

AGENDA

Meeting: **Cabinet**
Place: **Kennet Room - County Hall, Trowbridge BA14 8JN**
Date: **Tuesday 15 September 2015**
Time: **10.30 am**

Membership:

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

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

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All public reports referred to on this agenda are available on the Council's website at www.wiltshire.gov.uk

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Part I

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

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

1 Apologies

2 Minutes of the previous meetings (*Pages 5 - 18*)

To confirm and sign the minutes of the Cabinet meetings held on 9 and 21 July 2015.

3 Declarations of Interest

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

4 Leader's announcements

5 Public participation and Questions from Councillors

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Questions may also be asked by members of the Council. Written notice of questions or statements should be given to Yamina Rhouti of Democratic Services by 12.00 noon on Thursday 10 September 2015. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 Performance and Risk Outturn report: Q1 2015/16 (*Pages 19 - 42*)

Report by Maggie Rae, Corporate Director

7 Revenue Budget Monitoring report (*Pages 43 - 58*)

Report by Carolyn Godfrey, Corporate Director

8 Treasury Management Strategy 2015/16 - First Quarter (*Pages 59 - 78*)

Report by Carolyn Godfrey, Corporate Director

9 Establishment of a Wholly Owned Subsidiary (WOS) (Housing) repairs and maintenance, planned and investment works as well as client function
(*Pages 79 - 110*)



Report by Maggie Rae, Corporate Director

10 Transfer of the Colonel William Llewellyn Palmer Educational Charity
(Pages 111 - 146)

Report by Carolyn Godfrey, Corporate Director

11 Changes to council tax discounts on empty properties *(Pages 147 - 154)*



Report by Carolyn Godfrey, Corporate Director

12 Urgent Items

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

Part II

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


None

The items on this agenda reflect the key goals of Wiltshire Council, namely 'To protect those who are most vulnerable', 'To boost the local economy – creating and safeguarding jobs' and 'To support and empower communities to do more for themselves'.

CABINET

MINUTES of a MEETING held in COUNCIL CHAMBER - COUNCIL OFFICES,
MONKTON PARK, CHIPPENHAM, SN15 1ER on Thursday, 9 July 2015.

Cllr Jane Scott OBE	Leader of the Council
Cllr John Thomson	Deputy Leader and Cabinet Member for Communities, Campuses, Area Boards and Broadband
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economic Development, Skills and Strategic Transport
Cllr Keith Humphries	Cabinet Member for Health (including Public Health) and Adult Social Care
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Jonathon Seed	Cabinet Member for Housing, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning (strategic and development management), Property, Waste and Strategic Housing
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Systems Thinking, Procurement and Welfare Reform
Also in Attendance:	Cllr Chris Caswill, Wiltshire Council Cllr Christine Crisp

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

75 **Apologies**

Apologies were received from Cllr Stuart Wheeler.

76 **Declarations of Interest**

Councillor John Thomson declared that he had, 20 years ago, entered into a property deal with a Mr Owen Inskip – who is a consultee on Draft Chippenham Sites Allocation Plan, but that this transaction was for a property outside of Wiltshire.

77 **Leader's announcements**

There were no Leader's announcements.

78 **Public participation and Questions from Councillors**

The Leader drew the meetings attention to the questions and answers circulated in the supplement. She reiterated that the Cabinet was making a recommendation to Council which would consider it the following week.

The Leader invited those attending in person to present their questions and to ask any supplementary questions.

Councillor Sturgis stated, in response to a supplementary question from Cllr Ian James, that a more detailed flood risk assessment would be expected to be produced when a planning application was submitted, this would then be considered by the Environment Agency as the statutory consultee.

Councillor Sturgis stated, in response to a supplementary question from Andrew Stevenson, that the Council would fully take into account the advice of the Environment Agency as to the appropriate model to use when assessing flood risk.

Councillor Sturgis stated, in response to a supplementary question from Richard Hames, that he was not aware of the Council withholding any land.

Councillor Whitehead stated, in response to a supplementary question from Iris Thompson, that the Council was satisfied with the proposals as designed, and that their consultants had reviewed the design and given a verbal response to the Council that they were satisfied with the proposal. The Council would review the situation once the proposals had been implemented.

Councillor Scott stated, in response to a supplementary question from Mr Rhodes, that she would ask officers to investigate the status of the flood defence bund at Monkton Park with regard to its ownership and responsibility for maintenance, and as to whether it may be possible to seek off-site contributions from developers.

Councillor Sturgis stated, in response to a supplementary question from Kim Stuckey, that he was not aware of any proposed designs for possible road bridges so was not able to comment on their possible impacts.

Councillor Sturgis reiterated, in response to a supplementary question from Andrew Stevenson, that a more detailed flood risk assessment would be expected to be produced following the submission of a planning application. This would then be considered by the Environment Agency as the statutory consultee. Cllr Scott asked that officers organise a meeting with some members of the public in order to provide them with clarification about the flooding evidence that had informed the plan's proposals and explain how the planning process manages flood risks. It was also noted that the Environment Agency would be made aware, if they were not so already, of any drainage systems already installed on the Hardens Farm site.

Councillor Sturgis stated, in response to a supplementary question from Helen Stuckey, that Highways Agency was satisfied with the model used and evidence papers could be amended to record this.

Councillor Sturgis stated, in response to a supplementary question from Helen Stuckey, that he would respond in writing to the suggestion that part of site D with a southern link road would be better placed to promote economic growth than the proposals made in the report.

Councillor Sturgis stated, in response to a supplementary question from Joy Baker, that it was acceptable to build on land classified as Zone One in the classification of flood risk. It was agreed that the full wording of policy NPPF would be made available to all Councillors.

Councillor Sturgis stated, in response to a supplementary question from Richard Hames, that it was his expectation that the link road could be funded by the developments without the need to seek funding from third parties.

Councillor Sturgis stated, in response to a supplementary question from Ben Turner, that he felt that the written response given was sufficient and that he was unable to give an indicative timeframe.

Councillor Scott stated, in response to an issue raised by Steve Perry, that any references to consultees as being a protest group in the consultation report would be amended.

Councillor Sturgis stated, in response to a supplementary question from Ian Humphrey, that he did not have detailed information about the ability to use the specific emergency access point that was referred to near Monkton Park, but that this would be investigated further as appropriate.

Councillor Sturgis responded to supplementary questions from Cllr Chris Caswill as follows:

- That Cabinet would make recommendations that would be considered by Council;
- That officers contacted land owners in accordance with the Council's policy;
- That the Barrow Farm site did not score well when considered against the agreed criteria;
- That there were no new sites put forward for consideration;
- That the Environment Agency had, as part of their response to the consultation, suggested that the Plan make reference to areas for flood mitigation and that this amendment has been proposed;
- That the traffic assessment had been a high level assessment, and more detailed work would be done during the planning application stage, and

that officers did not agree with the assertion that some of the data had been double-counted;


- That commercial transport providers were reluctant to create bus services involving new corridors;
- That the traffic model had shown that, overall, the development should reduce congestion by improving road access in and out of the Monkton Park area.

Councillor Sturgis stated, in response to a supplementary question from Francis Morland, that when housing land supply information was updated then the results of Inspectors decisions would be taken into account.

Councillor Sturgis stated, in response to a question, received after the deadline, from Howard Ham as to whether the amendment proposed in Change No 17 was contrary to Core Policy 62, that a written response would be given.

The meeting also received a statement from Ian Hames.

79 **Draft Chippenham Site Allocations Plan**

 Cllr Toby Sturgis presented the report which: informed Cabinet of the outcome of the recent consultation on the 'Chippenham Site Allocations Plan - Pre-submission draft plan ('the Plan'); sought Cabinet's recommendation to Council that the Plan, together with proposed changes, should be submitted to the Secretary of State for Examination; and sought Cabinet's recommendation to Council to delegate authority to make other minor changes before submission of the Plan to the Secretary of State in the interests of clarity and accuracy, to make appropriate arrangements for submission of documents to the Secretary of State, including the Equalities Impact Assessment, and respond to any consequential actions as directed by the Inspector relating to the Examination.

Issues raised in the course of the presentation and discussion included: that Cabinet had considered the draft Plan prior to the consultation process; that a large response had been received in the consultation period; that it was anticipated that the plan would be submitted to the Secretary of State at the end of July and that they would appoint an inspector to look at the plan; and the potential benefits there were from the plan.

Cllr Christine Crisp, ward member for Calne Rural, addressed the meeting and expressed her concern over the potential impacts on communities in her area and stated that she would not support the proposals when they were considered by Council.

Cllr Chris Caswill, ward member for Monkton Park, Chippenham, addressed the meeting and thanked the officers and members for working to accommodate a large number of questions. In his presentation he argued that Area D had been undervalued; that evidence regarding flooding and traffic should have been

more robustly challenged and that windfall and brownfield sites had not been adequately considered.

Councillor Sturgis stated that consideration of brownfield sites had to be based on clear evidence of delivery, rather than proposals subject to consultation, for example on a draft masterplan that may later be amended. A reasonable allowance had been made where possible.

Councillor Sturgis stated that the Inspector, if he or she had reason to, could ask the Council to conduct further consultation on proposed changes to the draft Plan during the examination.

Councillor Seed highlighted the positive results that could be gained from housing development citing Melksham as a good example.

Councillor Scott also asked that officers organise a meeting with some members of the public, to help explain how assessment had taken place with regard to traffic.

