direct proposals or recommendations resulting from the report.

Cabinet is asked to recognise that much has been achieved in recent years in developing outstanding leadership and shifting the organisational culture in Wiltshire Council and note the transformational leadership concept proposals moving forward.

Reason for Proposal

To recognise that much has been achieved in recent years in developing outstanding leadership and shifting the organisational culture in Wiltshire Council and note the transformational leadership concept proposals moving forward.

Dr Carlton Brand, Carolyn Godfrey, Maggie Rae, Corporate Directors

Leadership Team Development – The Journey So Far

1. Background and Context

Purpose of this Discussion Paper

Since the formation of Wiltshire Council just over four years ago a strong emphasis has been placed on the importance of strengthening our leadership capacity. It has been widely recognised and acknowledged that developing the leadership capacity and transforming the organisational culture are both important prerequisites to delivering the corporate vision of building strong and resilient communities in Wiltshire.

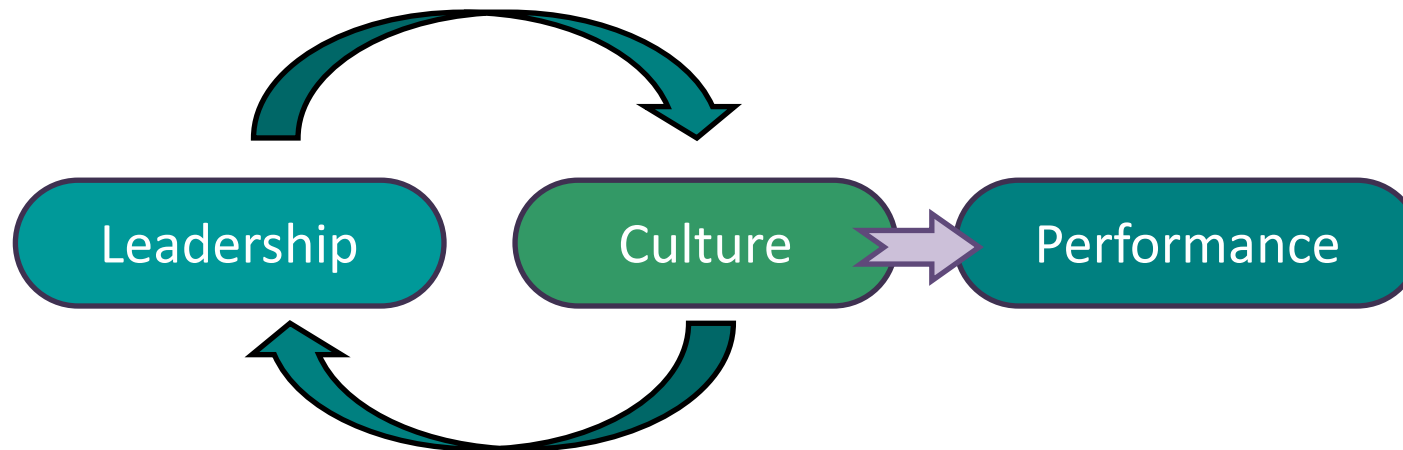


Fig 1

Towards this goal, much has been achieved and much has been learnt over the last four years. On this foundation, the new business plan has recognised the need for the Council to continue to change the way we do business and has developed the following 8 principles that will support this change:

- The council is a community leader, not just a service provider
- We are efficient and provide good value for money for our residents
- We put outcomes for people and places first
- We develop a new relationship between public services and communities
- We design our services with residents and communities
- Our services work well, are joined up and easy to access
- We have and we will grow outstanding leaders and managers
- Our staff are innovative and have a can-do approach

It is clearly vital that these principles along with the Council's Values and Behaviours are modelled by the Extended Leadership team as they seek to both model and facilitate effective Community Leadership over the coming years. Furthermore, within the context of public sector cuts this leadership challenge becomes ever more important.

The Leadership model and senior management structure has been reviewed and refined both within the Extended Leadership Team and indeed at all levels within the Council. By first summarising the leadership development 'journey so far' within this changing context, this discussion paper and presentation explores some possible development interventions from the autumn for the newly formed senior leadership team moving forward.

2. The Journey So Far

As mentioned above, much has been achieved in recent years in developing outstanding leadership and shifting the organisational culture in Wiltshire Council. Whilst in no way exhaustive, summarised below are some of the leadership development initiatives and interventions that have been undertaken.

Management and Leadership Matters

Since 2010 a comprehensive programme of Leadership modules have been developed to support the development of managers within Wiltshire Council. During this time over 890 managers have attended a selection or in some cases all of the development modules available. **(See Appendix 1&2)**

To date, attendance of development modules has been either voluntary or with guidance from line managers. In order to develop a consistency in leadership competence across the Council, the possibility of some of the core Management Matters Modules becoming mandatory for all Managers as part of a managerial induction programme is being scoped.

Feedback received from delegates attending these modules has been excellent. The content of these modules has been refined both in response to feedback from delegates and the changing needs within the Council. More details of how each of the programme supports the development of Wiltshire Council's values and behaviours framework is outlined briefly below.

Leadership and Coaching Accreditation

A growing number of leaders within the Council are choosing to undertake an ILM qualification in either Leadership & Management or Coaching. The current suite of Leadership and Management Matters Modules supports Managers to progress to take a Level 3 or 5 Qualifications in Leadership and Management and or Coaching and Mentoring.

Led by Allison Bucknell in 2011 we supported a number of Councillors to also undertake the Leadership and Management accreditation, with 9 completing the Level 5 Award and 5 completing the Level 5 Certificate. This was really encouraging and demonstrated that for Leadership the underlying principles support the leadership at all levels

Coaching and building internal capacity

We have developed over the last 12 months a broad range of coaching development opportunities and support programmes linked to accreditation, to grow a sustainable internal coaching pool for staff at all levels. Following a slow start in volunteers, this is now really building momentum, in terms of individuals wishing to be developed to become accredited coaches and coachees volunteering or being encouraged by their line managers to take part in coaching as part of their personal development and growth

We deliver internally, accredited through ILM the L3 for aspiring manager and L5 Certificate in Coaching & mentoring. The latter qualification supports our total focus and commitment to develop an internal accredited pool of coaches within the Council and across

Wiltshire partners such as the police. Through our partnership working with South West Councils building on the Council's membership of the South West Coaching pool, we are undertaking joint development work to continuously improve the development pathway and accreditation framework. A coaching framework has been developed as part of the communications and marketing plan.

Action Learning Sets

Action Learning Sets have been piloted in the last twelve months as part of a blended learning programme. By developing internal coaching and consulting skills, managers have been encouraged to support learning across the organisation and in so doing, support their peers with solving real business issues and build the internal organisational learning capacity within the Council. Facilitated Action Learning Sets are now being made available to leaders and managers working with their teams across the Council.

Team building days

It is widely accepted that with all the recent changes in the Council managers need to be more intentional in achieving an appropriate balance between task, team and individual responsibilities. Support is being given to internally running team days in order to bed down and apply learning from the leadership modules in the team context. Teams are being encouraged to reflect how they can clarify their own team vision in line with corporate priorities and new Business Plan. Focus will again be on supporting an internal growth model by strengthening an in-house capacity to run these days internally within the Council.

Team communication bite size workshops

We additionally identified earlier this year from requests from Services for support with Teams through managing change and improving communications that short sharp bite sized facilitated workshops, as part of team meetings or team away days would support leaders & Managers to improve team dynamics and communications. Across HR/OD a number of the senior team have trained and successfully qualified to become NLP practitioners. We have built on this expertise through the facilitation with services and teams of a range of Team bite size communication workshops and provided on-going support to leaders and managers to build and strengthen the importance and momentum of open two way communication to encourage innovation and creativity within their services and teams

Wiltshire Council's Behaviour Framework

Wiltshire Council's behaviours framework, linked to the existing Corporate Values was published in February 2012. It was recognised that the Framework whilst important would not in and of itself achieve the desired behavioural change in the Council. Mandatory

behavioural and appraisal training was therefore rolled out to all managers in the Council. Feedback of the usefulness of the Behavioural Framework, through understanding and application by Managers since the training has been excellent and Managers are using to identify high performers and also staff that need support to improve their performance.

Cultural Change supporting Service Transformation

The development of a consistent corporate approach to culture and behavioural change across the Council is key to delivering required changes in service transformation. As illustrated in Fig 1, organisational culture can have an impact (either positive or negative) on our ability to lead effectively, yet we as leaders have a responsibility to positively influence (rather than be victims of) the organisational culture we are a part of.

Both the Council's organisational culture and our own leadership capacity will have a strong impact on the Council's ability to perform and ultimately deliver its Business Plan and Corporate vision.

Organisational Culture whilst viewed as important is often difficult to both measure and shift. Using a suite of Cultural Assessment and Leadership tools the Council has successfully supported the cultural change requirements in a number of challenging areas of the Council requiring Service Transformation post unitary status.

Joined up Approach of Corporate Initiatives

Supporting real cultural change in an organisation the size of Wiltshire Council requires the support and alignment of the People Strategy and a number of important HR &OD initiatives. Specifically, the alignment of the following initiatives:

- Corporate Induction – focused on the four values
- Learning & Development review of all existing Corporate provision to embed the behaviours framework
- People Strategy – Leadership & Management ,Cultural assessment including 360 degree feedback
- Appraisal System against Wiltshire Council Behaviour Framework
- Shaping the Future Corporate Awards
- Transformational Change including systems thinking development and reviews
- Cultural and service transformation programmes

Building an internal growth model

In delivering the above, a strong emphasis has been placed on *building an internal growth model* within the Council, ensuring that the future managers and leaders within the Council are developed in the most cost effective and efficient way. Supporting interventions has remained closely tailored to supporting key corporate priorities seeking to embed systems thinking, matrix working, managing by outcomes and partnership working in leadership practice. In so doing, every effort is being made within the constraint of limited resources to support and drive forward the transformational change required within the Council.

APPENDIX 1

Management matters in Wiltshire:

Customer focus and continuous improvement

- Under development

Inspirational leadership - FULL DAY

- Exploring the changing role and pressures on managers in Wiltshire Council
- Understanding your own leadership style, the strengths you bring to your management role
- Leadership, culture and behaviours
- Leadership styles inventory
- 360° feedback (optional) and personal development plans



Leading change and innovation- FULL DAY

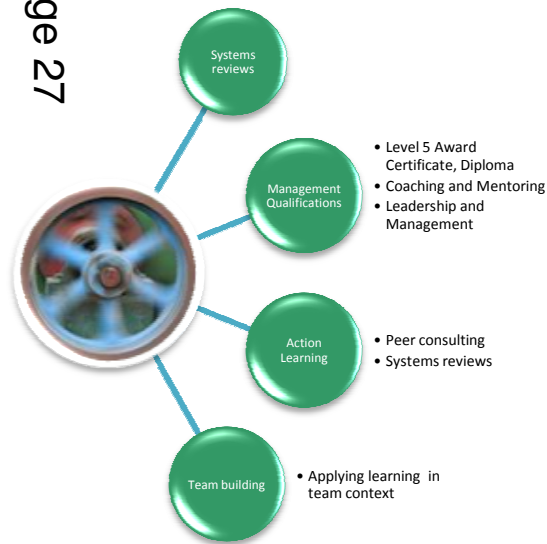
- Creating a climate for innovation
- Culture and change OCI
- Tools / models for managing / leading change
- Group work on managing the real changes in your area
- Understanding transition
- Personality and change
- Understanding and dealing with resistance to change
- Managing the changes I am involved in

Making performance management matter -FULL DAY

- Benefits of goal setting
- Understanding the importance of communicating organisational objectives
- Using SMART objectives
- Plan-Do-Review approach

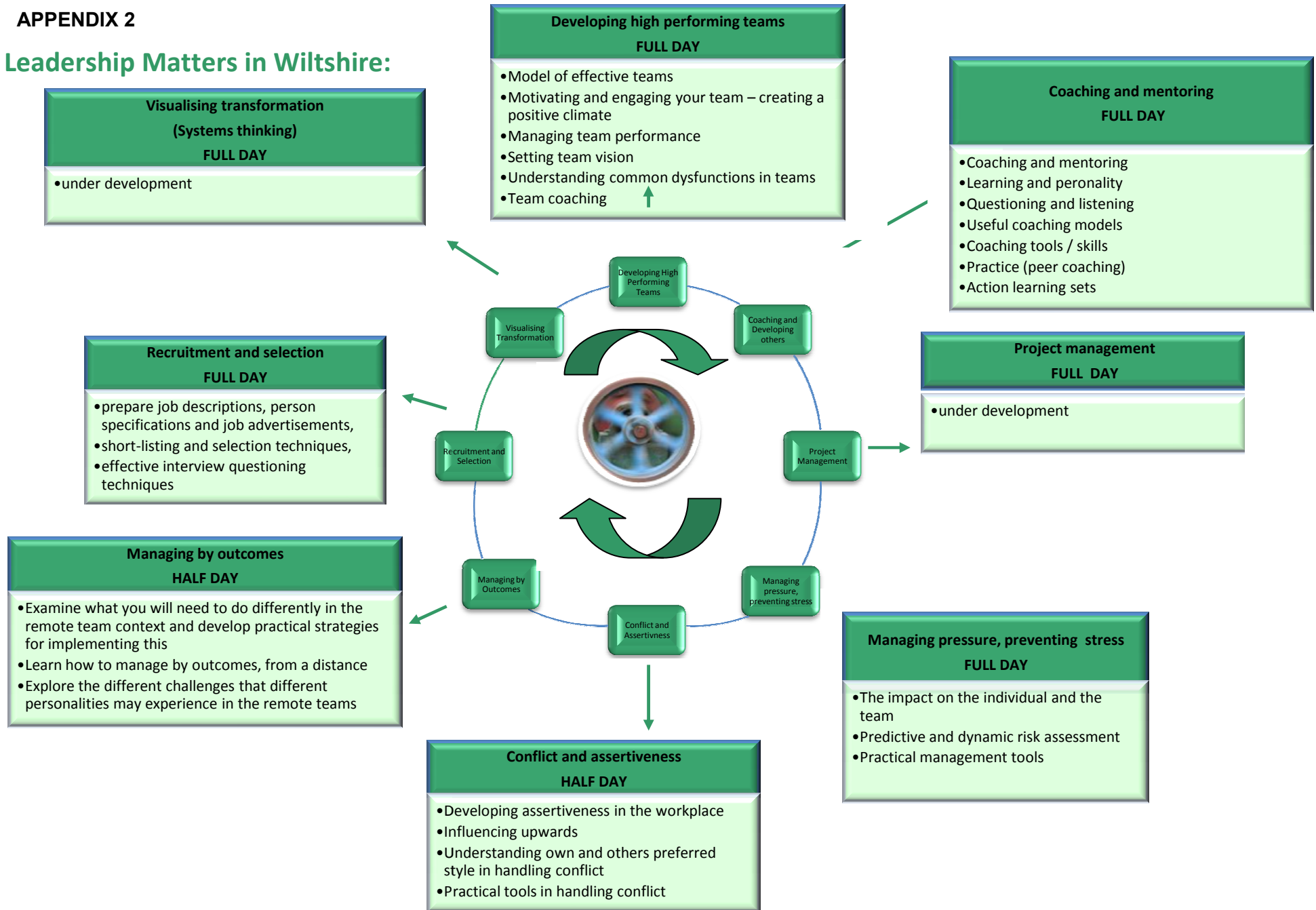
Building the Internal growth model

Page 27



APPENDIX 2

Leadership Matters in Wiltshire:



Wiltshire Council Pathway to **Level 3 Award in Coaching**

Who is this qualification for?

Those new to coaching at Team Leader or below level

What do I have to do?

Completion of three written assignments each consisting of around 1,200 words.

"Understanding good practice in workplace coaching"

"Undertaking coaching in the workplace" includes 6 hours of coaching practise

"Reflecting on workplace coaching skills"

Core Supporting Modules

Qualification briefing

Coaching in the workplace (used as Launch)