Resolved

That having considered the outcome of the consultation:

- (i) To endorse the Proposed Changes to the Plan, as set out in Appendix 4 subject to amendment in (iii).**
- (ii) To recommend that Council approves the Plan together with the Proposed Changes for the purpose of Submission to the Secretary of State subject to amendment in (iii).**
- (iii) To recommend that Council authorises the Associate Director for Economic Development and Planning in consultation with the Associate Director for Legal and Governance and the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste to:**
 - (a) Make any necessary minor changes to the Plan through the Schedule of Proposed Changes in the interests of clarity and accuracy before it is submitted to the Secretary of State;**
 - (b) Make appropriate arrangements for submission of all documents relating to the Plan, including supporting evidence such as the Equalities Impact Assessment, to the Secretary of State; and**

(c) Implement any consequential actions as directed by the Inspector relating to the Examination.

- iv) That a meeting is arranged with representatives from the Environment Agency, to be held in early September or before any hearing sessions, to provide further information on flood risk assessment and mitigation; and**
- v) That a meeting is arranged with officers from the Highways team, to be held in early September or before any hearing sessions, to provide further information on the transport and accessibility evidence.**

Reason for Proposals

To ensure that progress continues to be made on maintaining an up-to-date development plan for Wiltshire, in line with the timetable set out in the Council's Local Development Scheme and statutory requirements. In accordance with legislative requirements, the Council will need to approve the submission of the Plan to the Secretary of State for examination.

80 Statement of Community Involvement Update 2015

Cllr Toby Sturgis presented the report which asked cabinet to consider approving the Wiltshire Council Statement of Community Involvement (SCI) Update as amended following consultation; to recommend that the Associate Director for Economic Development and Planning, in consultation with the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste, is authorised to make any further necessary minor changes in the interest of clarity and accuracy; and to recommend that Full Council on 14 July 2015 formally adopt the SCI Update.

A representation was received from a Malcolm Toogood who expressed some frustration with regard to his dealings with the Council. The Leader asked that Dr Carlton Brand, Corporate Director discuss his concerns with him.

Issues raised in the course of the presentation and discussion included: the changes proposed to the previous version; the size of the response to the consultation; and the different methods used to publicise and consult on planning matters.

Resolved

- (i) To approve the content of the Wiltshire Council Statement of Community Involvement Update, as amended (Appendix 2);**

- (ii) **To recommend that Council authorised the Associate Director for Economic Development and Planning, in consultation with the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste, to make any further necessary minor changes in the interest of clarity and accuracy; and**
- (iii) **To recommend to Full Council on 14 July 2015 that the SCI Update as amended by (ii) should be formally adopted by the Council.**

Reason for Proposals

In the light of recent legislative changes and in the interests of clarifying the SCI in certain sections where information has now become out-of-date the SCI should be updated.

Updating the SCI will ensure that the best use of resources is made during consultation, both in terms of financial and staffing resources in order to ensure efficient and effective plan making; and so that consultation can be meaningful and appropriate.

81 Urgent Items

There were no urgent items.

(Duration of meeting: 9.00 - 11.47 am)

These decisions were published on the 17 August 2015 and will come into force on 25 August 2015


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

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CABINET

MINUTES of a MEETING held in KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN on Tuesday, 21 July 2015.

Cllr John Thomson	Deputy Leader and Cabinet Member for Communities, Campuses, Area Boards and Broadband
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economic Development, Skills and Strategic Transport
Cllr Keith Humphries	Cabinet Member for Health (including Public Health) and Adult Social Care
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Jonathon Seed	Cabinet Member for Housing, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning (strategic and development management), Property, Waste and Strategic Housing
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Systems Thinking, Procurement and Welfare Reform
Cllr Stuart Wheeler	Cabinet Member for Hubs, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services), Heritage & Arts and Customer Care
Cllr Philip Whitehead	Cabinet Member for Highways and Transport
Also in Attendance:	Cllr Richard Gamble, Cllr Richard Clewer, Cllr Glenis Ansell, Cllr Bob Jones MBE, Cllr Gordon King, Cllr Horace Prickett, Cllr Bridget Wayman and Cllr Jerry Wickham.

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

82 **Apologies**

Apologies were received from Cllr Jane Scott.

Note: Vice-Chairman, Cllr Jon Thomson, was in the chair.

83 **Minutes of the previous meetings**

The minutes of the meeting held on 16 June 2015 were presented. It was noted that the minutes of the special meeting of Cabinet held on the 9 July 2015 would be presented to the next ordinary meeting.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 16 June 2015.

84 Declarations of Interest

There were no declarations of interest.

85 Leader's announcements

There were no announcements.

86 Public participation and Questions from Councillors

The Deputy Leader drew the meeting's attention to the question received from Iris Thompson. The questions and responses were included in an updated Agenda Supplement published prior to the meeting.

Councillor Philip Whitehead stated, in response to a supplementary question from Mrs Thompson, that the advice received from the Council's consultants and engineers was that the scheme as designed was safe; the Council would review the scheme once it had been completed to ascertain if any mitigating measures were required.

The Deputy Leader added that whilst he understood there was a difference of opinion on the matter, he did not think the Council could respond further than it had already done to assuage Mrs Thompson's concerns.

87 Draft Annual Governance Statement 2014-15

Cllr Dick Tonge, Cabinet Member for Finance, presented the report which asked Cabinet to consider a draft Annual Governance Statement for 2014-15 for comment before final approval is sought from the Audit Committee on 29 July 2015.

In response to a question from Cllr Jon Hubbard regarding the reduction in budget for Councillor Development, Cllrs Stuart Wheeler and Cllr Dick Tonge stated that Cllr Alison Bucknell, the Portfolio Holder, was working to focus the programme on identifiable development needs rather than courses of a more general nature.

Resolved

- 1. To receive the draft AGS as set out in Appendix 1; and**
- 2. To note that the draft AGS will be revised in the light of any comments by Cabinet and ongoing work by the Governance Assurance Group before final approval by the Audit Committee and publication with the Statement of Accounts at the end of July 2015.**

Reason for Decision:

To prepare the AGS 2014-15 for publication in accordance with the requirements of the Audit and Accounts Regulations 2011.

88 Statement of Accounts

Cllr Dick Tonge, Cabinet Member for Finance, presented the report which presented the draft Statement of Accounts in respect of the 2014/2015 financial year for Wiltshire Council.

In response to a question from Cllr Jon Hubbard, Michael Hudson, the s151 Officer, stated that national accounting rules required Councils to reflect any changes to pension reserve requirements in the balance sheet. As the matter required a more technical answer, a written answer would be provided.

Resolved

To receive and note the draft Statement of Accounts for 2014/2015.

Reason for Decision:

The Cabinet are aware of the Statement of Accounts for 2014/2015.

89 Salisbury Asset Transfer

Cllr Dick Tonge, Cabinet Member for Finance, presented the report which outlined the opportunity, scope and risks associated with asset transfer and service delegation to Salisbury City Council; and asked Cabinet to agree to the scope of the transfer and services and types of asset involved.

The meeting was addressed by Cllr Mathew Deane of Salisbury City Council who expressed the City Council's enthusiasm for taking the opportunity presented by the proposed transfer.

In response to a concern raised by Cllr Deane regarding how best to manage the CCTV system, Councillors Dick Tonge and Jon Thomson stated that package should be considered as a whole and that the management of the CCTV system was an issues that should be addressed by the City Council.

Cllr Jonathon Seed made reference to the amount of money spent upgrading the CCTV, and that other communities would welcome similar levels of attention. Cllr Jon Hubbard stated that it was clear that CCTV was a priority for the City Council, and that he hoped that other communities, when negotiating future transfer deals, would be able to, similarly, address their own priorities during negotiations.

Cllr Richard Clewer stated that he hoped that the transfer of the market would allow more events to promote visitors and stimulate economic development.

Resolved

1. That Cabinet agree to devolve both assets and services to Salisbury City Council.
2. That Cabinet agree the scope of the transfer to include the following services and assets where there is no strategic need:
 - a) Assets
 - Land (as listed in the report)
 - Amenity assets and associated s106 monies (as listed in the report)
 - Property (as listed in the report)
 - b) Services
 - CCTV (after investment in the new digital system)
 - Shop mobility
 - Amenity services
3. That Cabinet note the opportunity for this proposal to act as a model for other town and parish councils.
4. To delegate to the Cabinet members for Property, Planning & Waste and Finance the final list of assets and services to transfer after the due diligence period.

Reasons for Decisions:

To propose a plan in support of the Business Plan to devolve a cost neutral bundle of assets and services to Salisbury City Council.

90 Urgent Items

There were no urgent items.

91 Exclusion of the Press and Public

Resolved

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following items of business because it is likely that if members of the public were present there would 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 item in private:

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

No representations were received as to why this item should not be held in private.

92 **Waste Management Contract Award**

Councillor Toby Sturgis, Cabinet Member for Strategic Planning (Sstrategic and Development Management), Property, Waste and Strategic Housing, presented the report which provided an update on the outcome of the tender evaluation process; and sought decisions in accordance with the proposals.

In the course of the presentation and the discussion, the issues discussed included: how risks can be mitigated through negotiation with the contractor; the implications of recent planning decisions; the impact of EU regulations and the market for recyclable material; what information would be presented to future meeting of the Cabinet regarding extant matters; and when Councillors would be informed of the outcome of tenders.

Resolved

(i) To authorises award of contracts for:

- **Lot 1 (materials recovery facility for dry recyclable materials)**
- **Lot 3 (garden waste composting) and**
- **Lot 4 (landfill or landfill diversion)**

(ii) To authorise the Associate Director Waste and Environment after receiving advice from the Associate Director Legal and Governance, the Associate Director Finance and the Associate Director Corporate Services to complete the contracts by 30 January 2016 subject to, for Lot 1 only, a decision being made on the collection method to be adopted for the collection of dry recyclables;

(iii) To note that the Associate Director Waste and Environment after receiving advice from the Associate Director Legal and Governance, the Associate Director Finance and the Associate Director Corporate Services has invited tenderers for Lot 2 to revise and confirm their tenders based on the reduced opening hours for the household recycling centres to be implemented from 13 July 2015 and tenderers for Lot 5 to submit a variant tender based on a fully co-mingled collection of dry recyclable materials including glass; and

- (iv) To agree the recommendations numbers iv), v) and vii) as outlined in the report.**

Reason for Decisions:

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

93 Highways and Streetscene Contract

Councillor Philip Whitehead, Cabinet Member for Highways and Transport, presented the report which asked Cabinet to review the contract highways and streetscene.

Resolved

To agree the recommendations as set out in the report.

Reason for Decision:

As set out in the report.

(Duration of meeting: 10.30 am - 12.08 pm)

These decisions were published on the 24 July 2015 and will come into force on 3 August 2015
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The Officer who has produced these minutes is William Oulton, of Democratic Services, direct line 01225 7180243935 or e-mail william.oulton@wiltshire.gov.uk
Press enquiries to Communications, direct line (01225) 713114/713115

Wiltshire Council

Cabinet

15th September 2015

Subject: Update on Q1 2015/16 outturns reported as part of the Citizens' Dashboard and the strategic risk register

Cabinet member: Councillor Dick Tonge – Cabinet Member for Performance and Risk

Key Decision: No

Executive Summary

This report provides a quarter one update on outturns against the measures and activities compiled and reported through the council's website through the [Citizens' Dashboard](#), as well as latest outturns on the council's strategic risk register.

This report also contains as an appendix a briefing for Cabinet on the recent Ofsted inspection of Wiltshire Council services for children in need of help and protection, children looked after and care leavers.

Proposal(s)

To note updates and outturns against the measures and activities ascribed against the council's key outcomes.

To note updates and outturns to the strategic risk register.

Reason for Proposal

This framework compiles and monitors outturns in relation to the outcomes laid out in the Business Plan, distilled from individual services' delivery plans. In doing so, it captures the main focus of activities of the council against each outcome.

The strategic risk register captures and monitors significant risks facing the council: in relation to significant in-service risks facing individual areas, in managing its business across the authority generally and in assuring our preparedness should a national risk event occur.

Maggie Rae
Corporate Director

Wiltshire Council

Cabinet

15th September 2015

Subject: Update on Q1 2015/16 outturns reported as part of the Citizens' Dashboard and the strategic risk register

Cabinet member: Councillor Dick Tonge – Cabinet Member for Performance and Risk

Key Decision: No

Purpose of Report

1. This report provides a quarter one update on outturns against the measures and activities compiled and reported through the council's website through the [Citizens' Dashboard](#), as well as latest outturns on the council's strategic risk register.

Relevance to the Council's Business Plan

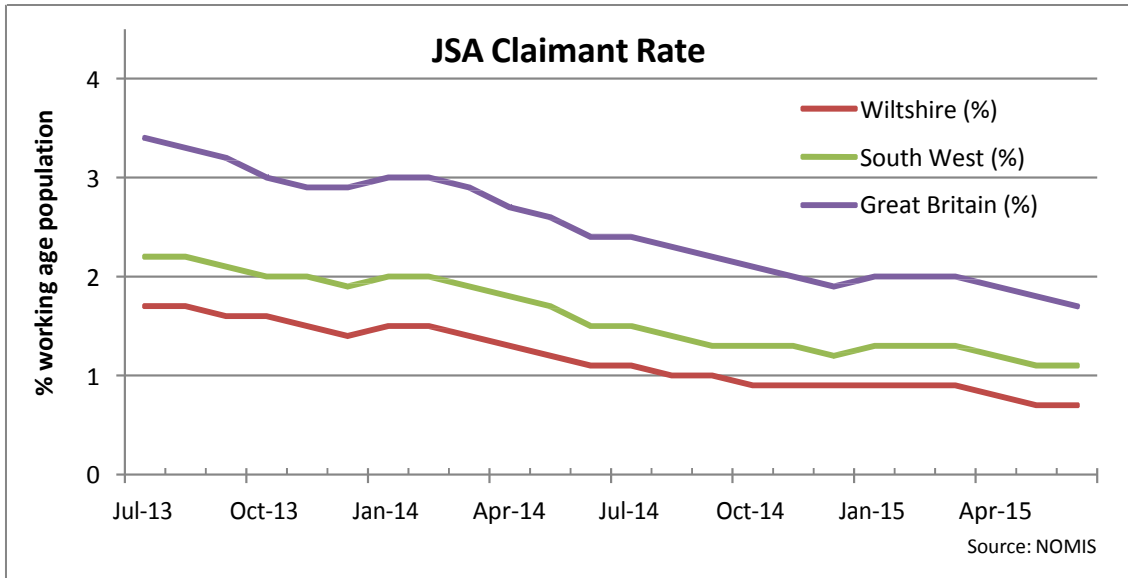
2. This report updates Cabinet on outturns and significant activities against each of the outcomes contained in the Business Plan.

Overview of outturns

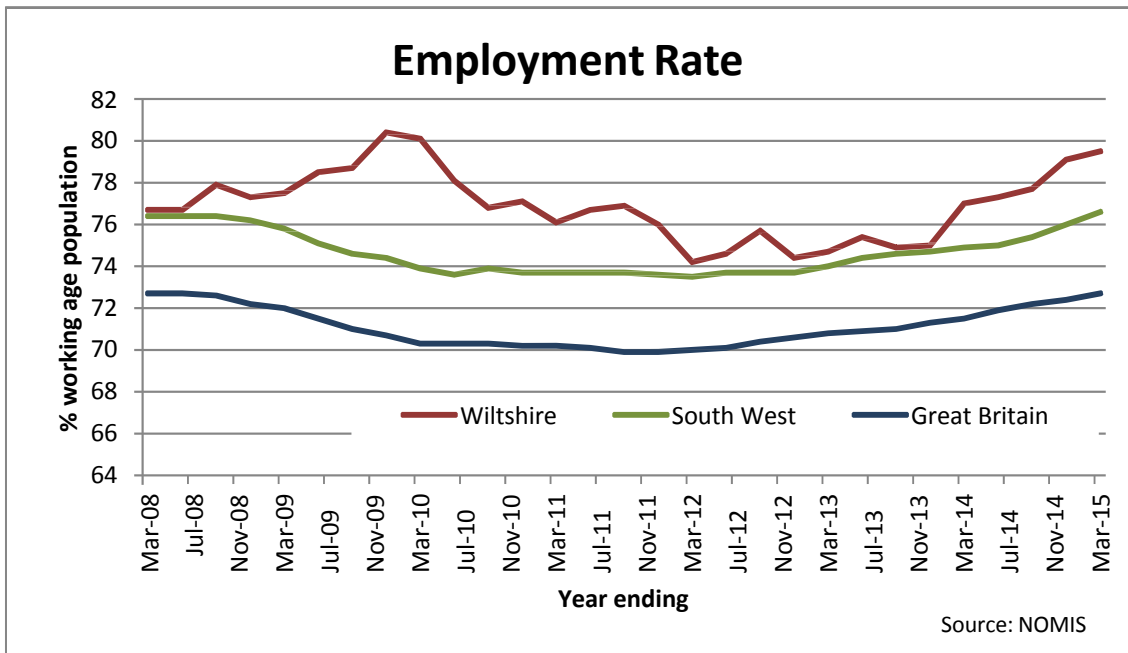
3. Measures within the Citizens' Dashboard were revised, using information drawn from individual 2015/16 services' delivery plans. These measures form the basis of the performance framework used to monitor progress through 2015/16, against the objectives set out in the Business Plan.
4. A summary of some key published measures – as well as some supporting information more generally about the theme - is provided below.

Outcome 1: thriving and growing local economy

5. The number of people claiming Job Seeker's Allowance (JSA) in Wiltshire at the end of quarter one was just over 2,000. Whilst this is not an insignificant number, this represents 0.7% of the working age population - the lowest level seen in Wiltshire since before 2004.
6. For the same period last year (Q1 2014/15), we saw 3,268 people claiming JSA. The June 2015 figures therefore represent a 38% fall in the number of people claiming JSA across Wiltshire over the last 12 months.
7. The graph below shows the comparative fall in Wiltshire's JSA claimant rates over the last 2 years, compared to the rest of the South West, and nationally.



8. By supporting people with training and skills development, attracting employers and investment into the county, supporting existing businesses and providing a comprehensive and efficient planning service, the council has supported the creation of nearly 5,500 new jobs in the last 12 months.
9. Latest figures show Wiltshire's employment rate have risen to just under 80% for the 12 months ending March 2015. This is a return towards the peak levels achieved in 2009 and is an employment rate 3 percentage points above the regional, 7 percentage points above the national averages



10. In the 12 months to June 2015, Wiltshire Council helped just under 3,000 businesses with advice and support (including 650 start-up businesses) and supported nearly 3,700 individuals with training and skills development.
11. Quarterly figures fluctuate depending on active programmes. In the last quarter, *Gateway for Growth* funding has ceased so Wiltshire business support figures are lower than in previous quarters.
12. In 2014/15, thanks to the *Wiltshire Online* project and council investment, over 44,000 homes were able to access SuperFast broadband that wouldn't have previously been able to. Within quarter one, an additional 10,500 homes have been added to that list. A total of £30m had initially been invested for phase 1, with just over half of the funding from Wiltshire Council. A further £3.1million has been secured from central government to fund a second phase of SuperFast broadband deployment.
13. The project as a whole is on track to have reached 91% of all homes and businesses across Wiltshire by March 2016 and is exploring alternative technologies for the remaining 9%.
14. Over the course of 2014/15, over 630 affordable homes were completed across the county. The first quarter of this new year has seen an additional 115 affordable homes delivered which is slightly fewer than had been intended. Changes in the housing sector, including the reductions in housing association rents required by the July Budget, mean there is a risk that the 500 planned affordable Wiltshire homes will not be completed this year.