3 x 1/2 days coaching and peer supervision

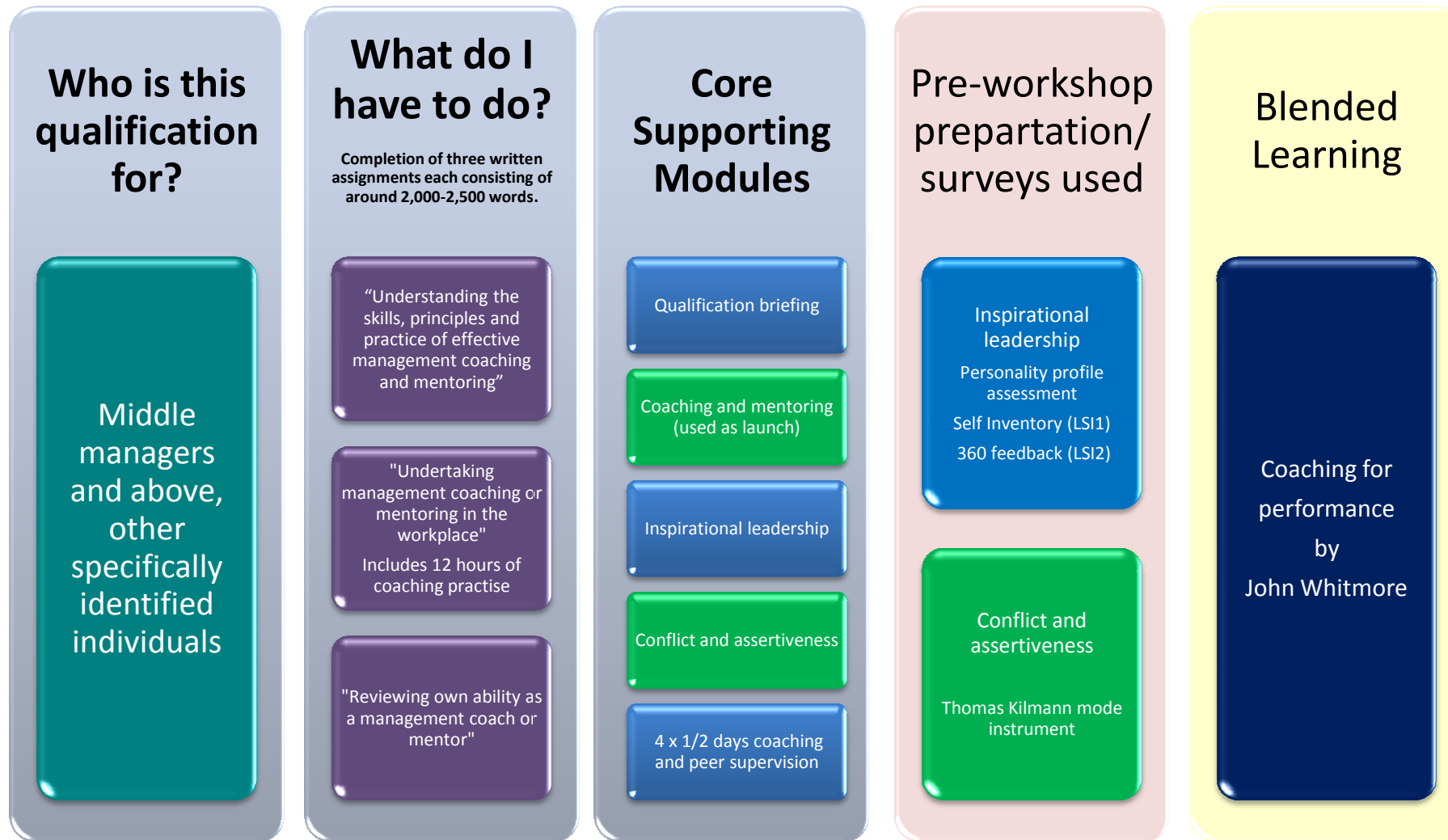
Blended learning

Coaching for performance
by
John Whitmore

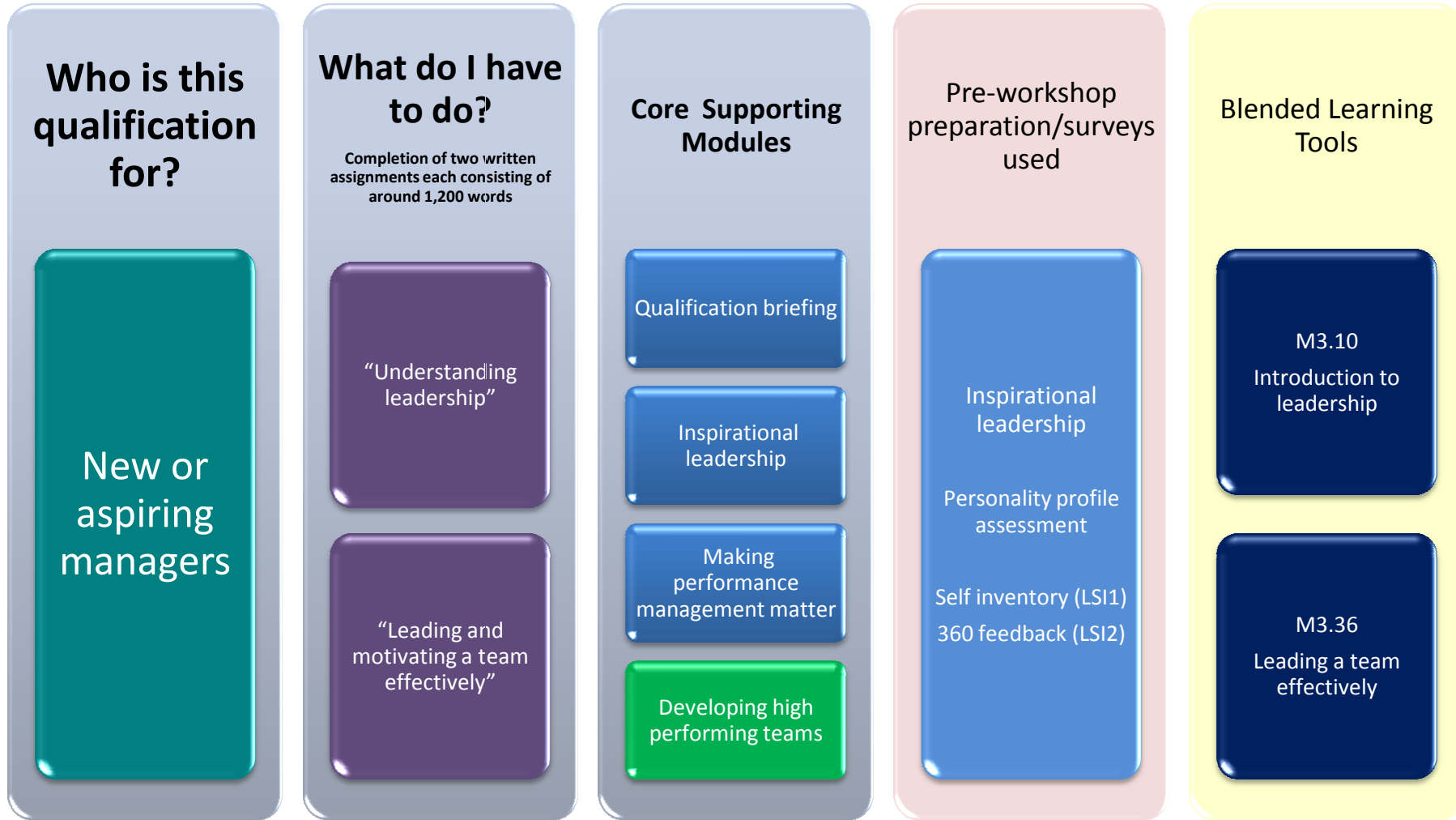


Wiltshire Council Pathway to Level 5 Certificate in Coaching and Mentoring

Page 30



Wiltshire Council Pathway to **Level 3 Award in Leadership and Management**



Wiltshire Council Pathway to **Level 3 Certificate in Leadership and Management**

Page 32

Who is this qualification for?

New or aspiring managers
who already have the
Level 3 Award in Leadership and Management

What do I have to do?

Completion of the Award plus one more written assignment consisting of around 1,200 words

“Leading change and innovation”

Core Supporting Modules

Leading change and innovation

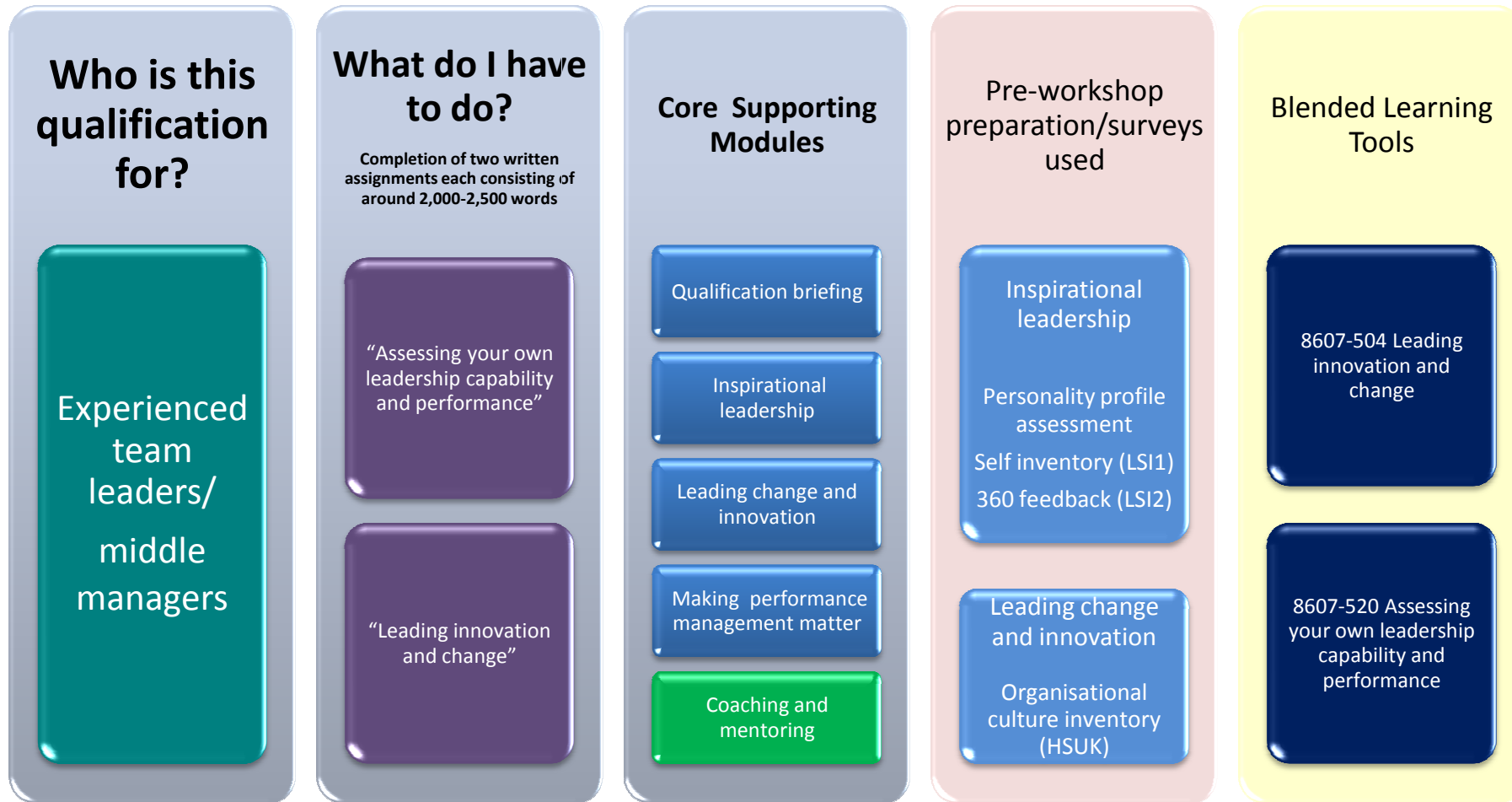
Blended Learning Tools

To reflect units chosen

To reflect units chosen



Wiltshire Council Pathway to **Level 5 Award in Leadership and Management**



Wiltshire Council Pathway to **Level 5 Certificate in Leadership and Management**

Page 34

Who is this qualification for?

Experienced Team Leaders /middle managers

who already have the

Level 5 Award in Leadership and Management

What do I have to do?

Completion of the Award plus one more written assignment consisting of around 2,000-2,500 words.

“Developing and Leading Teams to Achieve Organisational Goals and Objectives”

Core Supporting Modules

Developing high performing teams

Blended Learning

8607-519
Developing and Leading Teams to Achieve Organisational Goals and Objectives



Wiltshire Council

Cabinet

24 September 2013

Subject: Winterbourne View stock-take

**Cabinet member: Keith Humphries – Public Health, Public Protection,
Adult Care and Housing**

Key Decision: No

Executive Summary

Following the publication of the Department of Health report in December 2012 *“transforming Care: a National Response to Winterbourne View Hospital”*, a Winterbourne View Joint Improvement Programme was established. This is led at ministerial level. The Winterbourne View Joint Improvement Programme is asking local areas to complete a stock-take of progress against the commitments made nationally that should lead to all individuals receiving personalised care and support in appropriate community settings no later than 1 June 2014.

This report outlines where Wiltshire Council and its partners have made improvements in its delivery of the Department of Health’s recommendations and identifies areas where progress is still at an early stage.

Proposal

That Cabinet notes the report and progress made in relation to the Dept of Health report *“Transforming Care: a National Response to Winterbourne View Hospital”* and request a follow up progress report in 6 months time.

Reason for Proposal

To ensure Cabinet is aware of the key issues that need to be progressed with Wiltshire CCG around The Dept of Health report *“Transforming Care: a National Response to Winterbourne View Hospital”*

**Maggie Rae
Corporate Director**

Wiltshire Council

Cabinet

24 September 2013

Subject: Winterbourne View Stock-take

Cabinet member: Keith Humphries – Public Health, Public protection, Adult Care and Housing

Key Decision: No

Purpose of Report

1. The purpose of this report is to assure Cabinet of the progress that has been made since the Department of Health issued its report ("*transforming Care: a National Response to Winterbourne View Hospital*") in December 2012 and the associated recommendations. The report will also highlight areas requiring development.

Background

2. Following the Department of Health report in December 2012 a Winterbourne View Joint Improvement Programme was established. This is led at ministerial level. The Winterbourne View Joint Improvement Programme is asking local areas to complete a stocktake of progress against the commitments made nationally that should lead to all individuals receiving personalised care and support in appropriate community settings no later than 1 June 2014.
3. The purpose of the stocktake is to enable local areas to assess their progress and for that to be shared nationally. The stocktake is also intended to enable local areas to identify what help and assistance they require from the Joint Improvement Programme and to help identify where resources can best be targeted. The stocktake has to been sent to the Department of Health..

Main Considerations for the Council

4. The current stocktake evidences that Wiltshire Council has implemented or is in the process of implementing all of the Department of Health recommendations. For the purposes of this report key areas of improvement are highlighted, followed by a description of areas where the Council and its partners are still at an early stage of delivery.

Areas of Improvement

- A Joint NHS and Local Authority Action plan was developed in response to the Winterbourne View Recommendations. Its implementation is overseen by a multi-agency steering group chaired jointly by officers from NHS Wiltshire and Wiltshire Council.
- The Local Safeguarding Adults Board has produced an action plan which incorporates the joint CCG/Wiltshire Council plan, but focuses on assurance that plans are being delivered.
- The Council has established a 0-25 (stability service) for people with disabilities. This will be key in working with individuals and their families at an early stage.
- The Council has established a Joint Commissioning Board to oversee proposals for joint commissioning for people with learning disabilities. The Department of Health recommendations following Winterbourne View make it clear that there is an expectation on Council's and NHS bodies to have joint commissioning arrangements in place and suggest that pooled budgets should also be in place.
- There was a requirement to review all people who had been in-patients at Winterbourne View. Wiltshire had 9 people who had been placed there over a period of years. All have been reviewed and returned to living within Wiltshire with the exception of one person who is placed in a secure inpatient environment. Plans are in place for that person to return to Wiltshire when it is in her best interests.
- The Council commission a range of high quality advocacy services for people with complex needs .This is also an expectation set out in the Department of Health report of December 2012.
- The Council and CCG has recently completed a position statement which outlines all resources currently being spent on people with learning disabilities in order to assist the option appraisal process for joint Commissioning.
- There is a comprehensive local register of people with complex needs held by the CCG.

Areas requiring further work

- **Governance**

The service specification for the integrated team for people with learning disabilities (CTPLD) requires updating to reflect the recommendations made in the Winterbourne View report. Specifically the need to have clarity about governance arrangements and roles, responsibilities within the team.

Progress is being made and there are regular discussions between CCG, Greta Western Community Services and the Council to agree the governance arrangements.

- **Joint Commissioning**

The Department of Health have made clear that there is an expectation that we develop joint commissioning arrangements.

This is still at an early stage in Wiltshire with the first Board meeting on 11th July 2013. The following standards are expected as part of the current Department of Health stocktake and are still at an early stage in Wiltshire.

Commissioning intentions include an assessment of capacity to deliver crisis response services locally.

The Council and CCG are working on developing emergency responses that would avoid hospital admission (including under section of MHA).

Commissioning intentions include a workforce and skills assessment development.

The potential costs and source(s) of funds of future commissioning arrangements are clear.

Joint reviewing and (de)commissioning arrangements been agreed with specialist commissioning teams .

There a pooled budget and / or clear arrangements to share financial risk.

Between the partners there is an emerging financial strategy in the medium term that is built on current cost, future investment and potential for savings.

The JCB for Adults at its meeting on 11th July 2013 agreed that firm proposals around options for joint commissioning arrangements should be developed by the October 2013 JCB meeting for discussion between the Council and the CCG

5. Attached as appendix (1) is the stock take response to the Dept of Health report "*Transforming Care: a National Response to Winterbourne View Hospital*"

Environmental and climate change considerations

7. There are no environmental and climate change considerations.

Equalities Impact of the Proposal

8. The implementation of the Wiltshire Council/NHS Wiltshire joint action plan in response to the Department of Health recommendations is an

important way of ensuring that Wiltshire citizens, no matter what disability they may have are able to live locally, near their families and communities. It is key in helping establish cohesive non stigmatising communities.

Risk Assessment

9. The Government have made it clear that implementation of their recommendations will be scrutinised. They have said that they will name and shame Council's who are not progressing this work. It is high profile in terms of media interest, nationally and locally.

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

1. Reputation of the Council will be damaged.
2. People with learning disabilities and their families may not receive as coordinated and comprehensive service that they require.

Financial Implications

10. There are currently no direct financial implications.

Legal Implications

11. There are currently no legal implications.

Conclusions

12. The abuse which took place at Winterbourne View was a national scandal. This paper has provided an update on areas where the Council is reporting that they have improved and other areas where there is the need for improvement. However, it should be noted that plans are in place to improve all areas required.

Maggie Rae
Corporate Director

Report Author: George O neil
Head of Specialist Commissioning & Safeguarding Adults

Date of report: 9th August 2013.

Background Papers

None

Appendices

Stocktake – Winterbourne view Joint Improvement programme

This page is intentionally left blank

Winterbourne View Joint Improvement Programme

Initial Stocktake of Progress against key Winterbourne View Concordat Commitment

The Winterbourne View Joint Improvement Programme is asking local areas to complete a stocktake of progress against the commitments made nationally that should lead to all individuals receiving personalised care and support in appropriate community settings no later than 1 June 2014.

The purpose of the stocktake is to enable local areas to assess their progress and for that to be shared nationally. The stocktake is also intended to enable local areas to identify what help and assistance they require from the Joint Improvement Programme and to help identify where resources can best be targeted.

The sharing of good practice is also an expected outcome. Please mark on your return if you have good practice examples and attach further details.

This document follows the recent letter from Norman Lamb, Minister of State regarding the role of HWBB and the stocktake will provide a local assurance tool for your HWBB.

While this stocktake is specific to Winterbourne View, it will feed directly into the CCG Assurance requirements and the soon to be published joint Strategic Assessment Framework (SAF). Information compiled here will support that process.

This stocktake can only successfully be delivered through local partnerships. The programme is asking local authorities to lead this process given their leadership role through Health and Well Being Boards but responses need to be developed with local partners, including CCGs, and shared with Health and Wellbeing Boards.

The deadline for this completed stocktake is Friday 5 July. Any queries or final responses should be sent to Sarah.Brown@local.gov.uk

An easy read version is available on the LGA [website](#)

May 2013

Winterbourne View Local Stocktake June 2013

1. Models of partnership	Assessment of current position evidence of work and issues arising	Good practice example (please tick and attach)	Support required
1.1 Are you establishing local arrangements for joint delivery of this programme between the Local Authority and the CCG(s)?	Yes – a Joint Working Group has been established with key CCG and LA representatives. This group is called the Working Group for Joint Commissioning, Winterbourne View and Learning Disabilities.		
1.2 Are other key partners working with you to support this; if so, who. (Please comment on housing, specialist commissioning & providers).	<p>The Working Group mainly comprises NHS and Local authority commissioning and operational representatives. However, it is supported by Housing and other provider input. It reports to the Joint Commissioning Board, which has NHS, Local Authority (including Housing) representatives.</p> <p>Children’s Services Commissioning Team have recently produced for consultation on the ‘Commissioning Strategy for 16-25 SEN and Disability Support’ which is all about providing services locally, services that are holistic and person-centred and references Winterbourne View report.</p>	Draft Commissioning Strategy for 16 – 25 SEN and Disability Support	
1.3 Have you established a planning function that will support the development of the kind of services needed for those people that have been reviewed and for other people with complex needs?	<p>Yes within Children’s Services for 0-25 (strategy mentioned above). Within Adult Services there is the Joint Commissioning Board which is overseeing the establishment of Joint Commissioning arrangements.</p> <p>There is also a working group focusing on the needs of people with the most complex needs .</p>		

1.4 Is the Learning Disability Partnership Board (or alternate arrangement) monitoring and reporting on progress.

The LD Partnership Board is monitoring the progress as is the Local safeguarding Adults Board who have produced and action plan and monitoring regime.

1.5 Is the Health and Wellbeing Board engaged with local arrangements for delivery and receiving reports on progress?

A progress report is going to the Joint Commissioning Board on 11th July and will then be reported to the Health & Well Being Board.

1.6 Does the partnership have arrangements in place to resolve differences should they arise.

The Joint Commissioning Board is the forum for resolving any differences should they arise.

1.7 Are accountabilities to local, regional and national bodies clear and understood across the partnership – e.g. HWB Board, NHSE Local Area Teams / CCG fora, clinical partnerships & Safeguarding Boards?

The WBV Working Group reports to the Joint Commissioning Board, as well as members of the group reporting into their own agencies.

The Joint Commissioning Board reports to the Health & Well Being Board and also the governance arrangements within members own agencies i.e Council cabinet and CCG Governing Body.

The Safeguarding Adults Board seeks assurance that the actions resulting from WBV are being actioned and monitor this with reports at each Board. It reports to the Health & Well Being Board. Key members of the Board are also members of the Joint Commissioning Board and Health & Well Being Board.

<p>1.8 Do you have any current issues regarding Ordinary Residence and the potential financial risks associated with this?</p> <p>1.9 Has consideration been given to key areas where you might be able to use further support to develop and deliver your plan?</p>	<p>No increases in the numbers of Ordinary Residence as a result of WBV have been seen or recorded.</p> <p>Regional sharing of redesign plans to identify opportunities for resource sharing/ideas, for example, to share approaches to the issue that availability of inpatient services are reduced but appropriate alternatives are not yet in place..</p>		
<p>2. Understanding the money</p> <p>2.1 Are the costs of current services understood across the partnership?</p> <p>2.2 Is there clarity about source(s) of funds to meet current costs, including funding from specialist commissioning bodies, continuing Health Care and NHS and Social Care.</p> <p>2.3 Do you currently use S75 arrangements that are sufficient & robust?</p>	<p>Wiltshire Council and Wiltshire CCG have a Joint Commissioning Board for Learning Disability services. As part of this process, costs of current services have been collated and shared, confirming sources of funding.</p> <p>There is a Section 75 agreement for the integrated management function of the Community Team for People with Learning Disabilities.</p>		
<p>2.4 Is there a pooled budget and / or clear arrangements to share financial risk?</p> <p>2.5 Have you agreed individual contributions to any pool?</p> <p>2.6 Does it include potential costs of young people in transition and of children's services?</p>	<p>There is no pooled budget as yet, however options for joint commissioning arrangements are currently being considered by the Joint Commissioning Board.</p> <p>The 0-25 service in Wiltshire Council will be key in identifying the potential costs of young people in transition and children's services. We have a 'transitions tracker' that tracks young people and</p>		

<p>2.7 Between the partners is there an emerging financial strategy in the medium term that is built on current cost, future investment and potential for savings.</p>	<p>we have ability to estimate the cost/likely services that those young people might present to adult services.</p> <p>The work currently being undertaken in relation to joint commissioning will create a joint financial strategy.</p>		
<p>3. Case management for individuals 3.1 Do you have a joint, integrated community team?</p> <p>3.2 Is there clarity about the role and function of the local community team.</p>	<p>Yes. We have a joint specialist Community Team for People with Learning Disabilities (CTPLD Team) within Adult Care. In Children’s Services we have in place a 0-25 Disability Service (this is based in social care),</p> <p>There is clarity about the CTPLD team although there are some gaps that need addressing. A review of the service specification for the CTPLD will be completed by Jan 2014. Re Children’s Services 0-25 team - WC Cabinet has recently asked that consideration be given to finding ways of including Special Educational Needs in this – by way of a response to the emerging legislation in the Children and Families Bill. As this goes ahead there will follow a detailed service specification which will detail the role and function of the 0-25 (stability) service. We are also working as a pathfinder to explore and develop ways of working more closely with relevant children’s health care providers. Have developed a single assessment and planning process (in legislation called an Education, Health and Care Plan/ EHCP) which is being intensively tested.</p>		

<p>3.3 Does it have capacity to deliver the review and re-provision programme.</p> <p>3.4 Is there clarity about overall professional leadership of the review programme?</p> <p>3.5 Are the interests of people who are being reviewed, and of family carers, supported by named workers and / or advocates?</p>	<p>Yes - currently the review programme is being prioritised to ensure capacity to deliver this.</p> <p>Yes – there is an integrated operational management structure – there is monthly reporting about progress to Senior Managers in Wiltshire Council and reporting to the CCG Placements Team.</p> <p>Yes through the usual review/care management processes and advocacy support – initially additional advocacy capacity was commissioned, however now advocacy needs are being met through the usual arrangements</p>		
<p>Current Review Programme</p> <p>4.1 Is there agreement about the numbers of people who will be affected by the programme and are arrangements being put in place to support them and their families through the process.</p> <p>4.2 Are arrangements for review of people funded through specialist commissioning clear?</p> <p>4.3 Are the necessary joint arrangements (including people with learning disability, carers, advocacy organisations, Local Health watch) agreed and in place.</p>	<p>Yes – all individuals have been identified and reviews are all completed. Support for those people who were in Winterbourne View has been re- provisioned, though not all of those individuals are back in Wiltshire – this work is ongoing. For other individuals who are part of the wider review programme, all reviews are completed and re-provision of services is ongoing. (The review programme includes individuals who are funded by either Wiltshire Council or Wiltshire CCG, joint funded or funded through Section 117 arrangements)</p> <p>Yes – the Area Team update the CCG when reviews are completed.</p> <p>The Wiltshire Learning Disability Partnership Board has commenced forming connections with Health Watch – the Board includes people with a learning</p>		

Page 46

4.4 Is there confidence that comprehensive local registers of people with behaviour that challenges have been developed and are being used?	disability, carers and advocacy organisations – no formal report has been submitted to this Board yet. Yes. The register will also aid future planning.		
4.5 Is there clarity about ownership, maintenance and monitoring of local registers following transition to CCG, including identifying who should be the first point of contact for each individual	There is clarity about ownership but individual case details need to be built up.		
4.6 Is advocacy routinely available to people (and family) to support assessment, care planning and review processes	Adult Services – Yes advocates are involved routinely where appropriate. Children’s Services – new processes designed by customers to be person-focussed and centre on needs of child/ young person. All workers encouraged to work with individuals and to refer on to advocacy services as required. We also have an excellent Voice and Influence team who work with young people at a strategic level to ensure their voice is heard.		
4.7 How do you know about the quality of the reviews and how good practice in this area is being developed?	There is an operational Working Group involved in the Review programme which is further developing joint consistent recording standards, quality assurance systems and sharing good practice/peer learning.		
4.8 Do completed reviews give a good understanding of behaviour support being offered in individual situations?	Yes – LD Nurses are involved in developing Behaviour Support Plans where appropriate.		
4.9 Have all the required reviews been completed. Are you satisfied that there are clear plans for any outstanding reviews to be completed?	Yes - all required reviews have been completed		
5. Safeguarding 5.1 Where people are placed out of your area, are you engaged with local safeguarding arrangements – e.g. in line with the ADASS protocol.	Yes. Our updated policies and procedures include the ADASS guidance/protocol.	LSAB Action Plan	

<p>5.2 How are you working with care providers (including housing) to ensure sharing of information & develop risk assessments?</p>	<p>Care providers , including housing are represented on the Safeguarding Board, as well as its sub groups.</p>		
<p>5.3 Have you been fully briefed on whether inspection of units in your locality have taken place, and if so are issues that may have been identified being worked on.</p>	<p>CQC send weekly updates of reports which have been published . These are scrutinised on a weekly basis and commissioning teams follow up where appropriate. There are bi-monthly meeting with CQC , commissioners from NHS and Local Authority where services of concern are discussed. Within the Council there is a database of services of concern which is shared between commissioning and operational teams. Commissioning teams also undertake twice yearly reviews of all establishments.</p>		
<p>5.4 Are you satisfied that your Children and Adults Safeguarding Boards are in touch with your Winterbourne View review and development programme?</p>	<p>The Safeguarding Adults Board has produced its own action plan in response to WBV. It requires updates from partners on progress and has an active assurance function.</p>		
<p>5.5 Have they agreed a clear role to ensure that all current placements take account of existing concerns/alerts, the requirements of DoLS and the monitoring of restraint?</p>	<p>This is part of the action plan and assurance programme.</p>		
<p>5.6 Are there agreed multi-agency programmes that support staff in all settings to share information and good practice regarding people with learning disability and behaviour that challenges who are currently placed in hospital settings.</p>	<p>The integrated CTPLD Team through their practise fora have regular sessions in order to share best practise. They do not, however, specifically focus on people within inpatient settings.</p>		
<p>5.7 Is your Community Safety Partnership considering any of the issues that might impact on people with learning disability living in less restrictive environments?</p>	<p>The Community safety Partnership is piloting “Safe places “ pilots in Devizes and Salisbury.</p>		

<p>5.8 Has your Safeguarding Board got working links between CQC, contracts management, safeguarding staff and care/case managers to maintain alertness to concerns?</p>	<p>The CSP Manager also sits on the Wiltshire Autism Partnership Board.</p> <p>Chairs of the CSP, LSAB, LSCB and Children’s Trust also meet on a 6 monthly basis to ensure there is coordination between the different Boards.</p> <p>Yes- through Board membership and sub group membership as well as organisational structures and processes. Key members are the Board links with CQC . They also are part of the same group who manage contracts and safe guarding staff.</p> <p>There is a central point for all safeguarding referrals which are triaged. This allows early detection of any patterns of possible abuse.</p>		
<p>Page 49</p> <p>6. Commissioning arrangements</p> <p>6.1 Are you completing an initial assessment of commissioning requirements to support peoples’ move from assessment and treatment/in-patient settings.</p> <p>6.2 Are these being jointly reviewed, developed and delivered.</p>	<p>Yes-WBV Working Group has developed action plan to ensure there is enough capacity to undertake the work needed. There are also specific multi-agency meetings to developed commissioning plans for any individuals who are still in assessment/treatment/ in patient settings.</p> <p>These are being jointly reviewed, developed and delivered. We recognise the need for joint work with these people who have the most complex needs and are developing joint commissioning arrangements. We also have an integrated CTPLD.</p>		

<p>6.3 Is there a shared understanding of how many people are placed out of area and of the proportion of this to total numbers of people fully funded by NHS CHC and those jointly supported by health and care services?</p> <p>6.4 Do commissioning intentions reflect both the need to deliver a re-provision programme for existing people and the need to substantially reduce future hospital placements for new people?</p> <p>6.5 Have joint reviewing and (de)commissioning arrangements been agreed with specialist commissioning teams.</p> <p>6.6 Have the potential costs and source(s) of funds of future commissioning arrangements been assessed.</p>	<p>Yes, this information is shared and forms part of the work being undertaken by the Joint Commissioning Board.</p> <p>Yes but this needs updating as we develop joint commissioning arrangements.</p> <p>Not yet. This will form part of the Joint Commissioning arrangements.</p> <p>Not yet. This will form part of the Joint Commissioning arrangements.</p>		
<p>6.7 Are local arrangements for the commissioning of advocacy support sufficient, if not, are changes being developed.</p> <p>6.8 Is your local delivery plan in the process of being developed, resourced and agreed?</p> <p>6.9 Are you confident that the 1 June 2014 target will be achieved (the commitment is for all people currently in in-patient settings to be placed nearer home and in a less restrictive environment).</p> <p>6.10 If no, what are the obstacles, to delivery (e.g. organisational, financial, legal).</p>	<p>Current contracts are viewed to be sufficient and of good quality. However, as there is likely to be a retendering process for the current contract in 2014, there will be a reassessment of demand.</p> <p>Yes, in the process of being developed by the WBV Working Group</p> <p>Yes, our plans are in line with this timetable</p>		
<p>7. Developing local teams and services</p> <p>7.1 Are you completing an initial assessment of commissioning requirements to support peoples' move from assessment and treatment/in-patient settings.</p>	<p>Individual discharge planning is well underway with 3 clients having been discharged into local residential care. The remaining 3 have been reviewed and once treatment is complete discharge will take place. There is determined approach to reduce future admissions to A/T. By 2014 the CCG and Council, together with key stakeholders, will have jointly redesigned local services for people who challenge & new services</p>		

Page 50

<p>7.2 Do you have ways of knowing about the quality and effectiveness of advocacy arrangements?</p> <p>7.3 Do you have plans to ensure that there is capacity to ensure that Best Interests assessors are involved in care planning?</p>	<p>procured during 2014.</p> <p>Yes - through usual operational and contract review processes. They are assessed and viewed as being of high quality.</p> <p>Through usual Best Interest processes and training. We have a large group of operational staff who are trained as Best Interest assessors who are routinely involved in care planning.</p> <p>Our Mental Capacity Act/DOLS Professional Lead also provides regular training and has bi-monthly practise forum for staff.</p>		
<p>8. Prevention and crisis response capacity - Local/shared capacity to manage emergencies</p> <p>8.1 Do commissioning intentions include an assessment of capacity that will be required to deliver crisis response services locally?</p> <p>8.2 Do you have / are you working on developing emergency responses that would avoid hospital admission (including under section of MHA.)</p> <p>8.3 Do commissioning intentions include a workforce and skills assessment development?</p>	<p>To be completed by Jan 2014 as part of our Joint Commissioning arrangements</p> <p>To be completed by Jan 2014 as part of our joint commissioning arrangements.</p> <p>To be completed by Jan 2014 as part of our joint commissioning arrangements.</p>		
<p>9. Understanding the population who need/receive services</p> <p>9.1 Do your local planning functions and market assessments support the development of support for all people with complex needs, including people with behaviour that challenges?</p> <p>9.2 From the current people who need to be reviewed, are you taking account of ethnicity, age profile and gender issues in planning and understanding future care services.</p>	<p>This is work that will be completed during 2013. The LA is also currently developing a Market Position Statement for Learning Disability services.</p> <p>Yes, the review is comprehensive</p>		

<p>10. Children and adults – transition planning</p> <p>10.1 Do commissioning arrangements take account of the needs of children and young people in transition as well as of adults.</p> <p>10.2 Have you developed ways of understanding future demand in terms of numbers of people and likely services?</p>	<p>In terms of transitioning between children’s and adult’s social care – yes this is taken care of by the creation of a 0-25 (stability) service. There are other transitions in children’s lives – nursery to school/ primary to secondary/ secondary to college etc and the new service has been designed to enable it to focus on these key points in a person’s life.</p> <p>Currently Wilshire Council has Pathfinder status to develop a 0-25 service and commissioning arrangements are still being finalised</p> <p>Yes we have a ‘transitions tracker’ that tracks young people and we have ability to estimate the cost/likely services that those young people might present to adult services.</p> <p>In terms of demand – we are getting better at it, but it is always volatile in children’s services – simply because of diagnosis time frames, needs which only emerge as children grow, large numbers of children moving in and out of the county with the military etc.</p>		
<p>11.1 Is an assessment of local market capacity in progress?</p> <p>11.2 Does this include an updated gap analysis?</p> <p>11.3 Are there local examples of innovative practice that can be shared more widely, e.g. the development of local fora to share/learn and develop best practice.</p>	<p>This will be looked at as part of the Market Position Statement the LA is developing It is currently in progress.</p> <p>This will be looked at as part of the Market Position statement the LA is developing.</p> <p>Our 0-25 (stability service) is an example of innovative practice. It is a Pathfinder service. ‘Commissioning Strategy for 16-25 SEN and Disability Support’ which focuses on providing services locally, services that are holistic and person-centred .</p>		

Please send questions, queries or completed stocktake to Sarah.brown@local.gov.uk by 5th July 2013

This document has been completed by

Name.....

Organisation.....

Contact.....

Signed by:

Chair HWB

LA Chief Executive

CCG rep.....

Page 53

This page is intentionally left blank

Wiltshire Council

Cabinet:

24 September 2013

Subject: **Help to Live at Home contract award**

Cabinet member: **Cllr Keith Humphries**
Public Protection, Adult Services and Housing

Key Decision: **No**

Executive Summary

Following the decision by Aster Living to terminate their three Help to Live at Home contracts in South and East Wiltshire (Devizes area) a tender process has been undertaken.

The purpose of this report is to inform Members of the outcome of that tendering process. The decision regarding the contract award was delegated to Cllr Humphries at July's Cabinet meeting.

Mears Group Limited has been identified as the preferred provider to deliver all three contract areas. The process and background to this decision are set out below.

Proposal

That Cabinet notes the award of the Help to Live at Home contract to Mears Group Ltd.

Reason for Proposal

In July 2013 a report was presented to Cabinet to inform Members of the decision by Aster Living to terminate their contracts and setting out the steps that would be taken to re-let those contracts.

This report informs Members of the new provider that has been selected.

Maggie Rae, Corporate Director

Wiltshire Council

Cabinet

24 September 2013

Subject: Help to Live at Home contract award

**Cabinet member: Cllr Keith Humphries
Public Protection, Adult Services and Housing**

Key Decision: No

Purpose of Report

1. To inform Members of the process and award of three Help to Live at Home contracts previously delivered by Aster Living.

Background

2. In March 2013, Aster Living gave notice on three of the eight Help to Live at Home contracts covering South and East Wiltshire.

This report sets out the process that has been undertaken to identify a new provider and informs Members about the company that has been selected.

Main Considerations for the Council

3. **The Contract Award Process:**

Interest from the market was stimulated through national advertising, writing to local providers and a series of information days at which potential bidders were invited to hear more about the Help to Live at Home service.

Bidders were required to submit detailed financial information, answers to specific questions about quality and to provide details about their organisation. In addition, bidders were asked to complete some illustrative support plans for anonymised customers so it was possible to ascertain their ability to deliver the innovative, outcome based service.

Twelve bids were received as a result of this, with sufficient bids for each of the areas identified.

Bidders comprised local and national companies.

The first stage evaluation of financial and quality issues was undertaken by customers, operational staff and commissioners from the NHS and the Council.

Seven providers were selected to go forward to the final stage of the selection process and were invited to give a thirty minute presentation to Cllrs Humphries and Milton, customers, the Corporate Director, Chief Operating Officer for the CCG and others.