Outcome 2: people working together to solve problems and participate in decisions

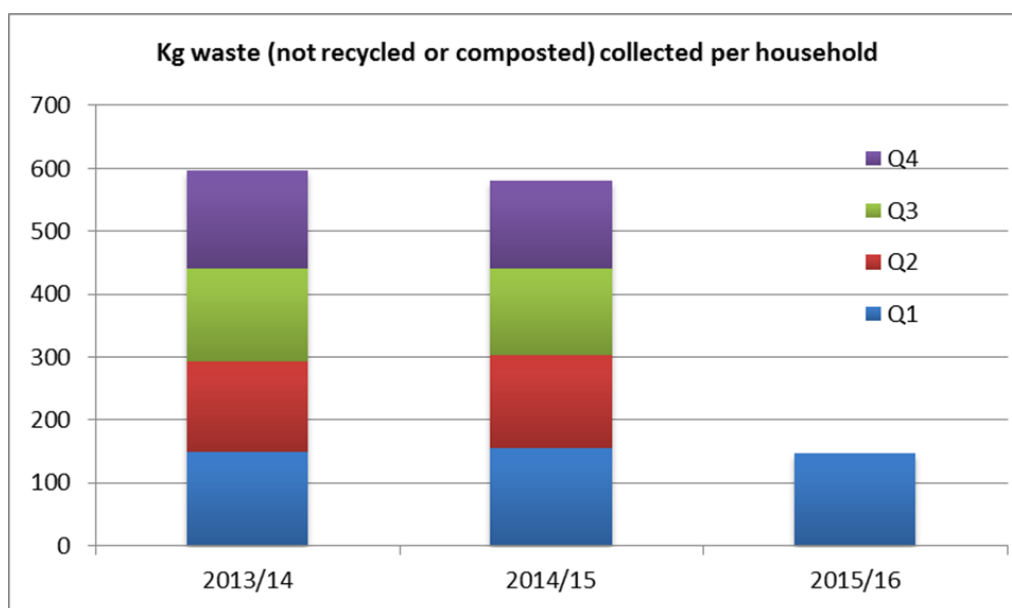
15. Quarter one has seen over half a million pounds delegated to Area Boards to make community and youth grants.
16. It is expected that the total spend through Area Boards in 2015/16 will be in the region of £2.3m. All of the projects supported through Wiltshire's Area Boards are listed [on the council's website](#).
17. Area Boards use the [Our Community Matters](#) platform to engage and communicate with local residents. These consist of 18 individual community blogsites featuring events, news, jobs and comments and each week a local mailing is generated from the content posted and sent to the community area network - subscribers who have signed up to receive the news service. At the end of quarter one, there were just over 7,800 subscribers to the news service which is an increase of more than 100 between April and June.
18. Additionally, over 11,000 people have signed up to Wiltshire Council's [Twitter](#) feed, which represents a 9% increase on the last quarter.
19. The council recorded over 1,100 volunteers helping in the delivery of services run through the council in the last financial year and volunteers are instrumental in supporting our community campuses.
20. A strong sense of community engagement is also evident in maintaining our rights of ways, as well as our countryside sites. Volunteers carry out a wide of activities from replacing styles, gates and signposts through building bridges to clearing paths. Volunteers often act on notifications provided through the

[MyWiltshire App](#) and over the course of quarter one nearly 700 volunteer hours were given by the community in helping to maintain our rights of way. In addition, a further 1,600 volunteer hours were given to help maintain our countryside sites.

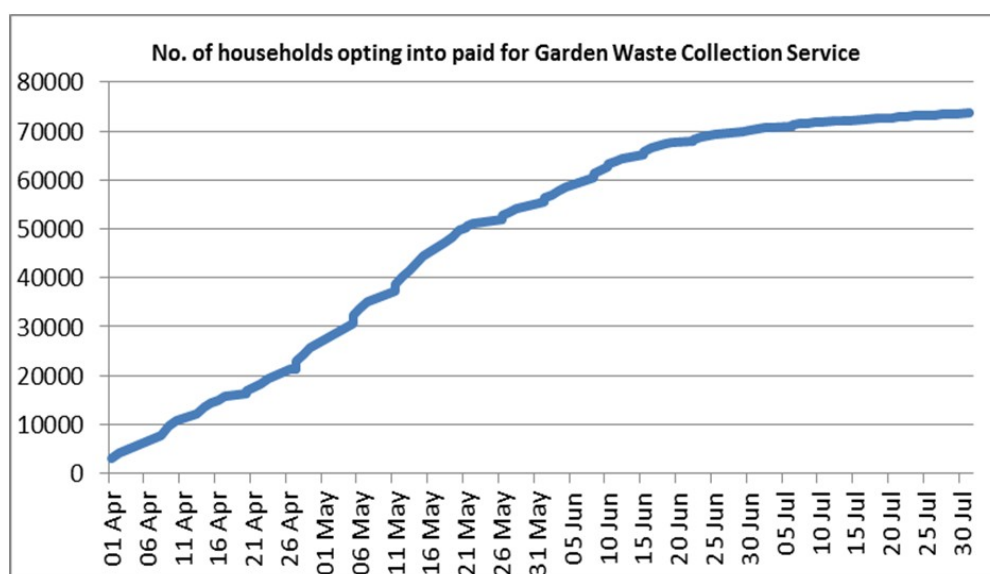
21. The council's leisure service is actively working with the Wiltshire Voluntary, Community and Social Enterprise Group to help develop Wiltshire Council's volunteering strategy. In the meantime, the leisure service is actively seeking further volunteering opportunities, as part of the wider health and wellbeing offer, to build on the 80 already active *Get Wiltshire Walking* walk leaders.
22. Other service areas also engaging with volunteers include libraries and children's services.
23. The council has worked in a variety of ways to engage and communicate with its tenants and leaseholders to encourage local involvement and local decision making.
24. Since April, over 250 tenants and leaseholders have attended a number of Local Housing Panel meetings across the council's housing stock to discuss the issues that are important to them. The meetings provide an opportunity to talk about a range of issues that affect our tenants in their local communities, including many of our council services and those of other organisations. Information gathered at the meetings has been used to improve the housing services they receive and information not directly related to housing has been passed on to the relevant departments and Area Boards. We are able to signpost where needed and feed back to parish councils and our partners Wiltshire Police.
25. Since March 2014, a further 16 neighbourhood planning areas have been designated, meaning there are now 36 in Wiltshire. One plan, Malmesbury, was made meaning that it now forms part of the Development Plan for Wiltshire and the policies in the plan will be given full weight when assessing planning applications that affect land covered by the plan. A further 4 of the 36 neighbourhood planning areas have neighbourhood plans that are currently at referendum stage.

Outcome 3: living in a high quality environment

26. In quarter one the average amount of waste each household disposed of in their household waste (non-recyclables) bin was just over 146 kg - a 5% reduction on the same period in the previous year. Overall, including the last full financial year, non-recyclable waste per household is falling.



27. 78% of all waste collected was not sent to landfill. This is slightly lower than the 80% achieved for the whole of the last financial year, but still within the stated ambition of more than 75% of waste not sent to landfill.
28. During quarter one a higher level of residual mechanical biological treatment (MBT) waste was landfilled than in the same period in the previous year. At the same time Wiltshire saw a 3.1% reduction in total municipal solid waste (MSW) collected, which has resulted in a decrease in the percentage of MSW diverted from landfill.
29. The new chargeable garden waste collection service went live during quarter one and at the end of June over 70,000 households had opted into the service. This number continued to grow throughout July.

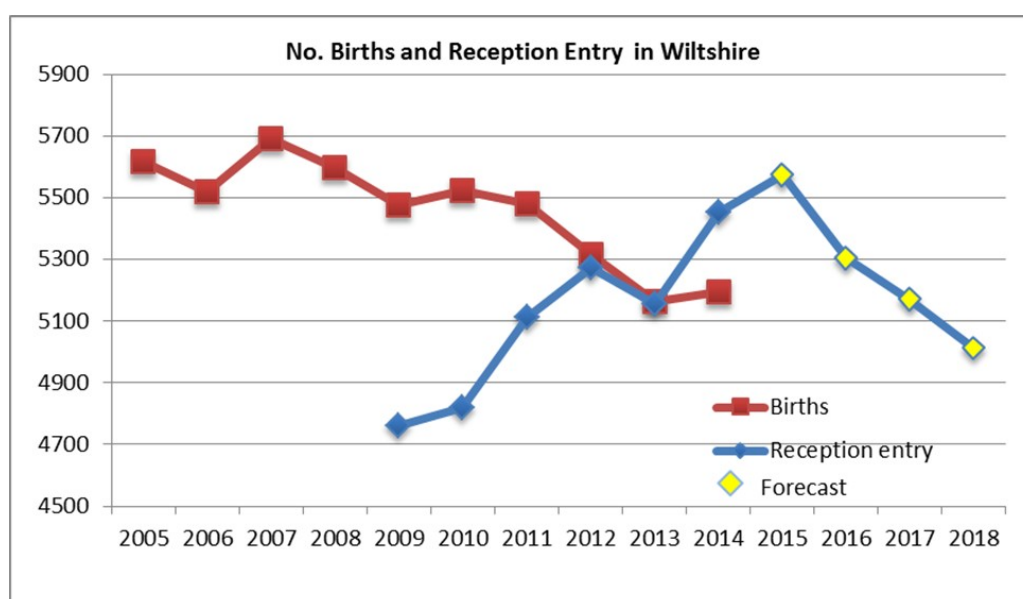


30. The council is committed to protecting the environment across the county. In the first quarter of the year there were 630 enforcement actions – similar to quarter one 2014/15, although a 49% increase on the same period 2013/14.
31. Enforcement action ranges from issuing warning letters, formal cautions and fixed penalty notices to prosecutions (a single incident can lead to more than one action). All actions are designed reduce the incidents of fly tipping.
32. There have been 631 reported fly tipping incidents in quarter one 2015/16, an increase of more than 120 compared to the same period last year. There was more asbestos, garden waste, tyres, construction waste and electrical items fly tipped between April and June this year than the same period last year. The scale of the individual fly tipping incidents suggests that the majority were related to commercial activity. Fewer black bags of household waste were fly tipped in April, May and June 2015 than in the same months in 2014.
33. In the first quarter of 2015/16 over 4,700 issues or incidents were reported, and resulted the Highways team instructing r Wiltshire Council's contractors. This is equivalent to the same period in the previous year.
34. During the last financial year Wiltshire Council processed over 5,300 planning applications – a 9% increase on the previous 12 months. In quarter one 2015/16 over 1,400 applications were processed – similar to the same period last year. Overall 88% of planning applications were determined within the relevant target date in the first quarter of the current year. This compares to 80% for the full financial year 2014/15.
35. During quarter one it was announced that 13 council owned buildings would be used to house photovoltaic (PV) solar panels. It is estimated that over the 20-year life of the panels, they will reduce the council's CO² output by 1,500 tonnes, making a saving on energy costs of just over £1m.