This presentation focused on the development of the workforce. Members will recall development of the care workforce is a key priority for the Help to Live at Home service, so bidders were asked to evidence their plans for achieving this.

Following this, Mears Care Ltd have been selected. They are a private limited company based in Gloucestershire, (with plans to open an office in Wiltshire). They currently employ 16,000 staff and their areas of business, as well as care this includes housing support, maintenance and repairs. Mears scored highly on quality (40 out of a possible 50) and are competitive in terms of price.

Mears impressed evaluators with their plans for improving the terms and conditions of staff, with a clearly thought through implementation plan, and with their understanding of the market and the importance of being able to deliver services, particularly in South Wiltshire where there have been difficulties.

Safeguarding Considerations

4. The transitions from Aster Living to Mears will take place on September 29th. A project group is meeting weekly to plan this transfer that involves staff from Aster Living, Mears, operational (NHS and WC), finance and performance staff.

This project group reports weekly to the Service Director for Adult Services commissioning.

Communicating with customers during this period of transfer will be key and there will be lead from our communications team to work on this.

Public Health Implications

5. Mears Group demonstrated an excellent understanding of the benefits of delivering a service that prevents people's needs escalating and had some interesting ideas for utilising sheltered housing schemes as bases for the wider elderly population.

Environmental and Climate Change Considerations

6. The carbon emissions of outsourced services are included in the council's overall carbon footprint. Therefore Mears will be required to report on its annual emissions from transport and static sources and make efforts to reduce these emissions as part of this contract.

One of the goals of Help to Live at Home is the development of local staff teams able to deliver services to people in their community. This will reduce travel time and costs.

Equalities Impact of the Proposal

7. Help to Live at Home offers services to the whole population whether they are supported by the Council and are funding their own care. In this way we can offer customers an equitable service.

Risk Assessment

8. As with any contract transfer there are potential risks in the delivery of service. This is being managed by the transitions project group. The principle risk is a gap in service to customers. The plan to address this is on a customer by customer basis.

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

9. Failure to award the contract to Mears would have resulted in a significant number of older and vulnerable people not receiving a service for which the Council has a statutory Duty of Care.

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

10. In awarding these contracts to Mears Group the key risks are:

Risk	Action to mitigate the risk
1. Customers do not receive service	Management of customers on individual basis
2. Gap in service to customers because new contract not signed	Transitions project group in place, meetings with Mears arranged, draft contract already shared with Mears.

Financial Implications

11. Aster Living gave notice because they were unable to make the contracts financially sustainable at the price they had quoted. It was acknowledged that the new contracts will incur transitional costs such as TUPE transfer and pension costs for which no additional budget provision has been made. This will have to be managed within existing budget provision made for the transitional costs of the Help to Live at Home Service. .

12. It is difficult to accurately quantify what additional revenue costs will be incurred as a result of this process, as these will depend upon volumes of activity as these are framework rather than block contracts, and volumes can vary significantly. Based on existing volumes, it is estimated that the additional cost in 2012/13 could be £150,000 and any increased volumes in these localities will increase this.. There is no additional budget provision to manage this additional cost and therefore this will be managed within existing budgets.

Legal Implications

13. We requested Legal Services to advise on the contract and Legal Services have also advised on other matters in relation to this re-tender.

Options Considered

14. In view of the fact that Aster Living gave six months notice, there was no opportunity to explore any other options apart from re-tendering the existing contracts.

Conclusions

15. The Council and NHS are delighted to announce that Mears Group have been appointed to deliver the Help to Live at Home service in South and East Wiltshire following a rigorous and inclusive tendering process.

***Proposal**

- 16 That Members note the steps taken to appoint a new Help to Live at Home provider and the appointment of Mears Group.

Reason for Proposal

17. Mears Group has been selected in accordance with the Council procurement and legal requirements.

Maggie Rae, Corporate Director

Report Author: Nicola Gregson, Head of Commissioning, Older People
(Nicola.gregson@wiltshire.gov.uk) Tel: 01225 771672

Date of report: August 19th 2013

Background Papers

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

Cabinet Report July 2013

Appendices

Wiltshire Council

Cabinet

Date of meeting

Subject: Public Health Annual Report 2012-13

**Cabinet member: Keith Humphries
Cabinet Member for Public Health and Public Protection**

Key Decision: No

Executive Summary

The Director of Public Health has a statutory responsibility to produce an annual report for Public Health. The Health and Social Care Act 2012 states: "The director of public health for a local authority must prepare an annual report on the health of the people in the area of the local authority. The local authority must publish the report. "

The purpose of the report is to inform Cabinet members of Public Health's activity in Wiltshire during 2012-13.

The report will also be available electronically on the Council website.

Proposal(s)

There are no proposals within the Annual Report

Reason for Proposal

NA

**Maggie Rae
Corporate Director of Public Health and Public Protection**

This page is intentionally left blank

Wiltshire Council

Cabinet

24 September 2013

Subject: Military Civilian Integration Update Report

**Cabinet Member: Cllr Jane Scott
Leader of the Council**

Key Decision: No

Executive Summary

This report provides Cabinet with an update of the Military Civilian Integration (MCI) Partnership's work and seeks Cabinet's continued support for the partnership and its programme of work. This is a periodic update report, the last having been made to Cabinet in May 2011. A number of government announcements and significant progress on particular MOD projects now warrant a further update to Cabinet.

This report highlights key aspects of the ongoing work and explains how Wiltshire Council is working together with MOD (particularly 43 Wessex Brigade, the Defence Infrastructure Organisation (DIO) and Defence Technical Training (DTT)) and partners in bringing forward the Partnership's workstreams. The aims of the MCI Partnership, which is a key element in the Council's business plan and this report demonstrates how, through the partnership, the goals of the MCI Partnership are being brought forward.

Proposals

That Cabinet:

- (i) Confirms its support for the MCI Programme, and endorses the approach being taken to delivering the Army Rebasing Workstream.
- (ii) Notes the progress of the:
 - (a) Wiltshire's Armed Forces Community Covenant (agreed in August 2011) and our success in drawing down over £585,000 of grant funding to support local integration projects
 - (b) Personnel Recovery and Assessment Centre at Tedworth House, Tidworth, which officially opened on 20 May
 - (c) Development of a Defence Technical Training College at the former RAF Lyneham site

Reason for Proposal

The Military has a significant presence in Wiltshire, and the nature of this presence will change dramatically over the coming years. It is important that the Council recognises the impacts that the Regular Army Basing Plan will bring to Wiltshire, both in terms of the opportunities that this will offer in terms of growth and diversity, and the preparations that the Council will need to make to ensure that the needs of everyone in Wiltshire are met. Cabinet is invited to recognise the achievements that have already been made with the support of the MCI Partnership, such as the progress on a Defence Technical Training College at the former RAF Lyneham Site, the opening of Tedworth House, and the Community Covenant, while acknowledging that there will be difficult challenges ahead, whose successful resolution will require the support of the Council working closely with 43 Wessex Brigade and partners.

Carolyn Godfrey
Corporate Director

Wiltshire Council

Cabinet

24 September 2013

Subject: Military Civilian Integration Update Report

**Cabinet Member: Cllr Jane Scott
Leader of the Council**

Key Decision: No

Purpose of Report

1. This report is presented to Cabinet for information and to seek Cabinet's continued support for the Military Civilian Integration (MCI) Partnership and its programme of work. It demonstrates how this programme will continue with existing initiatives to improve the integration of military personnel and their families into the communities of Wiltshire, and how it will respond to the opportunities and challenges brought by the Army Rebasing Programme.
2. The report also updates Cabinet on the important milestones that have been reached through partnership working and the support of the MCI Partnership since the last update report to Cabinet made in May 2011. Key achievements have included Wiltshire's Armed Forces Community Covenant, the progress made on the delivery of a Defence Technical Training College at the former RAF Lyneham site and the official opening of Tedworth House Personnel and Recovery Centre in May 2013.

Background

3. The May 2011 report on the MCI Programme updated on its progress since its establishment in 2007, including aspects of:
 - The development of the Salisbury Plain Super Garrison.
 - The change of use of RAF Lyneham.
 - Other military changes that would have consequences for local communities across Wiltshire.
4. Since that time:
 - Wiltshire's Armed Forces Community Covenant was launched in August 2011. Wiltshire was one of the first local authorities to agree a local Covenant and our practice in this area has been recognised nationally. The aim of the Community Covenant, including the grant scheme, is to encourage integration between local civilian and Armed Forces communities, to support the Service community, and nurture understanding and awareness amongst the public of issues affecting the Armed Forces Community. 22 projects, delivered by local groups and charities, have been awarded a total of £589,049 funding since September 2011.

- Wiltshire also adopted its Armed Forces Veterans Charter and Action Plan, which confirms support from the broader community and the wide range of organisations delivering services across all sectors to Service Veterans and their families. Wiltshire Council has co-hosted, with Help for Heroes, two Veterans' conferences (January 2012 and March 2013). The conferences enabled over 70 delegates from a range of organisations to come together to agree priorities for the Action Plan.
 - The MCI Programme currently includes research on the Military population in Wiltshire and the South West region, which focuses on mapping the veteran community and is due for publication by the end of this year.
 - A number of other community integration initiatives have been launched and are ongoing.
5. More recent key developments have been:
- The government announced the Regular Army Basing Plan on 5 March 2013, signalling dramatic changes to the significant military presence in Wiltshire.
 - The Personnel Recovery and Assessment Centre at Tedworth House, Tidworth was officially opened by Princes William and Harry on 20 May 2013. Tedworth House is the 'flagship' centre of Defence Recovery Capability, a partnership between Help for Heroes, the Royal British Legion and the Ministry of Defence to provide a clear long-term care pathway for the wounded.
 - The Ministry of Defence has submitted a Planning Application to develop a Defence Technical Training College at the RAF Lyneham, which at the time of writing this report the Council was consulting on with a target date for decision of 3 September 2013.
6. The Council, working with DIO, 43 (Wessex) Brigade and partners, is now assessing the impact that the Regular Army Basing Plan will have on Wiltshire. The MCI Partnership will work towards identifying opportunities for growth such that the relocation of personnel will also bring benefits for existing Wiltshire communities. It will also work to ensure that the appropriate provision of services is maintained, and that any necessary changes in infrastructure can be made.
7. The work of MCI Partnership is aligned to initiatives supporting integration that will positively influence Wiltshire's economy, including:
- The Enterprise Network, which supports the employment and enterprise aspirations of service leavers and military spouses alongside the wider population. The Swindon and Wiltshire Local Enterprise Partnership (SWLEP), which is currently negotiating with government a City Deal initiative, the key element being to unlock the economic potential of the military presence in the SWLEP geography and the skills of service leavers to support business growth.

- The development of Porton Science Park, including a new incubation centre by 2015, which with funding from the Regional Growth Fund will deliver 2,000 jobs in the life sciences sector over the next ten years. The project is supported by the Defence Science and Technology Laboratory (Dstl), and Public Health England Porton (formerly the Health Protection Agency), and is in the context of the growing importance of the defence technology sector in the county.
 - The development of a South Wiltshire University Technical College, specialising in Science and Engineering in the context of the Defence Industries for 600 14-18 year olds, based in Salisbury. As well as providing schooling opportunities for relocated service families, the University Technical College will also utilise the skills of local employers, including 43 Wessex Brigade, to provide teaching for students.
8. By close engagement in the development of the above programmes and projects, in addition to undertaking its own core programme of work, the MCI Partnership continues to positively influence a number of initiatives and developments which will benefit both our civilian and military communities.

Main Considerations for the Council

Member and Officer Support

9. The MCI Partnership is led by its Board whose role is to provide strategic direction and guidance. The Partnership Board is chaired by the Leader of Wiltshire Council and the following representatives sit on the Board:
- Commander 43 (Wessex) Brigade
 - Cabinet Member for Economy, Skills and Transport, Wiltshire Council
 - Corporate Director, Wiltshire Council
 - Service Director for Economy and Regeneration, Wiltshire Council
 - Defence Infrastructure Organisation
 - Defence Technical Training
 - Homes and Communities Agency
 - Swindon and Wiltshire Local Enterprise Partnership
 - Community First (representing the voluntary sector)
10. Supporting the Partnership Board is a Delivery Group, to ensure the effective delivery of projects is taken forward. The Delivery Group is composed of senior officers from partner organisations.
11. The MCI Delivery Group has appointed a lead officer for each of on the following workstreams:
- Army Rebasing
 - Defence College of Technical Training
 - Armed Forces Covenant / Community Integration
 - Employment and Enterprise
 - City Deal 2 (tbc)

- Porton Science Park (tbc)
- University Technical College (tbc)
- Troops to Teachers (tbc)

12. Progress on many of these workstreams has been touched on in the background section above. The following paragraphs focus on core work streams of the partnership.

Army Rebasing

13. Army Rebasing, is the core work stream in the partnership. It responds to the Army Basing Plan which will relocate an additional 4,000 troops to Wiltshire by 2020. The significance of this move, alongside military redundancies, and increased reliance on reserves, are all expected to have an impact on Wiltshire's economy. It is anticipated that there will be around £850 million investment by MOD and other government departments by 2020 in the Salisbury Plain area. New requirements in terms of housing, schooling, health and social care, as well as the impact on Wiltshire's communities are being assessed, based upon data provided by the MOD. An Army Rebasing Steering Group has been set up, which includes representatives from Wiltshire Council, 43 (Wessex) Brigade and the Defence Infrastructure Organisation (DIO) to lead this work. Alongside this, a Local Stakeholder Group is being set up to provide communities with information and a chance to influence MOD development proposals, using a similar model as the one that was implemented for the Defence College of Technical Training at Lyneham, as described below.

Defence College of Technical Training, Lyneham

14. The new Defence College of Technical Training at Lyneham is planned to open in late 2015, with around 2,000 students and staff. The £230 million construction phase is due to commence in December 2013. The 'end state' will see around 5,500 students and staff on site by 2019. A planning application was submitted by the Secretary of State for Defence on 28 May 2013 and, at the time of writing, the target date for a decision was 3 September 2013. The Lyneham Steering Group, set up to involve local communities in the development proposals and inform them about progress, has been regarded as a model of best practice.

Communications Plan

15. The MCI Partnership and Army Rebasing Steering Group are fully supported by senior communications officers at Wiltshire Council and the DIO working together to ensure consistency of messaging.

Safeguarding Considerations

16. The Army 2020 Rebasing, with 4,000 troops relocating to Wiltshire, will increase the need for robust safeguarding measures. Discussion with the MOD is underway to define expected requirements, including impacts on service provision. Senior officers involved in safeguarding sit on the MCI Partnership Board and Delivery Group and safeguarding will be an integral part of the MCI Partnership's ongoing work.

Public Health Implications

17. The increase in troop numbers and their families will have significant implications for the provision of health care services and wider health and wellbeing considerations. Wiltshire Public Health, Wiltshire's Clinical Commissioning Group, the NHS England Area Team, and Army Primary Health Care have therefore set up a group to address health care commissioning needs. Additionally, a Health Impact Assessment is being undertaken by the Council.

Environmental and Climate Change Considerations

18. Environmental Impact Assessments are undertaken as part of planning for the infrastructure projects to ensure measures are in place to mitigate any negative impacts associated with the projects.

Equalities Impact of the Proposal

19. The MCI Programme aims to enable the realignment of service provision to meet the changing needs of the military, their families and veterans. All strands of work and projects are contributing to improving quality of life and opportunities for military families, serving personnel and veterans. In addition, measures will be taken to ensure that this does not adversely affect existing Wiltshire communities.

Risk Assessment

20. No specific risks have been identified with the proposal to support the MCI Partnership.
21. With regard to the partnership's programme of work, each workstream applies risk management principles to manage risk. These are in line with the Council's risk management strategy.

Financial Implications

22. The Army Rebasing Programme is expected to bring in £850 million of infrastructure investment into the local economy. Work is ongoing with DIO to determine the costs of this programme and the requirement for new infrastructure and services.
23. There will be additional costs associated with the additional services required by the Army Rebasing Programme. It is not possible at this stage to define these costs more clearly, and as such whilst it is hoped the costs will be mitigated by increased revenue from, education grants, council tax, NNDR, payment for discretionary services and other contributions this will need to be closely monitored. The Council is currently incurring costs which are being funded from within existing resources. This too will need to be monitored and bidding for Military Covenant funding recently announced as part of the 2014/15 Spending Round announcements.

Legal Implications

24. There are no specific legal implications in supporting the MCI Partnership and its programme of work. The legal implications of individual projects are considered as part of the project initiation process. Lead officers within the MCI Delivery Group will consult Legal Services on an ongoing basis in relation to individual projects within each workstream, to ensure that they are structured to comply with relevant legislation and government guidance, including state aid and procurement rules.
25. Under the Armed Forces Covenant the Council has a duty to support services for military and defence personnel and their families. By supporting the MCI Partnership the Council will be helping to ensure that military families are not disadvantaged and in building resilient relationships between military and civilian communities.

Options Considered

26. The Council has a duty to provide appropriate services to people living and working in Wiltshire, including military and defence personnel, leavers and their families. In the absence of any alternative organisation or mechanism in place to ensure that the changes in the military footprint in Wiltshire over the following years are met with preparedness and initiatives to provide effective services (education, health, infrastructure, and so on), the option of discontinuing the MCI Programme should be dismissed.

Conclusions

27. Since its establishment in 2007 the MCI Partnership and its programme of work has seen the success of a number of initiatives which have significantly benefited not only the military community comprising of military personnel, leavers and their families, but also of the civilian community whose lives are in many ways connected with Wiltshire's strong military heritage. This success is due to the strength of the partnership in working together to develop new initiatives and face the new challenges brought about by the Regular Army Basing Plan. By continuing to support the MCI Partnership, Wiltshire Council will benefit from the cross cutting and co-operative approach the MCI Delivery Group embodies, so that the opportunity to unlock the economic potential of the military and provide better services to Wiltshire's communities will be enhanced.

Carolyn Godfrey
Corporate Director

Report Authors:
Alistair Cunningham, Service Director, Economy and Regeneration
01255 713203

Background Papers:

Community Covenant: An Armed Forces Community Covenant between Wiltshire Council, Representatives of the Charitable and Voluntary Sectors, the Civilian Community of Wiltshire and the Armed Forces Community in Wiltshire, <wiltshire.gov.uk/wilts-armed-forces-community-covenant.pdf>, retrieved 9 August 2013

Wiltshire's Armed Forces Veterans' Charter, <wiltshire.gov.uk/military-veterans-charter.pdf>, retrieved 9 August 2013

Military Population in Wiltshire and the South West Region, October 2012, <<http://www.wiltshire.gov.uk/mci-military-population-wiltshire-oct-2012-sw-region.pdf>>, retrieved 9 August 2013

Appendices

None

This page is intentionally left blank

Wiltshire Council

Cabinet

24 September 2013

Subject: Report on Treasury Management Strategy 2013-14 – First Quarter ended 30 June 2013

**Cabinet member: Cllr Dick Tonge
Finance, Performance, Risk, Procurement and Welfare Reform**

Key Decision: No

Executive Summary

The Council has adopted a Treasury Management Strategy and an Annual Investment Strategy (AIS) for 2013-14, which can be found in the Cabinet meeting on 12th February 2013 agenda in the reports pack at the following link, <http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=141&MId=6131&Ver=4>, Item 10, Pages 75 to 96.