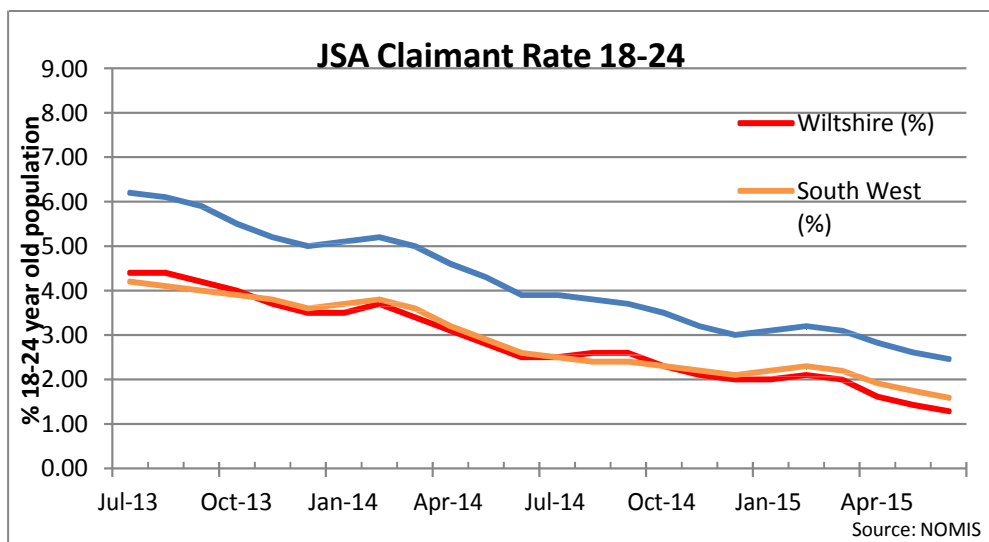
Outcome 4: inclusive communities where everyone can achieve their potential

36. School inspections generally show Wiltshire in a positive light. As of the end of June 2015 the proportion of schools deemed 'good' or better by Ofsted is at 89%, compared to 83% across England.
37. Further improvement is demonstrated by the fact that there has been an increase in the percentage of Wiltshire Council maintained schools that have moved from the 'requires improvement' band to either 'good' or 'outstanding'. Of the last 24 schools previously inspected as requiring improvement, 20 have now been judged 'good' by Ofsted at their last inspection
38. When compared with other large local authorities (with more than 200 schools) Wiltshire has the second highest percentage of pupils attending 'good' or 'outstanding' schools: 90% of pupils attend schools that are deemed 'good' or better by Ofsted, compared to 81% across England.
39. The Department for Education will release the summer 2015 exam results later in the year, however school self-reported, un-validated results for 5+A*-C GCSEs including English and maths for this year give 61% for the county as a whole (an improvement on the 2014 result of 57%).

40. Early analysis indicates improvements for vulnerable learners at key stage 4 too. There are also improvements at Foundation Stage Profile and at Key Stage 2, and there are significant improvements in our results for children in care at all key stages.
41. Pressure is being created on Wiltshire school places due to changes in population including the birth rate. Births in Wiltshire averaged 5,400 per year between 2005 and 2014, with peaks in 2005 and 2008 and a decline in recent years.
42. The pressure on primary school places since 2009 has been significant and will continue to be so for the next 7 years, as the peak 2005 to 2011 birth years feed through. In addition, these children will begin to feed into secondary education from September 2016. In response, a Schools Places Strategy for the next 5 years is being developed.



43. The proportion of young people (aged 18-24) claiming JSA has fallen to 1.3% - equating to 455 young people (June 2015). This is a decrease from 2.5% in June 2014 representing 430 fewer young people. This compares with 1.6% of 18-24 year olds across the South West.

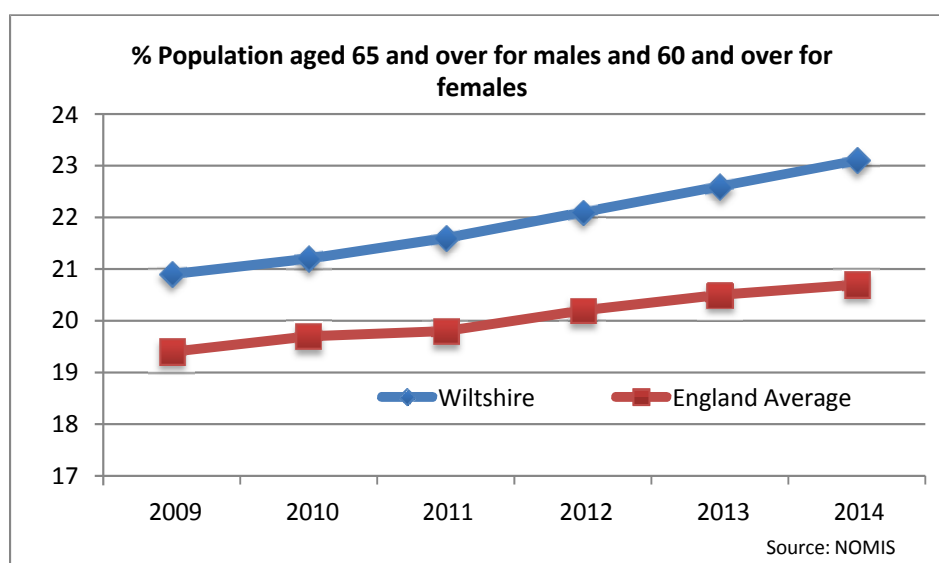


44. We are continuing to prioritise prevention and support in relation to young people not in employment, education or training (NEET) which remains a priority for the council. At the end of June 2015, 4.2% of 16-18 year olds we recorded as NEET, down from 4.3% at the end of June 2014.
45. Wiltshire Council could not claim to know the current activity of 8% of the cohort. This is a significant improvement on the 16% recorded as 'not known' at the end of March 2015. This has been achieved through improving our tracking of these young people, including our information sharing with all relevant providers.

Outcome 5: healthy, active and high quality lives

46. The latest average figures (covering the period 2010-12) shows that male healthy life expectancy has improved recently (to 67.3 years), while for females healthy life expectancy has remained steady (at 67.9 years). Wiltshire's healthy life expectancy is significantly better than the national averages of 63.4 years for men and 64.1 for women. We continue to monitor the causes of premature mortality and ill health in the population to help focus the health promotion and prevention strategies and work which we undertake in the council and in conjunction with NHS Wiltshire CCG.
47. The [NHS Health Check programme](#) aims to help prevent heart disease, stroke, diabetes, kidney disease and certain types of dementia. Everyone between the ages of 40 and 74, who has not already been diagnosed with one of these conditions, is invited (every five years) to have a check to assess their risk of developing the conditions listed above and will be given support and advice to help them reduce or manage that risk. In the first quarter of 2015/16 just under 3,500 received this service, broadly equivalent to the quarterly average in 2014/15.
48. Other community health initiatives continue and include the *Love your Lungs* event where nearly 1,500 people were tested for chronic obstructive pulmonary diseases in 13 sessions across the county. One in five people were referred to their GP.

49. Reducing obesity is a priority both nationally and in Wiltshire. An estimated 62% of adults have a body mass index (BMI) greater than, or equal to, 25 and are classified as overweight (including obese). This is slightly lower than the national average of 64%.
50. [SHINE Wiltshire](#) is a programme that works with 7 to 11 year-olds, and their families, participating in active physical activity and providing support that will enable them to make healthier choices and help their children to be at a healthy weight for their age and height. On the back of previous successes, 4 additional SHINE programmes, were held in April in Chippenham, Salisbury, Tidworth and Trowbridge.
51. The [Beat the Streets](#) programme, encouraging walking running and cycling, was also a success. Over 8,000 residents in Calne and Devizes participated in the programme that gave individuals and communities a chance to win rewards for physical activity.
52. [Cycle Wiltshire](#) (9th May) was another successful event encouraging active, healthy activity in which more than 400 people took part.
53. The challenge for Wiltshire's health and social care services is clear with the proportion of Wiltshire's population above the retirement age higher than the national average, and growing faster.

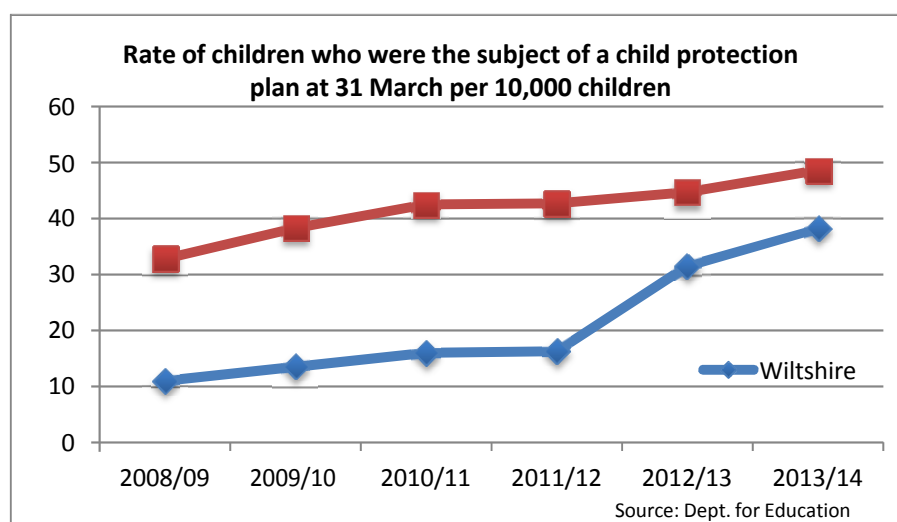


54. Wiltshire Council's Adult Care Services provide a range of social care services to older people and people with a learning disability or physical impairment. Services are delivered to people who need a rapid response to a crisis, need help to maintain their independence where they have complex needs and to promote preventative services which help people remain well and independent. Between April and June this year, Wiltshire Council's Adult Care Services supported just under 8,000 residents.
55. Over the same period, just under 1,000 individuals supported by Adult Care Services were rehabilitated to the extent that they no longer needed support.

56. Help to live at Home is designed to help people who are frail, sick or disabled live at home for as long as it is safe and it helps people to continue to look after themselves in their own home. Over 55% of people who use Wiltshire Council's Help to live at Home services have their needs met within the first 6 weeks.
57. Help to live at Home supports self-funders as well as those eligible for council-funded support. The care providers supporting Help to live at Home are motivated to deliver on people's individual support plans and outcomes, not just providing the care. The numbers receiving Help to live at Home at any one time have been consistently above 1,000 over the last 18 months.
58. Adult care services have run workshops for older people in every community area to find out about what would help prevent older people feeling isolated and keep people independent for as long as possible. Key actions have emerged around information about activities, improving community transport and consideration being given to the needs of older people when dealing with public highways.
59. A report is being produced for every Area Board to consider what the priorities are for supporting older people in their area. At the same time it is hoped that every Area Board will nominate an older people's champion and a carers' champion to ensure that Board members are kept up-to-date on the views and priorities for older people in their areas.

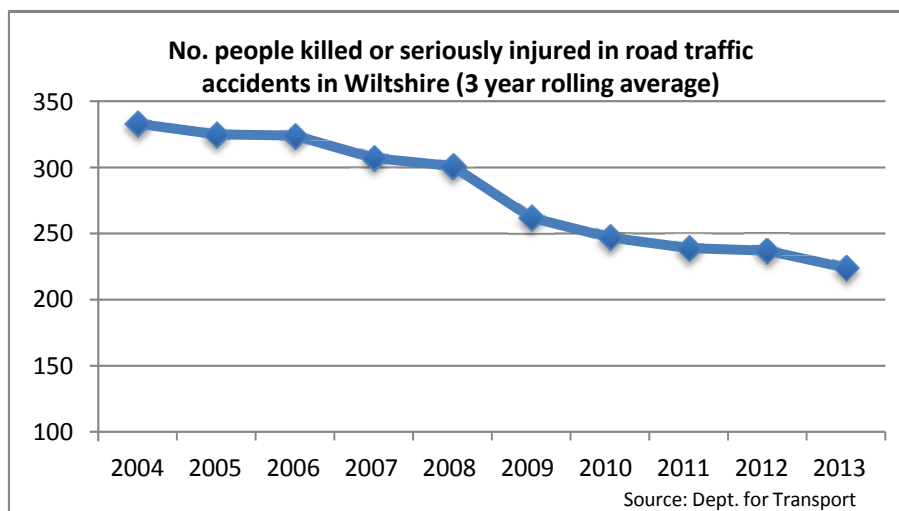
Outcome 6: protected from harm and feel safe

60. The number of referrals to Children's services remains relatively stable throughout the year although we experienced a spike in the final quarter of 2014/15 when the number reached nearly 1,350. The number of referrals throughout April, May and June has returned to around 1,100.
61. At the end of June, 381 young people were subject to a Child Protection Plan - a reduction of 16% on the same period of last year. This number puts the Wiltshire within the expected, planned for prevalence rate (per 10,000). The most recent available comparative data shows Wiltshire with a rate below the national average.

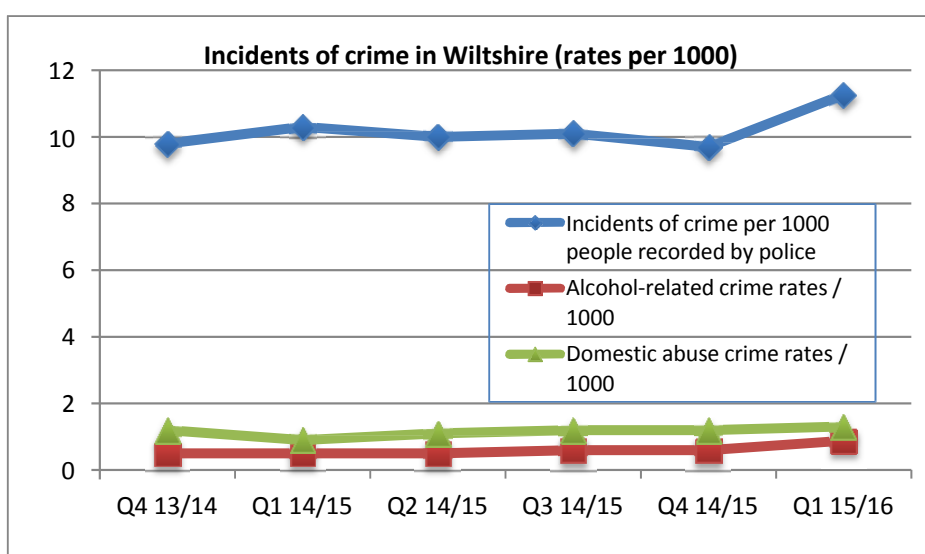


62. The number of children in care has remained relatively stable at around 400 – at rate comparable with other similar areas.
63. The council's emphasis on tackling child sexual exploitation (CSE) continues and a joint multi-agency team is being formed to support the work of front-line teams. Implementation of the strategy, the use of the CSE screening tool and learning from other areas are underway. Over the course of April and May the council and the Wiltshire Safeguarding Children Board commissioned 40 performances of [*Chelsea's Choice*](#) a hard hitting drama portraying the dangers of CSE.
64. In July, Ofsted inspected the Council's services for children who need help and protection, children looked after, and care leavers under the single inspection framework (SIF).
65. Ofsted judged that there are no widespread or serious failures that create or leave children being harmed or at risk of harm. The local authority has made determined efforts to improve services for children and young people and these have been well driven and purposeful. The overall judgement is that services require improvement to be good. The report is due to be published in September. Judgements are made using 4 categories – Outstanding, Good, Requires Improvement and Inadequate. Across the country, 59 local authorities have been inspected so far under this framework resulting in none outstanding, 14 Good, 31 Requires Improvement and 14 Inadequate.
66. A summary of the findings is attached at appendix 1 of this report.
67. The council is working with the Local Adults Safeguarding Board to implement the key actions around safeguarding issues arising from the Care Act which put safeguarding adults, including the work of the Wiltshire Safeguarding Adults Board, on a statutory footing for the first time. They have updated their Terms of Reference, analysed the current approach against the expectations of the Act and its accompanying guidance, and identified the further implementation work needed to fulfil its Strategic Plan for this year.
68. The Board has been pleased to note that there has been a marked reduction in the number of large scale safeguarding investigations taking place as with the arrival of the Quality Assurance Team advised support and monitoring has been put in place to prevent concerns as far as this is possible from escalating to the level where a large scale investigating is needed.
69. The Board continues to work on its preventative strategies working closely with partner agencies. The board has also monitored the results of the Supreme Court case of *Chester & Cheshire West* (2014) which lowered the threshold for deprivation of liberty and generated a large backlog of assessments. In order to address the increase in work the Deprivation of Liberty Safeguards service has been expanded and is now a separate team consisting of 8 staff and a manager.
70. The council are working with the Local Adults Safeguarding Board to implement the key actions around safeguarding issues arising from the Care Act.
71. Local figures show that the number of people killed or seriously injured on Wiltshire's roads was just over 180 in the last financial year. The final quarter

(January to March) had the lowest number of people killed or seriously injured. Nationally published estimates (latest from 2013 showing a three year rolling average and representing accidents on all roads in Wiltshire including motorways) suggest that this is part of a longer-term downward trend over the last decade.



72. The council continues to provide a targeted programme of road safety education, for example, seeing more than 3,200 children participating in road safety training such as Walk Safe, Bikeability and Safe Scooting Skills over the course of April, May and June.
73. Police figures show an increase in the crime rate from 9.7 to 11.3 per 1,000 people in quarter one. Wiltshire police note that it is too early to tell if this is a short term peak, but has initially been attributed in part to changes in recording practices. It is noted that there has been no corresponding increase in the number of emergency calls received.