In addition to an Annual Report, the policy requires quarterly reports reviewing the Treasury Management Strategy (TMS). This is the first quarterly report of 2013-14 and covers the period from 1 April 2013 to 30 June 2013.

Proposal

That Cabinet note the contents of this report in line with the Treasury Management Strategy.

Reasons for Proposals

To give members of the Cabinet an opportunity to consider the performance of the Council in the period to the end of the quarter against the parameters set out in the approved Treasury Management Strategy for 2013-14.

This report is a requirement of the Council's Treasury Management Strategy.

**Michael Hudson
Service Director, Finance**

Wiltshire Council

Cabinet

24 September 2013

Subject: **Report on Treasury Management Strategy 2013-14 – First Quarter ended 30 June 2013**

Cabinet member: **Cllr Dick Tonge
Finance, Performance, Risk, Procurement and Welfare Reform**

Key Decision: **No**

1. Background & Purpose of Report

- 1.1 The Council adopted a Treasury Management Strategy for 2013-14 at its meeting on 26 February 2013, incorporating Prudential Indicators (Prls), Treasury Management Indicators (Trls) and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The Strategy report can be found in the Cabinet 12 February 2013 agenda reports pack, Item 10, Pages 75 to 96 at <http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=141&MId=6131&Ver=4>.
- 1.2 The Council agreed that, in addition to an Annual Treasury Report reviewing the year as a whole, quarterly reports would be submitted to Cabinet reviewing the Treasury Management Strategy. This report covers the first quarter of 2013-14, ended 30 June 2013.

2. Main Considerations for the Cabinet

- 2.1 This report reviews management actions in relation to:
- a) the Prls, Trls originally set for the year and the position at the 30 June 2013;
 - b) other treasury management actions during the period; and
 - c) the approved Annual Investment Strategy.

Review of Prudential and Treasury Indicators and Treasury Management Strategy for 2012-13

- 2.2 The following is a review of the position on the key prudential and treasury indicators for the three months to 30 June 2013.
- 2.3 A full detailed listing of the indicators required by the CIPFA Prudential Code, Treasury Management Code and Treasury Management Guidance Notes are given in Appendix 1.

Key Prudential Indicators

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

	2012-13 Actual Outturn	2013-14 Original Estimate	2013-14 Revised Estimate
General Fund	6.5%	6.6%	6.5%
Housing Revenue Account	15.9%	18.7%	15.3%

- 2.4 The General Fund revised estimate for 2013-14 is marginally lower than the original due to a reduction in financing cost estimates and a fall in expected investment income.

Prl 4 – Gross Borrowing compared to Capital Financing Requirement (CFR)

	2012-13 Actual Outturn £ million	2013-14 Original Estimate £ million	2013-14 Revised Estimate £ million
CFR – General Fund	341.9	404.4	395.2
CFR – HRA	122.6	122.6	122.6
Gross Borrowing – General Fund	245.2	275.2	245.2
Gross Borrowing – HRA	118.8	118.8	118.8
CFR not funded by gross borrowing – General Fund	96.7	129.2	150.0
CFR not funded by gross borrowing – HRA	3.8	3.8	3.8

- 2.5 Prl 4 measures the so called “Golden Rule” which ensures that over the medium term net borrowing is only for capital purposes.
- 2.6 The main reasons for the difference in the 2013-14 revised and original estimates are:
- a) a decrease in the capital financing requirement;
 - b) a revision of the external borrowing requirement. It is anticipated that no borrowing will be taken in 2013-14, any increase in capital financing requirement being funded (internally) by a reduction in investments. Using ‘internal cash’, where it is available, to fund increases in CFR, through cash flow management, rather than borrowing externally reduces the cost of borrowing (from 4.5%, externally to 0.80%, internally); and
 - c) the revision of the estimated level of short term investments likely to be held at the end of 2013-14.

Key Treasury Management Indicators within the Prudential Code

- 2.7 The Operational Boundary and Authorised Limit, as approved by Council in February as part of the Treasury Management Strategy, detailed below are control limits and do not compare with actual borrowing figures as capital

funding requirements are not automatically taken as loans and may be funded from cash balances.

Trl 1 – Authorised Limit for External Debt

Authorised Limit	2013-14 £ million	2014-15 £ million	2015-16 £ million
Borrowing – General Fund	436.0	450.3	451.9
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	559.4	573.7	575.3

- 2.8 The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

Trl 2 – Operational Boundary for External Debt

Operational Boundary	2013-14 £ million	2014-15 £ million	2015-16 £ million
Borrowing – General Fund	425.3	439.3	440.9
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	548.7	562.7	564.3

- 2.9 The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the period was £364.0 million).

Trl 3 – External Debt

	31/03/13 Actual £ million	30/06/13 Actual £ million	31/03/14 Expected £ million
Borrowing – General Fund	245.2	245.2	245.2
Borrowing – HRA	118.8	118.8	118.8
Total Borrowing	364.0	364.0	364.0
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	364.2	364.2	364.2

- 2.10 Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in the first three months of 2013-14. The figure for actual borrowing at 31 March 2013 is stated at the amount that reflects actual outstanding external borrowing at the end of 2012-13 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

Key Treasury Management Indicators within the Treasury Management Code

Trl 6 – Principal Sums invested for periods of longer than 364 days

- 2.11 This Trl is now covered by the Annual Investment Strategy for 2013-14, which set a limit of £30 million. During the first three months of 2013-14 no cost effective investments have been identified. The Authority however holds a number of on-call deposit accounts and money market funds, which offer both an attractive interest rate and instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

- 2.12 In addition to the main maturity indicators it was agreed as part of the Treasury Management Strategy, approved by Council in February, that no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 11% (£40 million) in 2013-14. However, this almost entirely relates to the treatment of LOBO loans, which are shown as maturing at the date (the "call date") on which the lender has the right to increase the interest rate. Indications are that interest rates will not move upwards until March 2015 and it is, therefore, unlikely that these loans will be "called" in 2013-14. A summary maturity profile is shown in Appendix 2.

Other Debt Management Issues

Debt Rescheduling

- 2.13 No opportunities to reschedule PWLB debt have been identified during the period, mainly because of the high level of premiums payable for early repayment of debt. This is continually monitored and any opportunities to reschedule cost effectively will be considered, should they arise.

Cash Surpluses and Deficits

Short Term Surpluses and Deficits

- 2.14 Any short term cash surpluses or deficits have been managed through temporary deposits or loans, respectively. Temporary deposits outstanding at 30 June 2013 amounted to £137.8 million, including outstanding Icelandic bank deposits, shown at their current estimated recoverable amounts, as detailed in Appendix 3.

Icelandic Banks

- 2.15 The Council has received no further repayments since those reported to Cabinet within the Annual Treasury Report on 18th June 2013.
- 2.16 The Council has so far recovered just over £8.4 million of the original £12 million deposited in 2008.
- 2.17 A further repayment from Heritable is expected during August 2013. The Landsbanki Winding-up Board have not indicated when they will be making the next distribution.
- 2.18 Indications are that the Council will recover 95% of its deposits with Heritable and 100% of its deposit in Landsbanki. However, repayments, particularly from Landsbanki, are likely to be completed over several more years and, in the case of Landsbanki, are subject to fluctuations in foreign exchange rates and the Icelandic capital controls, which currently remain in place.

Longer Term Cash Balances

- 2.19 Interest rate movements in the period have not provided many opportunities for an increased return by longer term investment of the more permanent cash surpluses, such as reserves and balances. However, the availability of any appropriate longer term investment opportunities is continually monitored, such as those that offer “special tranche rates”.
- 2.20 However, rates available have fallen considerably in the last 12 months and this will, therefore, be reflected in rates available for the replacement of the “special tranche rate” investment with Lloyds Banking Group, deposited in August 2012 for 12 months at 2.85% (the interest rate offered for an equivalent deposit from August 2013 is currently 1.01%). Details of investments outstanding are shown in Appendix 3.

Review of Investment Strategy

- 2.21 The Treasury Management Strategy Statement (TMSS) for 2013-14, which includes the Annual Investment Strategy, was approved by the Council on 12 February 2013. It sets out the Council’s investment priorities as being:
- a) Security of capital;
 - b) Liquidity; and
 - c) Yield.
- 2.22 The Council will also 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 higher rates in periods up to 12 months with highly credit rated financial institutions, using Sector’s suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Sector.
- 2.23 All investments have been conducted within the agreed Annual Investment Strategy and made only to authorised lenders within the Council’s high credit quality policy.
- 2.24 Credit ratings are incorporated within the approved Investment Strategy as detailed within the Treasury Management Strategy 2013-14 and the current ratings have been shown against the deposits outstanding in Appendix 3.

3. Environmental and Climate Change Considerations

- 3.1 None have been identified as arising directly from this report.

4. Equalities Impact of the Proposal

- 4.1 None have been identified as arising directly from this report.

5. Risks Assessment and Financial Implications

- 5.1 All investment has been at fixed rates during the period. The Council’s current average interest rate on long term debt is 3.787%, which, according to the latest

available information, remains one of the lowest rates amongst UK local authorities.

- 5.2 The primary treasury management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.
- 5.3 Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

6. Legal Implications

- 6.1 None have been identified as arising directly from this report.

7. Options Considered

- 7.1 The market improvement, although still in its relatively early stages, has enabled the Council to increase potential optimum rates with longer dated deposits (between three months and one year), whilst ensuring and maintaining the security and liquidity of investments.
- 7.2 The availability of any longer term opportunities, such as those offered by “special tranche rates” is continually monitored.

8. Conclusion

- 8.1 Cabinet is asked to note the report.

Michael Hudson
Service Director, Finance

Report Author:

Keith Stephens, Business Analyst (Cash and Treasury) Tel: 01225 713603, email: keith.stephens@wiltshire.gov.uk

Background Papers

The following unpublished documents have been relied on in the preparation of this Report: NONE

Appendices

- Appendix 1 Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16
- Appendix 2 Summary of Long Term Borrowing 1 April 2013 – 30 June 2013
- Appendix 3 Summary of Temporary Loans and Deposits 1 April 2013 – 30 June 2013

Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16

Prudential Indicators

Prl 1 – Capital Expenditure

1. The table below shows the revised figures for capital expenditure based on the current capital approved budget.

	2012-13 Actual Outturn	2013-14 Original Estimate	2013-14 Revised Estimate	2013-14 Actual To date 30/06/13
	£ million	£ million	£ million	£ million
General Fund	67.3	132.1	145.0	11.6
HRA	4.5	10.2	11.1	0.7

2. The revised estimate for 2013-14 is higher than the original estimate largely because the budgets for large capital schemes we reprogrammed from 2012-13 to reflect the expenditure profile.
3. The Capital Programme is monitored closely throughout the year and progress on the programme is reported to the Cabinet Capital Asset Committee (CCAC). The next report due to be taken to members is the Month 4 2013/2014 report, which will be taken to CCAC on 24 September 2013.

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

	2012-13 Actual Outturn	2013-14 Original Estimate	2013-14 Revised Estimate
General Fund	6.5%	6.6%	6.5%
Housing Revenue Account	15.9%	18.7%	15.3%

The General Fund revised estimate for 2013-14 is marginally lower than the original due to a reduction in financing cost estimates and a fall in expected investment income. The HRA revised estimate is lower than the original due to lower borrowing costs.

Prl 3 – Estimate of Incremental Impact of Capital Investment Decisions on the Council Tax

4. This indicator is only relevant at budget setting time and for 2013-14 was calculated as being £-8.99.

Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16

Prl 4 – Gross Borrowing compared to Capital Financing Requirement (CFR)

	2012-13 Actual Outturn £ million	2013-14 Original Estimate £ million	2013-14 Revised Estimate £ million
CFR – General Fund	341.9	404.4	395.2
CFR – HRA	122.6	122.6	122.6
Gross Borrowing – General Fund	245.2	275.2	245.2
Gross Borrowing – HRA	118.8	118.8	118.8
CFR not funded by gross borrowing – General Fund	96.7	129.2	150.0
CFR not funded by gross borrowing – HRA	3.8	3.8	3.8

5. Prl 4 measures the so called “Golden Rule” which ensures that over the medium term net borrowing is only for capital purposes.
6. CFR not funded by gross borrowing represents capital expenditure met by internal borrowing, i.e. funded from the Council’s own funds, such as reserves and balances and working capital (an accounting term for the difference, at a point in time, between what the Council owes and what is owed to it).
7. Internal borrowing is cheaper than external borrowing, however, the ability to borrow internally will depend upon the sufficiency of reserves, balances and working capital. The sufficiency needs to be monitored and projections carried out to indicate where any adverse movements are expected, that could jeopardise the Council’s cash flow position, making it necessary to replace internal with external borrowing.
8. The main reason for the difference in the 2013-14 revised and original estimates are:
 - a) a decrease in the capital financing requirement;
 - b) a revision of the external borrowing requirement. It is anticipated that no borrowing will be taken in 2013-14, any increase in capital financing requirement being funded (internally) by a reduction in investments. Using ‘internal cash’, where it is available, to fund increases in CFR, through cash flow management, rather than borrowing externally reduces the cost of borrowing (from 4.5%, externally to 0.80%, internally); and
 - c) the revision of the estimated level of short term investments likely to be held at the end of 2013-14.

Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16

Pr1 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services

9. All actions have been compliant with the CIPFA Code of Practice.

Treasury Management Indicators within the Prudential Code

10. The Operational Boundary and Authorised Limit, as approved by Council in February as part of the Treasury Management Strategy, detailed below are control limits and do not compare with actual borrowing figures as capital funding requirements are not automatically taken as loans and may be funded from cash balances.

Tr1 1 – Authorised Limit for External Debt

Authorised Limit	2013-14 £ million	2014-15 £ million	2015-16 £ million
Borrowing – General Fund	436.0	450.3	451.9
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	559.4	573.7	575.3

11. The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

Tr1 2 – Operational Boundary for External Debt

Operational Boundary	2013-14 £ million	2014-15 £ million	2015-16 £ million
Borrowing – General Fund	425.3	439.3	440.9
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	548.7	562.7	564.3

12. The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the period was £364.0 million).

Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16

Trl 3 – External Debt

	31/03/13 Actual £ million	30/06/13 Actual £ million	31/03/14 Expected £ million
Borrowing – General Fund	245.2	245.2	245.2
Borrowing – HRA	118.8	118.8	118.8
Total Borrowing	364.0	364.0	364.0
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	364.2	364.2	364.2

13. Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in the first three months of 2013-14. The figure for actual borrowing at 31 March 2013 is stated at the amount that reflects actual outstanding external borrowing at the end of 2012-13 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

Treasury Management Indicators within the Treasury Management Code

Trl 4a – Upper Limit on Fixed Interest Rate Exposures

The Council's upper limit for fixed interest rate exposure for the period 2013-14 to 2015-16 is 100% of net outstanding principal sums.

Trl 4b – Upper Limit on Variable Interest Rate Exposures

The Council's upper limit for variable interest rate exposure is 25% for 2013-14, 35% for 2014-15 and 40% for 2015-16 of net outstanding principal sums.

14. Options for borrowing during the period were considered, however, (mainly) due to the premium that would be incurred on the early repayment of debt and the desire to maintain the Council's relatively low average borrowing rate, no new borrowing was taken.

Trl 5 – Upper & Lower Limits on the Maturity Structure of Borrowing

Limits on the Maturity Structure of Borrowing	Upper Limit	Lower Limit	Position at 31/06/13
Maturing Period:			
- under 12 months	15%	0%	11%
- 12 months and within 24 months	15%	0%	6%
- 2 years and within 5 years	45%	0%	12%
- 5 years and within 10 years	75%	0%	10%
- 10 years and above	100%	0%	61%

Prudential and Treasury Indicators for 2013-14, 2014-15 & 2015-16

15. The table above shows that the actual maturity structure is within the agreed limits.
16. No long term borrowing has been taken during the period. If interest rates are favourable and an opportunity exists to take further borrowing this year we will look to match borrowing with this maturity structure.

Trl 6 – Principal Sums invested for periods of longer than 364 days

17. This PrI is now covered by the Annual Investment Strategy for 2013-14, which set a limit of £30 million, as approved by Council in February as part of the Treasury Management Strategy. During the first three months of 2013-14 no cost effective investments have been identified. The Authority however holds a number of money market funds and an on-call deposit account, which offer competitive interest rates and instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

18. In addition to the main maturity indicators it was agreed in the approved Treasury Management Strategy that no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 11% (£40 million) in 2013-14. However, the entire £40 million relates to LOBO loans and, with interest rates likely to remain low for some time, the lenders are unlikely to exercise their option to increase the interest rates and, therefore, the Council is unlikely to repay the loans in 2013-14. A summary maturity profile is shown in Appendix 2.

SUMMARY OF LONG TERM BORROWING 1 APRIL 2013 – 30 JUNE 2013

Loans Raised During the Period

Date Raised	Lender	Amount (£m)	Type	Interest rate (%)	Maturity date	No. of years
No Loans were raised during the period						
Total		0.000				

Average period to maturity (years) 0.00

Average interest rate (%) 0.00

* Loans taken to restructure ** Loans taken for purchases instead of leasing

Maturity Profile at 30 June 2013

Year	Amount (£m)					% age		Average rate (%)	
	PWLB	Market Loans (LOBO)		Total					
		Earliest Repay	Contracted Maturity	Earliest Repay	Contracted Maturity	Earliest Repay	Contracted Maturity	Earliest Repay	Contracted Maturity
(A)	(B)	(C)	(A)+(B)	(A)+(C)					
1 to 5 years	46.048	61.000	-	107.048	46.048	29.4	12.7	3.889	3.501
6 to 15 years	84.933	-	-	84.933	84.933	23.3	23.3	2.752	2.873
16 to 25 years	93.500	-	-	93.500	93.500	25.7	25.7	3.837	3.836
26 to 50 years	78.500	-	45.000	78.500	123.500	21.6	33.9	4.618	4.380
Over 50 years	-	-	16.000	-	16.000	-	4.4	-	4.298
Totals	302.981	61.000	61.000	363.981	363.981	100.0	100.0	3.787	3.787

Average period to maturity (years) 17.37

CIPFAs Guidance Notes on Treasury Management in the Public Services recommends that the Treasury Management Strategy Reports include LOBO (Lender Option Borrower Option) loans at the earliest date on which the lender can require payment, deemed to be the next 'call date'. At that date the lender may choose to increase the interest rate and the borrower (the Council) may accept the new rate or repay the loan (under the current approved Treasury Management Strategy, the Council would repay the loan). Whether or not the lender chooses to exercise their right to alter the interest rate will depend on market conditions (interest rates). Current market conditions, where interest rates are predicted to remain low for some considerable time, indicate that it is highly unlikely that lenders will call the loans in the immediate future.