Strategic Risk Register

74. The Strategic Risk Register was refined at the end of 2014/15 to draw in risks identified as part of the annual review of individual service delivery plans. These are used to identify risks that had significance across the council as a whole, which are broken down into 3 categories in the Strategic Risk Register.
- *Critical service risks*: significant single service risks, which, should they be realised will have a significant impact on the organisation as a whole.
 - *Composite strategic risks*: risks which are significant within a number of service areas although individually would not significantly impact on the organisation as a whole. These risks are compiled into a single strategic composite risk (owned by the most appropriate service) and included within the strategic risk register. The ongoing monitoring of these risks therefore is drawn from the updates to the individual service level risks.
- The recording of these risks is a new approach recently introduced, to ensure that service updates to these risks are more readily captured within the overall composite risk, and the supporting information and process for capturing progress is in development.
- *National risks*: These risks mirror the most significant risks on the Cabinet Office's [national risk register](#) and is Wiltshire's response should these be realised. These are typically captured within the [Wiltshire Community Risk Register](#) managed by the [Local Resilience Forum](#).
75. The simplified version of the current strategic risk register is provided in appendix 2.
76. Each risk is fully defined by the responsible service (who assess the cause, event and effect that make up the identified risk) and scored for impact and likelihood to give an overall score. A risk is scored twice; firstly as inherent (the current level of risk) and then as residual (the risk once all described mitigating actions are in place). The actions described are RAG'd based on progress towards completion. This RAG guides the reader of the register to understand the true risk.
77. Work is ongoing to reduce the impact of those risks identified from the national risk register. An Integrated Emergency Management Plan has been prepared and is anticipated to be presented to full Council in October. As a result all business continuity plans are being refreshed across the council.
78. Of the 12 risks cited on the strategic risk register, 4 have a residual score of 12: pandemic flu outbreak and flooding (both of these are drawn from the national risk register and feature on the Wiltshire Community Risk Register), Budget Management and Contract Management.
79. The number of services reporting budget management risks and the high level impact of those risks has resulted in the composite strategic risk is scored as high. In the most recent quarter the Finance team have recorded reduced confidence in the mitigating actions reducing the likelihood of the risk becoming an issue.
80. The strategic composite risk around contract management shows an increased score in the last quarter due to specific and high profile contract

management issues and concerns over the ability of services to effectively manage their contracts. The implementation of the new strategic procurement structure will enable the implementation of mitigating actions.

81. The high scoring information governance composite risk is being addressed with an action plan following the council inviting the Information Commissioner's Office to conduct an audit of our information management arrangements. The action plan is being finalised and as such the mitigations are RAG'd as 'amber'.

Safeguarding Implications

82. A number of indicators are regularly analysed which directly relate to the safeguarding of children and adults.

Public Health Implications

83. Not applicable as no decision is required.

Environmental and Climate Change Considerations

84. Not applicable as no decision is required.

Equalities Impact of the Proposal

85. Not applicable as no decision is required.

Risk Assessment

86. Not applicable as no decision is required.

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

87. Not applicable as no decision is required.

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

88. Not applicable as no decision is required.

Financial Implications

89. Not applicable as no decision is required.

Legal Implications

90. Not applicable as no decision is required.

Options Considered

91. Not applicable as no decision is required.

Conclusions

92. This report brings together updates on outturns published through the Citizen's Dashboard, as well supplementary commentary to provide further context around the council's activities in these areas.
93. The performance monitoring framework has been refreshed for 2015/16 and updated measures and activities are included in this report.

Proposal

94. To note updates and outturns against the measures and activities ascribed against the council's key outcomes.
95. To note updates and outturns to the strategic risk register.

Reason for Proposal

96. This framework compiles and monitors outturns in relation to the outcomes laid out in the Business Plan, distilled from individual services' delivery plans. In doing so, it captures the main focus of activities of the council against each outcome.
97. The strategic risk register captures and monitors significant risks facing the council: in relation to significant in-service risks facing individual areas, in managing its business across the authority generally and in assuring our preparedness should a national risk event occur.

Robin Townsend

Associate Director, Corporate Support, Procurement & Programme Office

Report Author:

Jason Teal, Head of Corporate Support | jason.teal@wiltshire.gov.uk

August 2015

Appendices

- Appendix 1: Cabinet Briefing of Ofsted inspection of Wiltshire Council services for children in need of help and protection, children looked after and care leavers
- Appendix 2: Strategic Risk Register (June 2015)

Appendix 1

Cabinet Briefing 15 September 2015

Wiltshire Council Inspection of services for children in need of help and protection, children looked after and care leavers

1. In July, Ofsted inspected the Council's services for children who need help and protection, children looked after, and care leavers under the single inspection framework (SIF). During the inspection no cases were identified where children and young people were left at unnecessary risk of harm.
2. The report was published 1 September 2015.
3. Judgements are made using 4 categories – Outstanding, Good, Requires Improvement and Inadequate. Across the country since November 2013, 59 local authorities have been inspected so far under this framework resulting in none outstanding, 14 Good, 31 Requires Improvement and 14 Inadequate.
4. Inspectors found the overall effectiveness of Wiltshire services to be Requires Improvement and all the sub-judgements have the same outcome.
5. There were many positive points highlighted in the inspection report:
 - 5.1 There is a strong culture of learning and ongoing self-evaluation in Wiltshire and this has ensured that the local authority has a good understanding of its strengths and weaknesses
 - 5.2 Locality-based multi-agency forums (MAFs) are increasingly effective in sharing information and ideas, exploring problems and mobilising support for families when problems first emerge. The countywide Gateway Panel is effective in matching children and families with services that are most likely to be able to help them. This includes referral to the Wiltshire Families First programme, which has had considerable success in turning around troubled families.
 - 5.3 Children in need of help and protection receive a responsive and proportionate response to their identified needs. Immediate risk to children receives a prompt and effective response. Child protection enquiries are timely and robust.
 - 5.4 The MASH has a positive impact in ensuring that the threshold criteria for access to social care services are applied consistently.
 - 5.5 Social workers make good use of a range of services to support families where domestic abuse is an issue.
 - 5.6 Inspectors saw examples of decisive and effective intervention in families where parental mental health problems were having a damaging effect on children and young people.
 - 5.7 Young people now receive a timely and effective response to their need for protection from sexual exploitation. Inspectors saw evidence of well-coordinated multi-agency responses to child sexual exploitation.
 - 5.8 The local authority has effective arrangements in place to identify and monitor children who are missing education.
 - 5.9 Oversight of elective home education is good.
 - 5.10 Arrangements to support 16 and 17 year olds who present as homeless are effective and well monitored.

- 5.11 Children and young people now enter care when they need to and this is a significant improvement since the last inspection. Decisions to look after children and young people are mostly timely and appropriate. Decision-making by the edge of care panel is careful and considered, with children and families receiving intensive multi-disciplinary interventions to reduce risks and prevent entry to care where appropriate.
- 5.12 The timeliness of care proceedings has continually improved and is now 24 weeks.
- 5.13 The quality of evidence presented by social workers within care proceedings is of good quality.
- 5.14 The Wiltshire specialist assessment team produces authoritative parenting assessments.
- 5.15 The quality and timeliness of viability assessments of extended family members are reliably good.
- 5.16 Children in Care are offered effective emotional and mutual health support and effective therapeutic support is available to foster carers, kinship carers, special guardians and adopters.
- 5.17 The Children in Care Council exercises demonstrable influence on development and delivery of services.
- 5.18 The local authority has developed well the work of the virtual school.
- 5.19 The local authority has been effective in increasing the proportion of children in care and care leavers who are in education, employment or training from 62% in 2013 to 82% in 2015.
- 5.20 Children in care are offered effective emotional and mental health support through a blend of CAMHS provision which is an important factor in the relatively low number of moves for children in care.
- 5.21 The quality of case recording seen by inspectors was mostly good.
- 5.22 A majority of care plans contained clear outcomes, refreshed following children in care reviews with specific time-bound actions.
- 5.23 Family finding arrangements for the vast majority of children is timely, purposeful and results in effective matching with carers.
- 5.24 The adoption service makes well informed and well matched placements.
- 5.25 The adoption panel and agency decision maker ensure that children are effectively matched with the most appropriate families.
- 5.26 Adopters are prepared and assessed well. Adoption Support team is effective, innovative and forward looking.
- 5.27 Young people spoken to by inspectors reported that they feel safe in their accommodation.
- 5.28 Robust arrangements are in place to support young people to begin their transition to independence early.
- 5.29 Performance on suitable accommodation for care leavers is good at 81%.
- 5.30 Social workers know their children well and there is an increasingly stable and experienced workforce.
- 5.31 Social workers use a range of communication and other tools to engage children and ascertain their views and feelings.

- 5.32 Social workers feel well supported by visible leaders who visit social work teams regularly.
 - 5.33 The local authority has made changes to the structure of services which have improved the consistency and quality of practice.
 - 5.34 The LA consults with children, young people and families and their views have contributed to the shaping of services.
6. The report acknowledges that “the trajectory for improvement is good with demonstrable improvement in the quality of practice and outcomes for children and young people...”. It lists a number of areas for further development and states that “The local authority knows what it is good at and what they need to do to improve services for children and young people”.
7. Key recommendations are:
- 7.1 Review the use of data and other sources of performance information to ensure it is used systematically across all areas of service to improve outcomes and services for children and young people.
 - 7.2 Ensure that all children and families who need early help are assessed and that their identified needs inform timely plans that are outcome-focused, specific and measurable, and that lead professionals are identified promptly.
 - 7.3 Ensure that step-down arrangements from children’s social care to early help are robust so that children and families receive the right level of help and support when they need it.
 - 7.4 Provide all social workers with access to good quality management oversight and reflective supervision.
 - 7.5 Monitor and evaluate the use of the child sexual exploitation screening tool to ensure that risks that children and young people may be exposed to, are appropriately identified and responded to.
 - 7.6 Improve social work practice so that children’s and young people’s age, disability, ethnicity, faith or belief, gender identity, language, race and sexual orientation are fully taken into account.
 - 7.7 Ensure that all children who go missing from care and home are offered a return interview, and that information gathered during these interviews is collated and analysed to identify patterns and trends to ensure children receive the support they need and further missing episodes reduce and stop.
 - 7.8 Strengthen the impact of the independent reviewing service to improve the monitoring of recommendations between reviews and timely completion of review minutes, ensuring that more effective and timely challenges are made to tackle drift in permanence planning.
 - 7.9 Improve the timeliness of adopter assessments and matching process to minimise delay for those children that require adoption and target the recruitment of adopters for children with more complex needs, family groups and older children.
 - 7.10 Provide care leavers with regular opportunities to contribute to the development of an effective pathway plan that responds to their needs. Ensure they are provided with a copy of their health histories and made aware of their entitlements.
 - 7.11 Analyse the reasons why some young people are not engaging with care leaving services and use this information to develop effective strategies to combat perceived barriers.