The alternative method of determining the maturity profile of LOBO loans, based on contracted maturity dates, was used in the 2012-13 year end outturn.

The table above includes the maturity profiles using both the earliest date on which the lender can require payment and the contracted maturity dates.

SUMMARY OF TEMPORARY LOANS AND DEPOSITS 1 APRIL 2013 – 30 JUNE 2013

Deposits Outstanding at 30 June 2013

Borrower	Amount £m	Terms	Interest Rate	Sector Credit Rating at 30/06/2013
National Australia Bank	8.000	Fixed to 15-Jul-13	0.43	Orange - 12 Months
Bank of Montreal	8.000	Fixed to 06-Sep-13	0.36	Orange - 12 Months
Barclays Bank	8.000	Fixed to 16-Jul-13	0.45	Green - 3 Months
Lloyds TSB Bank	5.000	Fixed to 09-Aug-13	2.85	Blue - 12 Months
Deutsche Bank	8.000	Fixed to 15-Aug-13	0.40	Green - 3 Months
Nationwide Building Society	8.000	Fixed to 16-Oct-13	0.52	Red - 6 Months
National Bank of Abu Dhabi	8.000	Fixed to 15-Jul-13	0.65	Red - 6 Months
Commonwealth Bank of Australia	8.000	Fixed to 30-Oct-13	0.40	Orange - 12 Months
Development Bank of Singapore (DBS)	8.000	Fixed to 11-Oct-13	0.43	Orange - 12 Months
Australia & New Zealand Bank	8.000	Fixed to 11-Oct-13	0.40	Orange - 12 Months
Canadian Imperial Bank of Commerce	8.000	Fixed to 16-Oct-13	0.45	Orange - 12 Months
Overseas Chineses Banking Corporation	8.000	Fixed to 16-Oct-13	0.45	Purple - 24 Months
Bank of Nova Scotia	8.000	Fixed to 15-Nov-13	0.38	Orange - 12 Months
Svenska Handelsbanken AB	7.017	No fixed maturity date	0.40	Orange - 12 Months
National Westminster Bank	7.911	No fixed maturity date	0.80	Blue - 12 Months
J P Morgan Money Market Funds	0.224	No fixed maturity date	0.28	AAA
Prime Rate Money Market Fund	7.866	No fixed maturity date	0.43	AAA
Goldman Sachs Money Market Fund	0.008	No fixed maturity date	0.37	AAA
Ignis Money Market Fund	11.518	No fixed maturity date	0.43	AAA
Heritable Bank	0.312	Est Recoverable Amount	6.00	N/A
Heritable Bank	0.208	Est Recoverable Amount	6.00	N/A
Heritable Bank	0.312	Est Recoverable Amount	6.00	N/A
Heritable Bank	0.104	Est Recoverable Amount	5.42	N/A
Landsbanki	1.275	Est Recoverable Amount	6.10	N/A
Landsbanki	0.021	Est Recoverable Amount	3.40	N/A
Total	137.776			

Outstanding deposits with Icelandic Banks are shown at the estimated recoverable amount, which takes account of estimated impairments and any repayments received to date. Apart from the final entry, the interest rates are the original rates. The last entry reflects the amount paid out in ISK (Icelandic Krona) which is being held in an interest bearing escrow account in Iceland and, as recommended by CIPFA, accounted for as a 'new' investment.

Investments held at the end of the first quarter of 2013-14 are £70.438 million higher than they were at 31st March 2013. This is due to the timing of cash flows, particularly in respect of the change in the collection of National Non-domestic (Business) Rates (NDR) under Business Rates Retention, which came into effect from 1 April 2013.

Transactions During the Period

Type	Balance 1 Apr 13 £m	Raised		Repaid		Balance 30 June 13 £m	Interest Variance * High/Low(%)
		Value £m	No.	Value £m	No.		
Temporary loans							
- General	0.000	0.000	0	0.000	0	0.000	
Total	0.000	0.000	0	0.000	0	0.000	
Temporary deposits							
- General	47.242	88.100	12	32.110	5	103.232	2.85/0.36
- HSBC Overnight	0.000	88.100	32	88.100	32	0.000	0.20/0.20
- Call Accounts	0.017	14.911	2	0.000	0	14.928	0.80/0.40
- Money Market Funds	20.079	118.237	25	118.700	34	19.616	0.43/0.28
Total	67.338	309.348	71	238.910	71	137.776	

* Interest variance is the highest/lowest interest rate for transactions during the period.

* In terms of general deposits, the high of 2.85% was obtained in August 2012 on a 12 month deposit.

General deposits include impaired Icelandic investments less any repayments that have been received, to date.

Wiltshire Council

Cabinet

24 September 2013

Subject: **Revenue Budget Monitoring Period 5 2013/2014**

Cabinet Member: **Cllr Dick Tonge – Finance, Performance, Risk,
Procurement and Welfare Reform**

Key Decision: **No**

Executive Summary

This report advises members of the revenue budget monitoring position as at the end of Period 5 (end of August 2013) for the financial year 2013/2014 with suggested actions as appropriate.

Savings plans, including the £4 million voluntary redundancy programme, are on target or have been delivered already. There has been additional spending in Children's Social Care to reflect the continuing costs of children taken into care. This will be funded, in part, from general fund reserves, as provided in the financial plan, to maintain safeguarding of children as a key priority for Wiltshire Council.

Overall therefore the forecasts suggest a £2.067 million overspend if no further action is taken. This is 0.6% of the Council's net budget. The purpose of budget monitoring is to identify such risks in order to allow management to address issues. This time last year a £3.084 million overspend was forecast and action taken to correct that ensured a balanced budget at year end. Action is currently being assessed to identify areas where savings can be made. An updated position will be reported to Cabinet in the next budget monitoring report in December 2013.

The year-end general fund reserves balance is projected to be £7.840 million. This is in line with the council's financial plan and recommendations by the Section 151 Officer.

Proposal

Cabinet is asked to note the outcome of the period 5 (end of August) budget monitoring, and approve the transfer of £1.4 million from General Fund Reserves to Children's Social Care.

Reason for Proposal

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

Michael Hudson
Service Director, Finance

Wiltshire Council

Cabinet

24 September 2013

Subject: **Revenue Budget Monitoring Period 5 2013/2014**

Cabinet Member: **Cllr Dick Tonge – Finance, Performance, Risk,
Procurement and Welfare Reform**

Key Decision: **No**

Purpose Of Report

1. To advise members of the revenue budget monitoring position as at the end of Period 5 (end of August 2013) for the financial year 2013/2014 with suggested actions as appropriate.

Background

2. The Council set the 2013/14 budget at its meeting on 26 February 2013. The report focuses on forecast exceptions to meeting the original budget and actions required to balance it. Comprehensive appendices showing the individual service headings are included in Appendix C. More details on any revisions to the original base budgets in year are also included in the report.

Summary

3. The projected year end position for the relevant accounts is set out as follows:

	Revised Budget Period 5 £ m	Profiled Budget to date £ m	Actual and committed to date £ m	Projected Position for Year £ m	Projected (Over)/ Underspend £ m
General Fund Total	340.518	201.264	179.444	342.585	2.067
Housing Revenue Account	(0.631)	(2.932)	(3.236)	(0.631)	0.000

General Fund Monitoring Update

4. Finance has continued to monitor budgets, with budget managers, with a focus on the budgets assessed to be subject to a higher risk of volatility due to factors such as changes in demand or assumptions. This has identified the areas where costs have risen quicker than forecast.
-

5. Budget monitoring is an ongoing process and budgets and expenditure are reviewed between budget managers and accountants regularly, on a risk based approach.
6. The period 5 report shows more detailed information and includes a number of smaller variances. Full details of service area figures are included in Appendix C. Full details of structural changes and virements in the period are included in appendices A and B. In order to get as up to date information to Cabinet as possible, the base figures in this report are period 4 (July). These have been reviewed and updated where necessary to reflect the position at period 5 (August).
7. Budget Monitoring reports to members will now be taken to Cabinet quarterly in September, December, March and June. To improve clarity, the reports will target large variances and the managerial actions arising to help to ensure a balanced budget at year end.

General Fund Monitoring Details

8. Overall the majority of services spend is in line with budget profiles and forecasts. There are a very small number of services which have identified larger variances at this stage of the year than originally planned. Service Directors are seeking compensating actions to bring these back in line.
9. The spend on Children's Social Care is forecast to be £1.9 million above the original allocated budget, however the potential risk of this occurring was included in the risk assessment of the General Fund Reserves presented to Council in February 2013 and £1.4 million was set aside within the General Fund Reserve to meet this requirement. It is proposed that this element of the Reserve is released.
10. There are also pressures within the Learning Disability (Adults) budget, currently forecast as £1.8m, arising from a higher than estimated number of new packages early in the financial year (with a high forecast cost in this financial year), the impact of the full year cost of new packages last year and also packages of care that increased during last year. In addition, we are assessing the impact that national changes to the funding for 19-25 year olds with special educational needs in college placements may have had. This funding has moved into the Dedicated Schools Grant (DSG) from this financial year as part of the schools funding reforms and may have resulted in increased social care costs. The service is exploring ways to bring spend in line with the original budget and is developing an action plan, which will include a process of assessment and review of care packages within the Learning Disability Service.

11. The movement to/ from reserves variance of £4.8 million represents £1.4 million draw for Children's Social Care and £3.4 million technical draw for the voluntary redundancy scheme. More details are included in the Reserves Section below.
12. Redundancy and Contingency shows an overspend of £4.1 million. This is mainly due to £3.4 million technical costs of the voluntary redundancy scheme due to the savings occurring over two financial years. All costs and savings relating to the scheme are currently held corporately. This matches with the £3.4 million underspend in the draw from reserves line in 11 above.
13. Of the £8.0 million of savings to be found in the Redundancy and Contingency line plans are in place for £7.3 million to be delivered. The remaining £0.7 million is the balance of the £4.1 million in 12 above. The savings identified are continually being reviewed for robustness and to look for other potential savings. Included in the £7.3 million is an assumption that a £2 million capitalisation directive will be approved by central government.
14. Capital financing is forecast to be £1.5 million underspent at the year end. This is partly due to a high level of reprogramming of expenditure actioned at the end of 2012/13 and anticipated reprogramming from 2013/14 into 2014/15. This reduced spend means there is no planned requirement to borrow funds during 2013/2014, reducing the revenue costs of servicing the debt.
15. Overall, therefore, the period 5 report identifies potential cost pressures of £2.067 million. This is after the proposal to transfer of £1.400 million from reserves to support the pressure on Children's Social Care.

Housing Revenue Account Monitoring Update

16. Budget figures on the Housing Revenue Account have been reviewed as part of the regular monitoring process. At present there is no reported change in forecast.

Debt Management

17. A review of the income owed to the Council shows that 23.7% of debt is greater than 12 months old. This is in line with expectations and an improvement on the figures in April 2013. Action is being taken to recover all debt and provision is allowed in exceptional cases.

Unpaid Debt to End of July 2013	£ million
Total debt outstanding	12.080
Value of debt over 1 year old	2.860

Reserves

18. The tables below provide the forecast as at period 5 on the general fund balance held by the council. The latest forecast on general fund balances currently stands at £7.840 million at 31 March 2014.
19. A draw from reserves of £1.400 million is proposed to cover the additional spending on Children's Social Care.
20. A technical draw from reserves is required as part of the voluntary redundancy scheme. This is due to the full year effect of savings occurring in two financial years. This will be repaid to reserves from salary savings in the 2014/2015 financial year.

General Fund Reserve	£ million	£ million
Balance as at 1 April 2013		(12.640)
Planned contribution in 2013/14	0	
Draw from reserves for Children's Social Care	1.400	
Technical Draw from reserves for Voluntary Redundancy Repaid 1 April 2014	3.400	
Total Forecast movement		4.800
Forecast Balance 31 March 2014		(7.840)

21. At present it is assumed that all other areas currently overspending will be on line by the year end following management action. A review of the assessment of need has been undertaken by the Section 151 Officer to link all the General Fund balances to risk.

Overall Conclusions

22. This report has identified a shortfall if no further action is taken on the general fund budget of £2.067 million at period 5 due to cost pressures / shortfalls in income. Officers are currently taking action to address this and further monitoring reports will be brought to Cabinet throughout 2013/2014.
23. The early identification of potential issues is part of sound and prudent financial management. Action to address this year's forecast should be taken where officers have the delegated powers to do so and this is underway.

Implications

24. This report informs member's decision making.

Risks assessment

25. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one off resource that cannot thus be used as a long term sustainable strategy for financial stability. Budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

Equalities and diversity impact of the proposals

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

Financial implications

27. This is a report from the chief finance officer and the financial implications are discussed in the detail of this report. It is forecast that a balanced budget will be achieved by 31 March 2014.

Legal Implications

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

Public Health Implications

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

Environmental Implications

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

Safeguarding Implications

31. Safeguarding remains a key priority for the Council and this report reflects the additional investment for 2013/2014 to support the ongoing spend in looked after children and safeguarding.

Proposals

32. Members are asked to note the outcome of the period 5 (end of August) budget monitoring, and approve the transfer of £1.400 million from General Fund Reserves to Children's Social Care.

Reasons for proposals

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

Background Papers and Consultation

None

Contact Name:

Michael Hudson, Service Director Finance, ext 713601

michael.hudson@Wiltshire.gov.uk

Report author: Matthew Tiller, Chief Accountant

Appendices:

Appendix A: Revenue Budget Movements 2013/2014

Appendix B: Major Virements between Service Area from Original budget

Appendix C: Revenue Budget Monitoring Statements

Wiltshire Council Revenue Budget Movements 2013/2014

Service	Original Budget	Opening Structural Changes	In Year Virements	Revised Budget	Major Virements See Appendix B
	£m	£m	£m	£m	
Adult Care Operations					
Older People	46.408		2.862	49.270	*
Other Vulnerable Adults	8.626		0.000	8.626	
Learning Disability	40.331		(1.327)	39.004	*
Mental Health	22.455		(1.406)	21.049	*
Adult Care Commissioning					
Resources, Strategy & Commissioning	2.402		(0.609)	1.793	*
Communities, Libraries, Heritage & Arts					
Community Leadership & Governance	3.284		0.224	3.508	
Libraries Heritage & Arts	4.078		0.010	4.088	
Housing Services					
Housing Services	5.223		0.030	5.253	
Neighbourhood Services					
Local Highways and Street Scene	18.012	(6.925)	(0.240)	10.847	
Environment Services (Split from Highways)	0.000	6.925	(0.055)	6.870	
Leisure	2.996		(0.034)	2.962	
Car Parking	(5.326)		(0.001)	(5.327)	
Children & Families					
Children's Social Care	32.620	(2.652)	(1.846)	28.122	*
0-25 Service: Disabled Children & Adults (Split from above)	0.000	2.652	3.227	5.879	*
Integrated Youth	2.965		(0.193)	2.772	
Schools & Learning					
Early Years	7.439		0.282	7.721	
School Improvement	2.625		0.987	3.612	*
Business & Commercial Services	0.449		(0.972)	(0.523)	*
Targeted Services & Learner Support (split to below)	7.153	(7.153)	0.000	0.000	
Education Inclusion Service	0.000	6.407	0.180	6.587	
Behaviour & Attendance Service	0.000	0.746	0.050	0.796	

Children's Services Commissioning & Performance

Safeguarding	0.936	(0.019)	0.917
Commissioning and Performance	2.738	(0.255)	2.483
Funding Schools	0.000	0.000	0.000

Policy, Performance & Partnership

Policy, Performance & Partnership	0.260	0.057	0.317
-----------------------------------	-------	-------	-------

Finance

Finance, Procurement & Internal Audit	5.160	(0.071)	5.089
Revenues & Benefits - Subsidy	0.000	0.000	0.000

Legal & Democratic

Legal & Democratic	6.652	(0.043)	6.609
--------------------	-------	---------	-------

Communications

Comms & Branding	1.977	(0.019)	1.958
------------------	-------	---------	-------

HR & Organisational Development

Human Resources & Organisational Development	3.163	1.221	4.384	*
--	-------	-------	-------	---

Business Services

Information Services	13.464	(0.354)	13.110	
Shared Services and Customer Care/ Business Services	4.603	(0.075)	4.528	
Strategic Property Services	1.435	13.965	15.400	*

Transformation Programme

Transformation Programme	16.111	(14.007)	2.104	*
--------------------------	--------	----------	-------	---

Economy and Regeneration

Economy & Regeneration	3.659	0.823	4.482	*
------------------------	-------	-------	-------	---

Development Services

Development Services	0.852	(0.067)	0.785
----------------------	-------	---------	-------

Strategic Services, Highways and Transport

Highways Strategic Services	6.366	(0.032)	6.334
Public Transport	11.106	(0.006)	11.100
Education Transport	8.329	0.025	8.354

Waste

Waste	31.946	(0.022)	31.924
-------	--------	---------	--------

Public Health & Protection

Public Health	0.264	0.039	0.303
Public Protection	3.355	(0.118)	3.237

Digital Inclusion

Digital Inclusion	0.238	(0.002)	0.236
-------------------	-------	---------	-------

Corporate Directors

Corporate Directors	0.145	0.567	0.712	*
---------------------	-------	-------	-------	---

Corporate

Movement To/ From Reserves	0.000		(0.235)	(0.235)	
Capital Financing	22.898		0.500	23.398	*
Restructure and Contingency	(3.299)		(2.924)	(6.223)	*
Specific and General Grants	(11.746)		(0.363)	(12.109)	
Corporate Levys	8.166		0.246	8.412	
2013-2014 Budget Requirement	340.518	0.000	(0.000)	340.518	
HRA Budget	(0.631)	0.000	0.000	(0.631)	
	339.887	0.000	(0.000)	339.887	

More details are given of major virements and structural movements in Appendix B. These areas are marked above with *