8. Whilst not specific recommendations inspectors highlighted the need for more child focussed CP plans, effective contingency planning, ensuring timely legal permanence, and increasing the number of local placements for children in care.
9. The vast majority of improvements suggested were already in the authorities' action plans and were already being worked on. This inspection report confirms our own self-assessment and reinforces the significant importance of a secure, skilled, permanent workforce in achieving good outcomes for children and young people.
10. The local authority has to submit an improvement plan to Ofsted within 70 working days of the publication of the report.

Carolyn Godfrey
Corporate Director
September 2015

Wiltshire Council Strategic Risk Register (2015/16: Q1)

Risk short name	Primary Risk Category	Mitigation Actions	Q1 Inherent Impact	Q1 Inherent Likelihood	Risk Rating	Q1 Residual Impact	Q1 Residual Likelihood	Risk Rating	Q1 RAG	Q1 Comments
Critical Service Risks										
Safeguarding Children	Service Disruption	<ul style="list-style-type: none">Stable workforceSkilled and experienced workforceIncrease social worker retentionReduction in use of agency social workersPermanent, experienced managersClear training pathwayReduction in bureaucracy in order to increase amount of time spent with family / intervening	4	2	8	3	2	6	Amber	Actions and timescales are as detailed in Safeguarding and Child Protection Improvement plan. These should reduce risk. RAG is amber until sufficient actions are delivered, resulting in expected improved impact on practice.
Safeguarding Adults	Reputation	<ul style="list-style-type: none">Regular update training sessions for investigating managers and investigating officers.Updated Care First documents in line with the Care Act guidanceRobust case file audit system in placeCentral safeguarding adults triage processUpdated policy and procedures	4	2	8	4	1	4	Amber	2 x FTE Customer Coordinators to be seconded to the team to assist with triage screen thereby releasing specialists to concentrate on the cases

Risk short name	Primary Risk Category	Mitigation Actions	Q1 Inherent Impact	Q1 Inherent Likelihood	Risk Rating	Q1 Residual Impact	Q1 Residual Likelihood	Risk Rating	Q1 RAG	Q1 Comments
Composite Corporate Risks										
Staff capacity: Recruitment and Retention	Staffing/ People	<ul style="list-style-type: none"> • Development of a corporate workforce action plan for delivering the people strategy. • Strategic HR project managers reviewing the impact of service reviews and the corporate redundancy programme with service managers. • Review of pay and reward policies to aid retention of staff. • Job family modelling to provide workforce flexibility and clear progression to aid recruitment and retention workforce. • New careers website. • Social work microsite. 	3	2	6	2	1	2	Green	The GROW system has been implemented and the new appraisal system launched. New Careers website launched 11/05/2015
Budget management	Financial	<ul style="list-style-type: none"> • Budgetary control • Due diligence in setting the budget • Timeliness of reporting • Competencies of the team and budget mangers being invested in 	4	3	12	4	3	12	Amber	Work is ongoing on recovery plans to help to bring budget online during year.
Contract monitoring and management	Service delivery	<ol style="list-style-type: none"> 1. Maintain strategic oversight on contract monitoring arrangements – develop a central repository of contracts and monitoring arrangements within 2. Create a corporate requirement on contract management to ensure consistency and escalation processes for emerging issues 3. A greater involvement from procurement in oversight of contract management to ensure greater visibility of emerging issues at earliest stage 4. To make better use of appropriate contract and management skills within the new structure 5. Further actions to be developed and refined alongside new procurement structure 	4	4	16	4	4	16	Amber	Scoring for this risk has been increased due to specific and high profile contract management issues that have arisen during the quarter, raising greater concerns over the ability of services to effectively manage their contracts. There are several aspects of contract management and monitoring that need improving, and corporate oversight of these arrangements will be addressed through implementation of the new Strategic Procurement structure.

Risk short name	Primary Risk Category	Mitigation Actions	Q1 Inherent Impact	Q1 Inherent Likelihood	Risk Rating	Q1 Residual Impact	Q1 Residual Likelihood	Risk Rating	Q1 RAG	Q1 Comments
Corporate Health, Safety & Wellbeing	Health & Safety	1. Corporate policy statement 2. Service specific policies and systems of work. 3. Incident reporting via e-form and investigation procedure to reduce potential for recurrences. 4. A blended programme of e-learning and personal course delivery is available. 5. Corporate procedures and pro-forma exist for core safety functions including risk assessment 6. Audit programme to monitor compliance with statutory duty and best practices. 7. Corporate Risk Register 8. OH service provides independent medical opinion and advice to support managers dealing with employee ill-health and absence. 9. Confidential Employee Well-Being Telephone Helpline operates. 10. Regionalised clinics are held to provide easier access for employees to OH Services. 11. Partnerships with external providers of counselling and physiotherapy services are in place to provide fast-track access to these services. 12. Pre-employment health screening ensures reasonable adjustments are identified to support employees. 13. Specific training on H&S and Personal Resilience as part of Management Matters and Staff Matters programmes. 14. Investment in statutory health surveillance equipment and training. 15. Arrangements in place for fire risk assessment of all workplaces. 16. Quarterly management information provided to Associate Directors and benchmarked annually. 17. Annual performance report. 18. Provision of HGV driver medical service. 19. Intelligence Network to share details of members of public considered to present risks to staff.	3	2	6	2	1	2	Green	<ul style="list-style-type: none"> • Workplace Health Charter being developed. • Additional support for mental health issues • Review of OH Services • Audit programme • Depression Health campaign • Review and consolidation of corporate and service risks
Information Governance	Reputation	A detailed action plan is being developed to ensure that the ICO's recommendations (from the voluntary audit in March 2015) are prioritised and implemented.	4	3	12	4	2	8	Amber	The developing Action Plan will cover activity over the following 12 months. Actions will be comprehensive but plan not yet in place.

Risk short name	Primary Risk Category	Mitigation Actions	Q1 Inherent Impact	Q1 Inherent Likelihood	Risk Rating	Q1 Residual Impact	Q1 Residual Likelihood	Risk Rating	Q1 RAG	Q1 Comments
National Level Risks										
Pandemic influenza	Health & Safety	<ul style="list-style-type: none"> Local Resilience Forum and Local Health Resilience Partnership pandemic influenza plans. Excess Deaths Plan Business Continuity Plan The NHS will lead on a thorough review of Pandemic Influenza plans nationally this year. 	4	3	12	4	3	12	Green	<p>An Integrated Emergency Management Planning has been prepared, in anticipation of sign off by Full Council in October. This will strengthen the resilience of the organisation, by improving its preparation and response to incidents.</p>
Flooding	Health & Safety	<ul style="list-style-type: none"> Wiltshire Council Flood Response Plan LRF Severe Weather Plan Wiltshire Flooding Strategy Flood Operational Working Groups in North, South and Salisbury Wiltshire Council Welfare Plan 	4	3	12	4	3	12	Green	
Widespread electricity failure (NEW 2015)	Health & Safety	<ul style="list-style-type: none"> Local Resilience Forum Emergency Telecoms and Procedures Fuel Supply Disruption Plan Business Continuity Plan Engaging with Scottish and Southern Electricity Telecommunications exercise completed 	4	2	8	4	2	8	Green	
Catastrophic terrorist attacks	Health & Safety	<ul style="list-style-type: none"> Bomb alarm health and safety training Health and Safety procedures. Training for event staff Health and Safety training on bomb alerts Improved process and information for dealing with suspicious packages disseminated 	4	2	8	4	2	8	Green	
Poor air quality events (NEW 2015)	Health & Safety	<ul style="list-style-type: none"> wiltshireairquality.org.uk/ Health Community Response Plan Public messaging by use of social media and communications during poor air quality events 	4	2	8	4	2	8	Green	

Wiltshire Council

Cabinet

15 September 2015

Subject: **Revenue Budget Monitoring Period 4 2015/2016**

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 4 (end of July 2015) for the financial year 2015/2016 with suggested actions as appropriate.

Overall therefore the forecasts suggest a £6.245 million overspend with management action identified to date. This is 2% of the Council's net budget. The purpose of budget monitoring is to identify such risks in order to allow management to address issues. Action is currently being assessed to identify areas where savings can be made and a balanced budget achieved. A number of actions are being taken under management authority, but a small number are reserved to Cabinet and decisions on those aspects are covered in the proposals to this report. An updated position will be reported to Cabinet in the next budget monitoring report for outturn (to Cabinet in December).

It is expected that a balanced budget can be achieved by 31 March 2016. If this is not the case there will be a further draw down from reserves which should be avoided as our reserves are one of the lowest nationally. Therefore every action should be taken to reduce unnecessary spend.

The Housing Revenue Account (HRA) is forecast to be on line.

On the assumption of a balanced budget being delivered by 31st March 2016 the year-end general fund reserve balance is projected to be £11 million. This is in line with the Council's financial plan and recommendations by the Section 151 Officer.

Proposals

Cabinet is asked to note the outcome of the period 4 (end of July) budget monitoring and to approve the following changes to the budget as part of the current recovery plan to