Major Virements between Services Areas from Original Budget

	£m
Adult Care Operations - Older People	
Transfer of Help to Live At Home transitional costs budget from Adult Care Commissioning	0.463
Transfer saving to Corporate	0.500
Adult Care Operations budget realignment from Mental Health	1.981
Other budget realignments	(0.082)
In Year Virements	2.862
Adult Care Operations - Learning Disability	
Movement of service budgets to new 0-25 Service reporting line	(1.102)
Other budget realignments	(0.225)
In Year Virements	(1.327)
Adult Care Operations - Mental Health	
Transfer saving to Corporate	0.500
Adult Care Operations budget realignment from Mental Health	(1.981)
Other budget realignments	0.075
In Year Virements	(1.406)
Adult Care Commissioning	
Transfer of Help to Live At Home transitional costs budget to Older People	(0.463)
Movement of training team to HR	(0.339)
Other budget realignments	0.193
In Year Virements	(0.609)
Children & Families - Children's Social Care	
Movement of service budgets to new 0-25 Service reporting line	(1.787)
Other budget realignments	(0.059)
In Year Virements	(1.846)
Children & Families - 0-25 Service: Disabled Children & Adults	
Movement from Children's Social Services	1.787

Movement from Learning Disability	1.102
Other budget realignments	0.338
In Year Virements	3.227
Schools & Learning - School Improvement	
Transfer of services from Business & Commercial Services	0.580
Release of grants from specific & general grants	0.200
Other budget realignments	0.207
In Year Virements	0.987
Schools & Learning - Business & Commercial Services	
Transfer of services to other Schools & Learning areas	(1.107)
Other budget realignments	0.135
In Year Virements	(0.972)
HR & Organisational Development	
Centralisation of training budgets	1.174
Other budget realignments	0.047
In Year Virements	1.221
Business Services - Strategic Property Services	
Transfer of operational property budgets from Transformation	14.330
Other budget realignments	(0.365)
In Year Virements	13.965
Transformation Programme	
Transfer of operational property budgets to Strategic Property Services	(14.330)
Other budget realignments	0.323
In Year Virements	(14.007)
Economy & Regeneration	
Action for Wiltshire budget allocation from contingency	0.707
Other budget realignments	0.116
In Year Virements	0.823
Corporate Directors	
Reallocation of savings across various service lines	0.500

Other budget realignments

In Year Virements

0.067

0.567

Capital Financing

Revenue contribution to cover Capital Financing of Capital Programme from Information Services

In Year Virements

0.500

0.500

Restructure & Contingency

Transfer savings from Older People & Mental Health

Action for Wiltshire budget allocation to Economy & Regeneration

Release of Redundancy budget to services

In Year Virements

(1.000)

(0.707)

(1.217)

(2.924)

Revenue Budget Monitoring Statement for Period 5 Revenue Monitoring Report

31-Jul-13

		<i>Original Budget</i>	<i>Current Revised Budget</i>	<i>Profiled Budget to Date</i>	<i>Actual and committed to date</i>	<i>Projected Position for Year</i>	<i>Projected Variation for Year: Overspend / (Underspend)</i>	<i>Variation as % of Revised Budget: Overspend / (Underspend)</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Adult Care Operations								
Older People	Gross Costs	56.066	59.239	20.660	19.923	58.893	(0.346)	-
	Income	(9.658)	(9.969)	(3.600)	(3.379)	(9.969)	-	-
	Net	46.408	49.270	17.060	16.544	48.924	(0.346)	(0.7%)
Other Vulnerable Adults	Gross Costs	9.213	9.213	3.494	3.785	9.588	0.375	-
	Income	(0.587)	(0.587)	(0.227)	(0.216)	(0.587)	-	-
	Net	8.626	8.626	3.267	3.569	9.001	0.375	4.3%
Learning Disability	Gross Costs	42.904	41.521	16.717	17.672	43.306	1.785	-
	Income	(2.573)	(2.517)	(0.999)	(1.023)	(2.517)	-	-
	Net	40.331	39.004	15.718	16.649	40.789	1.785	4.6%
Mental Health	Gross Costs	26.839	24.783	9.338	9.069	24.055	(0.728)	-
	Income	(4.384)	(3.734)	(1.413)	(1.172)	(3.734)	-	-
	Net	22.455	21.049	7.925	7.897	20.321	(0.728)	(3.5%)
Adult Care Commissioning								
Resources, Strategy & Commissioning	Gross Costs	2.501	1.870	0.674	0.699	1.923	0.053	-
	Income	(0.099)	(0.077)	(0.026)	(0.031)	(0.077)	-	-
	Net	2.402	1.793	0.648	0.668	1.846	0.053	3.0%
Communities, Libraries, Heritage & Arts								
Community Leadership & Governance	Gross Costs	3.339	3.563	0.882	1.695	3.563	-	-
	Income	(0.055)	(0.055)	(0.018)	(0.182)	(0.055)	-	-
	Net	3.284	3.508	0.864	1.513	3.508	-	-
Libraries, Heritage & Arts	Gross Costs	5.032	5.042	2.039	2.627	5.087	0.045	-
	Income	(0.954)	(0.954)	(0.219)	(0.824)	(0.954)	-	-

	Net	4.078	4.088	1.820	1.803	4.133	0.045	1.1%
<u>Housing Services</u>								
Housing Services	Gross Costs	6.567	6.597	2.150	4.281	6.747	0.150	-
	Income	(1.344)	(1.344)	(0.413)	(1.226)	(1.344)	-	-
	Net	5.223	5.253	1.737	3.055	5.403	0.150	2.9%
<u>Neighbourhood Services</u>								
Local Highways & Street Scene	Gross Costs	11.688	11.448	3.998	2.966	11.448	-	-
	Income	(0.601)	(0.601)	(0.374)	(0.161)	(0.460)	0.141	-
	Net	11.087	10.847	3.624	2.805	10.988	0.141	1.3%
Environment Services (split from Local Highways & Street Scene)	Gross Costs	8.238	8.183	2.832	2.857	8.183	-	-
	Income	(1.313)	(1.313)	(0.432)	(0.446)	(1.313)	-	-
	Net	6.925	6.870	2.400	2.411	6.870	-	-
Leisure	Gross Costs	8.392	8.358	3.089	2.690	8.358	-	-
	Income	(5.396)	(5.396)	(1.798)	(1.719)	(5.396)	-	-
	Net	2.996	2.962	1.291	0.971	2.962	-	-
Car Parking	Gross Costs	1.920	1.919	0.639	0.699	1.919	-	-
	Income	(7.246)	(7.246)	(2.386)	(2.350)	(7.246)	-	-
	Net	(5.326)	(5.327)	(1.747)	(1.651)	(5.327)	-	-
<u>Children & Families</u>								
Children's Social Care	Gross Costs	30.828	28.928	9.549	18.269	30.876	1.948	-
	Income	(0.861)	(0.806)	(0.133)	(0.324)	(0.806)	-	-
	Net	29.967	28.122	9.416	17.945	30.070	1.948	6.9%
0-25 Service: Disabled Children & Adults (split from Children's Social Care)	Gross Costs	2.807	6.085	2.051	2.167	6.152	0.067	-
	Income	(0.155)	(0.206)	(0.056)	-	(0.206)	-	-
	Net	2.652	5.879	1.995	2.167	5.946	0.067	1.1%
Integrated Youth	Gross Costs	4.157	3.848	1.289	1.272	3.848	-	-
	Income	(1.192)	(1.076)	(0.256)	(0.425)	(1.076)	-	-
	Net	2.965	2.772	1.033	0.847	2.772	-	-
<u>Schools & Learning</u>								

Early Years	Gross Costs	26.349	26.631	8.925	9.959	26.631	-	-
	Income	(18.910)	(18.910)	(0.686)	(0.034)	(18.910)	-	-
	Net	7.439	7.721	8.239	9.925	7.721	-	-
School Improvement	Gross Costs	4.428	7.457	2.688	2.684	7.457	-	-
	Income	(1.803)	(3.845)	(1.842)	(1.664)	(3.845)	-	-
	Net	2.625	3.612	0.846	1.020	3.612	-	-
Business & Commercial Services	Gross Costs	3.085	(0.503)	0.163	0.198	(0.503)	-	-
	Income	(2.636)	(0.020)	(0.005)	1.884	(0.020)	-	-
	Net	0.449	(0.523)	0.158	2.082	(0.523)	-	-
Targeted Services & Learner Support	Gross Costs	-	-	-	0.008	-	-	-
	Income	-	-	-	0.003	-	-	-
	Net	-	-	-	0.011	-	-	-
Education Inclusion Services	Gross Costs	15.141	26.716	8.800	5.946	26.716	-	-
	Income	(8.734)	(20.129)	(0.080)	0.423	(20.129)	-	-
	Net	6.407	6.587	8.720	6.369	6.587	-	-
Behaviour & Attendance Services	Gross Costs	4.124	4.333	1.801	1.752	4.333	-	-
	Income	(3.378)	(3.537)	(0.082)	(0.092)	(3.537)	-	-
	Net	0.746	0.796	1.719	1.660	0.796	-	-
Children's Services Commissioning & Performance								
Safeguarding	Gross Costs	1.024	1.005	0.330	0.462	1.379	0.374	-
	Income	(0.088)	(0.088)	(0.052)	(0.051)	(0.088)	-	-
	Net	0.936	0.917	0.278	0.411	1.291	0.374	40.8%
Commissioning & Performance	Gross Costs	9.041	8.323	3.650	3.129	7.949	(0.374)	-
	Income	(6.303)	(5.840)	(0.687)	(0.684)	(5.840)	-	-
	Net	2.738	2.483	2.963	2.445	2.109	(0.374)	(15.1%)
Funding Schools	Gross Costs	280.056	280.050	70.043	34.841	280.050	-	-
	Income	(280.056)	(280.050)	(2.914)	(8.027)	(280.050)	-	-
	Net	-	-	67.129	26.814	-	-	-

Policy, Performance & Partnership

Policy, Performance & Partnership

Gross Costs

0.263

0.320

0.146

0.165

0.320

-

-

Income

(0.003)

(0.003)

(0.001)

-

(0.003)

-

-

Net

0.260**0.317****0.145****0.165****0.317**

-

-

Finance

Finance, Procurement & Internal Audit

Gross Costs

17.398

17.327

5.129

5.530

17.327

-

-

Income

(12.238)

(12.238)

(2.534)

(2.952)

(12.238)

-

-

Net

5.160**5.089****2.595****2.578****5.089**

-

-

Revenues & Benefits - Subsidy

Gross Costs

118.156

118.156

39.386

36.870

118.156

-

-

Income

(118.156)

(118.156)

(38.954)

(29.815)

(118.156)

-

-

Net

-

-

0.432**7.055**

-

-

-

Legal & Democratic

Legal & Democratic

Gross Costs

7.661

7.618

2.455

3.294

7.807

0.189

-

Income

(1.009)

(1.009)

(0.258)

(0.045)

(0.999)

0.010

-

Net

6.652**6.609****2.197****3.249****6.808****0.199****3.0%****Communications**

Comms & Branding

Gross Costs

2.057

2.038

0.680

0.513

2.038

-

-

Income

(0.080)

(0.080)

(0.027)

(0.007)

(0.080)

-

-

Net

1.977**1.958****0.653****0.506****1.958**

-

-

HR & Organisational Development

Human Resources & Organisational Development

Gross Costs

4.345

6.060

2.088

1.908

6.060

-

-

Income

(1.182)

(1.676)

(0.559)

(0.845)

(1.676)

-

-

Net

3.163**4.384****1.529****1.063****4.384**

-

-

Business Services

Information Services

Gross Costs

13.767

13.413

6.033

6.286

13.413

-

-

Income

(0.303)

(0.303)

(0.016)

(0.047)

(0.303)

-

-

Net

13.464**13.110****6.017****6.239****13.110**

-

-

Business Services Finance

Gross Costs

6.605

6.530

3.570

3.173

6.530

-

-

Income

(2.002)

(2.002)

(1.437)

(1.526)

(2.002)

-

-

Net

4.603**4.528****2.133****1.647****4.528**

-

-

Strategic Property Services	Gross Costs	4.336	15.679	8.094	7.362	16.179	0.500	-
	Income	(2.901)	(0.279)	(0.093)	(0.059)	(0.279)	-	-
	Net	1.435	15.400	8.001	7.303	15.900	0.500	3.2%
<u>Transformation Programme</u>								
Transformation Programme	Gross Costs	16.366	4.981	1.887	2.229	4.981	-	-
	Income	(0.255)	(2.877)	(1.022)	(1.082)	(2.877)	-	-
	Net	16.111	2.104	0.865	1.147	2.104	-	-
<u>Economy & Regeneration</u>								
Economy & Regeneration	Gross Costs	3.749	4.572	1.524	2.917	4.572	-	-
	Income	(0.090)	(0.090)	(0.030)	(0.969)	(0.090)	-	-
	Net	3.659	4.482	1.494	1.948	4.482	-	-
<u>Development Services</u>								
Development Services	Gross Costs	5.958	5.891	1.963	1.882	5.891	-	-
	Income	(5.106)	(5.106)	(1.866)	(2.370)	(5.106)	-	-
	Net	0.852	0.785	0.097	(0.488)	0.785	-	-
<u>Strategic Services, Highways & Transport</u>								
Highways Strategic Services	Gross Costs	7.533	8.901	2.898	2.454	8.831	(0.070)	-
	Income	(1.167)	(2.567)	(0.385)	(0.238)	(2.567)	-	-
	Net	6.366	6.334	2.513	2.216	6.264	(0.070)	(1.1%)
Public Transport	Gross Costs	14.794	14.752	5.020	5.257	15.313	0.561	-
	Income	(3.688)	(3.652)	(1.134)	(0.665)	(3.975)	(0.323)	-
	Net	11.106	11.100	3.886	4.592	11.338	0.238	2.1%
Education Transport	Gross Costs	8.950	8.938	2.174	1.945	8.718	(0.220)	-
	Income	(0.621)	(0.584)	(0.503)	(0.437)	(0.628)	(0.044)	-
	Net	8.329	8.354	1.671	1.508	8.090	(0.264)	(3.2%)
<u>Waste</u>								
Waste	Gross Costs	35.546	35.524	9.478	9.368	35.524	-	-
	Income	(3.600)	(3.600)	(0.152)	0.633	(3.600)	-	-
	Net	31.946	31.924	9.326	10.001	31.924	-	-

Public Health

Public Health	Gross Costs	13.534	13.573	4.524	3.072	13.573	-	-
	Income	(13.270)	(13.270)	(4.423)	(3.336)	(13.270)	-	-
	Net	0.264	0.303	0.101	(0.264)	0.303	-	-

Public Protection

Public Protection	Gross Costs	4.426	4.418	1.436	1.490	4.418	-	-
	Income	(1.071)	(1.181)	(0.505)	(0.518)	(1.181)	-	-
	Net	3.355	3.237	0.931	0.972	3.237	-	-

Digital Inclusion

Digital Inclusion	Gross Costs	0.238	0.236	0.079	0.024	0.236	-	-
	Income	-	-	-	-	-	-	-
	Net	0.238	0.236	0.079	0.024	0.236	-	-

Corporate Directors

Corporate Directors	Gross Costs	0.172	0.739	0.334	0.278	0.739	-	-
	Income	(0.027)	(0.027)	(0.005)	-	(0.027)	-	-
	Net	0.145	0.712	0.329	0.278	0.712	-	-

Corporate

Movement To/From Reserves		-	(0.235)	(0.235)	(0.235)	(5.035)	(4.800)	-
Capital Financing		22.898	23.398	3.506	2.314	21.898	(1.500)	-
Restructure & Contingency		(3.298)	(6.223)	0.594	(0.010)	(1.949)	4.274	-
Specific & General Grants		(11.746)	(12.109)	(7.554)	(3.046)	(12.109)	-	-
Corporate Levys		8.166	8.412	2.856	0.752	8.412	-	-
	Net	16.020	13.243	(0.833)	(0.225)	11.217	(2.026)	(15.3%)

Wiltshire Council General Fund Total

	Gross Costs	865.613	877.518	273.866	245.442	879.801	2.283	0.3%
	Income	(525.095)	(537.000)	(72.602)	(65.998)	(537.216)	(0.216)	0.0%
	Net	340.518	340.518	201.264	179.444	342.585	2.067	0.6%

Housing Revenue Account (HRA)

Housing Revenue Account (HRA)	Gross Costs	24.638	24.638	2.601	2.226	24.638	-	-
	Income	(25.269)	(25.269)	(5.533)	(5.462)	(25.269)	-	-
	Net	(0.631)	(0.631)	(2.932)	(3.236)	(0.631)	-	-

Total Including HRA

	Gross Costs	890.251	902.156	276.467	247.668	904.439	2.283	0.3%
	Income	(550.364)	(562.269)	(78.135)	(71.460)	(562.485)	(0.216)	0.0%
	Net	339.887	339.887	198.332	176.208	341.954	2.067	0.6%

Wiltshire Council

Cabinet

24 September 2013

Subject: **Supply of Energy, Electricity and Gas**

Cabinet member: **Cllr Stuart Wheeler - Hubs, Human Resources, Legal, Democratic Services, Governance, Heritage and Arts**

Key Decision: **No**

Executive Summary

Background

1. The council's current contractual arrangements through the Government Procurement Service (GPS) ends 31 March 2014 and six months notice is required i.e. by 30 September 2013, to avoid being committed to procuring from GPS from 1 April 2014.
2. GPS does not presently offer some of the services identified by the Council as required in the future. We therefore wish to change supplier.
3. The council procures energy to meet its own requirements, but also facilitates other partners such as fire services to buy off its contractual arrangement if they wish to opt-in to do so. This facility will be maintained in any new arrangement. In 2012/13 the council's spend was:

Electricity

Schools	£1,192,382
Non-Schools	£3,333,882
Total	£4,526,265

Gas

Schools	£1,142,913.13
Non-Schools	£1,050,789
Total	£2,193,702.13

4. Detailed Opportunity Assessments (OA), attached, were undertaken by the Council to establish the options and best value solution for our future electricity and gas needs. This included extensive engagement with and support from both private and public sector energy brokers (specialist energy buyers) to understand the supply market and methods used to buy energy. The energy supply market is complex and it is difficult to secure

any certainty about future prices and the relative value of those prices, which is often only clear in hindsight and where there has been a significant and sustained movement in prices, up or down.

Procurement Approach

5. Options considered for the procurement approach or “route to market”, included:
 - 5.1 developing an in-house capability
 - 5.2 establishing an agreement to buy through another Local Authority’s buying team
 - 5.3 running a tender(s) to contract with both a broker and licensed energy supplier
 - 5.4 continuing the current route of using a pre-approved Public Buying Organisation (PBO) broker’s, such as Yorkshire Purchasing Organisation, Laser, West Mercia Energy and Eastern Shires Purchasing Organisation, accessing their framework for both broker services (the PBO services) and access to their licensed energy supplier contracts – an EU compliant option negating the need to tender.
6. These options were considered and in light of the evidence in relation to the appropriate best value pricing strategy, summarised below, and to meet the timeframe for its implementation, the PBO route is recommended.

Pricing Strategy

6. Energy commodity prices are volatile, though that volatility has been reducing in recent years, and remain subject to a range of geo-political, seasonal and speculative influences. The price is made up from three main elements:
 - 6.1 the generation and sale of energy as a traded commodity, subject to volatility beyond the control of the council (between 55-70% of total price)
 - 6.2 the distribution of the energy to the local area (between 20-35% of total price), and
 - 6.3 supplying the energy within the local area to the meter/point of use (between 1-25% of total price)
7. This complex and heavily regulated market offers no meaningful scope for negotiated savings. The main opportunity for savings depends upon exploiting the volatility in the commodity price to try and beat the market average price; accompanied by risk to certainty of price/budget. As

volatility reduces the potential price risks and reward also reduce. Historic broker performance, particularly during the 2008/9 period and claims for potential savings are therefore to be treated with caution.

8. The commodity is traded on an open market, in the same way as stocks and shares or other commodities. The choice of pricing strategy is informed by the buyer's appetite to place budget certainty at risk in pursuit of lower prices, by exploiting that volatility and trading energy during the contract period creating variable pricing in year. Conversely budget certainty can create risk of paying too much as a price can be easily and quickly fixed on a single day, ignoring the opportunity created by the volatility. Private and public sector brokers were not able to provide reliable evidence that either a purchasing within period, or fixed approach would yield greater reward than our current "locked" strategy, which reflects the best of both by a period of trading in the run up to the agreed pricing date to smooth the volatility, before securing a fixed price for the required period. Interestingly PBO performance benchmarked, however questionable the accuracy of benchmarking may be, favourably with private sector brokers. Consequently securing an appropriate balance of risk/reward for the council favours the continuance of the current "locked" price strategy.
9. Assessing the input from the public and private brokers consulted during the development of the OA, established that PBO offered equivalent pricing options and services, and potential for best value to private sector brokers. Furthermore they support faster and cheaper routes to contract which enable the timely implementation of the recommended pricing strategy. Therefore a continuance of the use of a PBO other than GPS, offers the most suitable route to market.

Service Offer

10. The private sector brokers and PBO were assessed to establish whether they offered the services required by the council to improve their management of our requirements and also the fees proposed. Both private sector brokers and most PBO do provide the services, but GPS do not and so will not be our future supplier.

Savings

11. A target saving based upon consumption reduction of 5% has been set for next year for non-schools usage. At current prices and based upon the current estate and operating hours in cash terms this equates to a budget reduction of £162,450 for electricity and £45,540 for gas pa.
12. Invoices typically have an error rate of 10%, many of which are routinely

identified and corrected, however by securing an invoice checking service further savings of 1-3% of spend are anticipated, between £45,000 and £135,000 pa for electricity and £21,900 and £64,700 for gas.

13. By adopting the recommended strategy it is anticipated that we will continue to beat the market average price by around 10% for commodity costs. This is in line with the evidence of market best practice and equates to maintaining cost avoidance savings on total 2012/13 spend of £270,000 pa for electricity and £96,500 for gas. This does not offer cashable savings however continues to provide best value for the council portfolio of requirements.
14. The cumulative benefits anticipated from implementing these proposals are 6-8% of energy spend.

Proposals

15. Cabinet resolve to procure its energy requirements for council operated buildings and some schools, using a locked pricing strategy, through a PBO pre-approved framework for a maximum of a three year period from 1 April 2014 through to 31 March 2017.
16. Cabinet resolve that delegated authority is given to the Service Director, Business Services, in consultation with the Cabinet Member for Business Services, to have executed all necessary documents required for the Council to join an appropriate energy supply framework.
17. Cabinet acknowledge the complexity of the energy market and resolve that in advance of the end of the new agreement, the council seek independent professional advice to develop an assessment of our energy requirements and associated options and recommendation for future procurement.

Reason for Proposal

18. To secure the council's energy supplies from 1 April 2014 and deliver best value for the council and any partners that opt-in.

Jacqui White and Michael Hudson
Service Directors, Business Services and Finance

Wiltshire Council

Cabinet

24 September 2013

Subject: **Supply of Energy, Electricity and Gas**

Cabinet member: **Councillor Stuart Wheeler, Hubs, Human Resources, Legal, Democratic Services, Governance, Heritage and Arts**

Key Decision: **No**

Purpose of Report

1. This report seeks to explain the council's current energy supply arrangements which end 31 March 2014, the work undertaken to establish the options and identify the best value procurement solution. The desired outcome is Cabinet resolution to support the award of contracts to secure supply for a period of up to three years until 31 March 2017.

Background

2. The council's current arrangements for energy are provided via the Government Procurement Service' (GPS) pre-approved framework contracts with EDF and British Gas for electricity and Corona for Gas, which will automatically renew after contract end 31st March 2014 unless other arrangements are made. In order to exit the contracts notice needs to be served six months ahead of the end date i.e. 30 September 2013. Data on recent spend is shown in the tables below. The variability is due to changes in price, consumption and from estate changes, for example taking on DC Leisure in 2011-12:

Electricity

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Schools	£2,460,613	£1,909,916	£1,555,814	£1,192,382
Non schools	£3,575,656	£2,983,773	£3,668,210	£3,333,882
Total	£6,036,270	£4,893,690	£5,224,024	£4,526,265

Gas

	FY 2011-12	FY 2012-13
Schools	£741,523.25	£1,142,913.13
Non-Schools	£797,515	£1,050,789
Total	£1,539,038.25	£2,193,702.13

3. The council has historically made its corporate energy contracts available to schools and other partner organisations such as the Fire service that want to opt-in and wishes to continue to do so.
4. The council wish to secure additional services as part of any future procurement that support its aims of delivering best value energy solutions, some of which it does not presently receive from GPS. As a result GPS will not be used to secure energy from 1 April 2014.
5. The council operates both an energy and environmental policy, key aspects of which require it to:
 - 5.1 deliver responsible energy management
 - 5.2 continually improve energy performance as part of its wider environmental and property management strategy
 - 5.2 reduce energy consumption across the estate
 - 5.4 reduce energy consumption and carbon emissions associated with council services
 - 5.5 buy energy in a cost effective manner

Main Considerations for the Council

6. Under the current framework contract arrangements we have placed call-off contracts through GPS for a range of energy supplies. Even if the GPS framework contracts end before 31 March 2014 our call-off contracts will continue until that date:

Electricity

Type of supply	Supplier	GPS Framework expiry dates
Half Hourly	EDF	15 th August 2015
Unmetered Street lighting	EDF	15 th August 2015
Non Half Hourly	British Gas	30 th September 2013

Gas

Supplier	GPS Framework expiry dates
Corona	31 st March 2016

7. Energy pricing is based on the generation and sale of energy as a traded commodity subject to volatility beyond the control of the council (typically 55-70% of total price), the distribution of the energy to the grid supply point (typically 20-35% of total price) and the subsequent supply to the meter/point of use (typically 1-25% of total price). As an example of the volatility risk, in 2008 the energy market experienced an increase of 100% in electricity prices.
8. Since almost all the costs other than the commodity price itself are heavily regulated, managing the commodity cost is key. It can only be influenced by the choice of pricing strategy which is discussed in more detail under “Options considered”.
9. Our research identified that as the market was largely similar in nature and approach, the key issues influencing our recommendation were:
 - 9.1 Pricing strategy – a balance between budget certainty and the opportunity for beating the market average commodity price
 - 9.2 Route to market – the best method to award the right contract, and
 - 9.3 Service offer – must provide the required services
10. In relation to 9.1 the market price is volatile and savings cannot be assured through any strategy. Further, it is not possible to subsequently benchmark performance between organisations to assure that you could have done better since the size of the orders, timing and strategies each of the brokers use are variable. Each broker can only benchmark their own performance against a market average price index that they select to test their performance. Selection of the appropriate pricing strategy is therefore critical to our prospects of securing best value and mitigating risk. It is only possible to establish that one has over or underpaid where a significant, protracted and unexpected trend in prices takes place that over or underpaying is obvious. This is mitigated by buying our energy for shorter term periods off the supply contract, historically typically a year, however in a rising market a two year period might be preferable.
11. Further to 9.2 the Public Buying Organisations (PBO) such as GPS offer a timely and lean route to market, using pre-approved frameworks set up to support public bodies to buy effectively. Benchmarking suggests that GPS price performance is in line with private and public sector peers; in fact confidence in potential performance was similar for all organisations.

We have a neutral stance on private or public sector broker performance, though critically to secure the recommended pricing strategy a PBO can deliver for 1 October 2013.

12. Reference 9.3 the current GPS service does not presently provide the level of customer engagement and review that we would wish to receive, or specific services we consider offer an opportunity to ensure best value such as invoice checking, which could save 1-3% of spend or between £45,000 and £135,000 pa for electricity and £21,900 and £64,700 for gas. We are satisfied with their price performance and trading capability, but do not consider they can meet our future service needs.
13. The council does not have the expertise to deliver an energy buying service in-house.
14. The council does not have the technical expertise to tender for its energy requirements itself and is reliant upon its selected broker to do so. As the engagement with brokers evidenced the complexity of the market, we plan to engage independent professional advice to inform our future procurement options to align with the end of the recommended contract herein.
15. Engagement with other Local Authorities (LAs) has established that some are not open to us joining their current arrangements, and that where we might, their strategies, capacity and concerns about working with other LAs such as Wiltshire do not match our requirements. Further there is no evidence that their capability and potential to select the best value procurements is likely to be better than the buying team of a PBO.

Safeguarding Implications

16. This requirement has been reviewed with the Service Director responsible for Safeguarding and has been assessed as having no Safeguarding implications or impact.

Public Health Implications

17. This requirement has been assessed by Public Health and determined to have no implications or impact.

Environmental and climate change considerations

18. **Will the proposal result in energy consumption associated with the service area increasing, decreasing or remaining roughly at current levels?**

Electricity and gas

This procurement relates to the supply of electricity and gas and so this proposal and award of any contract will not directly influence consumption, except that the requirement to provide performance monitoring information to the council will support us to identify usage anomalies and review where consumption can be influenced.

19. **What measures have been introduced, or are planned to be introduced, to reduce the carbon emissions associated with the proposal?**

Electricity

As this proposal relates purely to the supply of the commodity, issues such as estates management and street lighting management are not relevant. It is possible to reduce the related carbon emissions by buying green electricity and we will seek to procure green electricity wherever the balance of cost and benefit supports it. Where green electricity meets the government definition, associated emissions can be deducted from our annual Greenhouse Gas footprint report.

Gas

There is no scope to affect carbon emissions through the commodity purchase of gas. Unlike electricity there is no option to procure green gas.

As we are obliged to buy carbon allowances under the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme for the energy we use, better billing and invoice management will reduce those costs, around 8% of our CRC spend (approx £500,000pa), by around 10%, or 0.8% of total CRC spend equating to £4000 per annum.

20. **From the perspective of day to day environmental management, what risks associated with the proposal have been identified and how are they going to be mitigated?**

Electricity and gas

To best manage the requirement to buy carbon allowances, the selected supplier must offer a streamlined data-rich service with tightly controlled management e.g. accurate and regular billing, and swift query management.

21. **If the service or contract is planned to last longer than 20 years, how have issues related to the unavoidable consequences of climate change been integrated and**

mitigated? For example, increases in the mean summer temperature and increased vulnerability to adverse weather events like heavy snow or floods.

Electricity and Gas

Not applicable. The proposal is for a contract that may be used for up to three years.

Equalities Impact of the Proposal

22. There are no equalities impacts from the procurement of energy.

Risk Assessment

23. The procurement of energy is based on a complex and heavily regulated market. That said, there are well established private sector and PBO with extensive experience of the market with buying teams of significant size and capability offering a service that minimises the risks of attempting to buy it ourselves. There is a general market view that prices are trending upwards for the next few years, however there will be volatility during that period which is mitigated through the selected pricing strategy.

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

23.1 We will be tied to GPS for a further year and lose the opportunity to secure improved service quality

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

Risk	Action to mitigate the risk
23.2. Price volatility increases	The pricing strategy aims to balance this risk with the potential for reward. The council will review performance regularly to secure forecasting information to inform decisions on pricing periods
23.3 Prices move consistently higher/lower	The council will review performance regularly to secure forecasting information to inform decisions on an appropriate pricing period i.e. 12/24/36 months ahead

Financial Implications

24. The non-school budget for 2013-14, determined in November 2012 from the previous year's budget and an inflationary element as appropriate for the sector is:

Electricity

<u>Electricity (excluding street lighting):-</u>	£1,952,600
<u>Street lighting:-</u>	<u>£1,297,000</u>
Total	<u>£3,249,600</u>

Gas £910,800

25. There is budget risk inherent in buying a commodity from a traded market that can be eliminated by securing a fixed price. As described in the options at 31.1 through 31.3, the simplest route to a fixed price and budget certainty limits the application of brokers trading expertise. A full trading strategy does not offer any budget certainty and delivers variable pricing in period. The recommended strategy, a continuation of the current approach, provides the benefits of both and maintains current non-cashable price performance potential at beating the market average commodity cost by around 10%, a £270,000 pa benefit for electricity and £96,500 for gas.
26. Longer term, energy prices are expected to increase and so efforts to reduce usage, and thus mitigate the impact of rising costs, will become more important. It is not possible to accurately predict the future budget implications of procuring in this market but it is possible to better control the amount of energy that is used. A target reduction of 5% consumption has been set for next year for non-schools usage. At current prices and based upon the current estate and operating hours this would equate to a budget reduction of £162,450 for electricity and £45,540 for gas. However cutting the energy demand of the council will not only have an immediate impact on the bills but will resonate long term and will increase in value over future years. Getting a better price for energy now through procurement will have an impact now but will not guarantee a better price in the future. Whereas reducing energy demand now stays as a saving for years to come and even increases in value in a rising market.
27. See table below for an example of how the 5% demand reduction saving would increase in value over 5 years based on an assumed energy price rise of 5% per year. Further energy demand reduction each year would compound the end saving.

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
£4,159,800.0 0	£4,367,790.0 0	£4,586,179.5 0	£4,815,488.4 8	£5,056,262.9 0	£5,309,076.0 4
£207,990.00	£218,389.50	£229,308.98	£240,774.42	£252,813.14	£265,453.80

28. Examples of demand reduction work that are already underway or planned include the ongoing 'Invest to Save' programme of energy saving projects; the roll out of the ISO5001 Energy Management System to extend energy conservation work into all key influencing services across the council; and the introduction of a 'Building Controls' programme of works to cut out energy waste in the corporate estate.
29. As prices have not yet been set for the contract period, this budgetary saving should be allocated as an earmarked reserve to mitigate unexpected price changes and ensure the budget variations are dealt with effectively from one year to the next. The potential savings are between 6-8% of total energy spend based on current prices and usage.

Legal Implications

30. There are no specific legal implications arising as a result of this procurement. A European Union and UK compliant contract will be awarded.

Options Considered

Pricing strategy

31. There are several methods (pricing strategies) for buying energy commodities each with different risk and reward considerations.

31.1 Fixed - Buy all our requirements on a single day

This assumes that a particular day is the best for buying all our energy requirements. It can be a very high risk/reward option, but implies limited professional judgement being applied to mitigate market volatility and manage the risk to the council. Given the volume of energy traded, the council's requirements are not likely to attract particular price benefits alone, the aggregation of energy for trades through broker volume is most likely to secure value. This strategy is not recommended.

31.2 Continuous trading during the contract period

This does not provide price or budget certainty. It endeavours to maximise value through applying trading strategies to buy the commodity on the futures market for specified periods. This smooths out the peaks and troughs caused by volatility, but creates price and budget uncertainty as the price paid for energy also changes during the contract period. The performance benefits of this strategy did not evidence increased value over our current strategy, but does introduce new risks and so this strategy is not recommended.

31.3 A period of trading followed by a fixed price for an agreed period

This is our current option and allows the council to benefit from a broker applying trading strategies to the commodity price for a 6 month period leading up to 1 April 2014, whereupon the price will be fixed for the period. This provides price and budget certainty for the council and partners while smoothing volatility. This strategy is recommended.

Route to market

32. Four routes to market were considered:

32.1 Pre approved framework

There are a range of pre-approved frameworks available that have been awarded in an OJEU compliant manner, by PBO. The main PBO are ESPO, YPO, GPS, Laser, WME and NEPO. These offer an economical route to contract, a similar fee level and performance to private sector brokers, have differing structures but equivalent overall fees and many offer the required services. They can also meet the required timeframe to implement the recommended pricing strategy. This route and award to an appropriate PBO is recommended.

32.2 Buying through another Local Authority who procure energy themselves

The evidence suggests they would not be able to benchmark more favourably against any other solution and they acknowledge difficulties in collaborating with other Local Authorities in relation to timing and pricing strategies. We would also be asserting that their

team possess capacity, knowledge, tools and skills that outweigh those of the more established PBO, which the limited information provided does not support. There is also no guarantee that we could agree the service terms and price in time to meet the required date to implement the recommended pricing strategy. This route is not recommended.

32.3 Tendering for a broker and licensed energy supplier (private sector)

There is an established market of private sector brokers who have largely private sector clients. They operate the same range of services as the PBO, same fee levels, deliver similar levels of commodity price and so do not provide a proven value advantage against using the pre-approved PBO frameworks. In our discussions the private sector brokers were keen to identify that some of their peers operated opaque arrangements with suppliers that enabled them to pass on only some of the benefits from their trading strategies and that great care needed to be taken to ensure that we had full visibility of the means by which the brokers earned fees. Bristol City Council acknowledged this risk in their assessment as a reason to discount the option. It should be noted that private sector energy brokers are largely unregulated. This route; cannot be implemented in time to deliver the recommended pricing strategy; and benchmarking does not evidence better value or service than using a Pre-approved framework, it is not recommended.

32.4 Establishing our own energy buying team

This option conservatively requires us to employ two FTE specialist energy buyers and at least one FTE for invoice checking. The council would need to establish its own contracts with energy suppliers, which it cannot do in time to implement the recommended pricing strategy and procure trading software and tools to support the buyers to perform adequately. We also could not recruit in time. Established market services provide a more likely route to the lowest acceptable risk and most likely value opportunities. This option is not recommended.

Service Offer

33. The current GPS service does not meet the requirements of the council. Contract reviews are not frequent enough and added value services, particularly around invoice checking are not available. The specification will ensure that additional services to support best value are included.

Conclusions

34. The council and its partners are best served by procuring energy supplies from 1 April 2014 through entering into a contract with a PBO by 1 October 2013, implementing a locked pricing strategy and specifying further service levels in support of best value.

Jacqui White and Michael Hudson
Service Directors, Business Services and Finance

Report Author:

Greg Lewis, Corporate Procurement Unit, Category Manager (Place), 01225
713395

Date of report: 09 August 2013

Background Papers

None

Appendices

1. Electricity Opportunity Assessment (Part 2)
 2. Gas Opportunity Assessment (Part 2)
-

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank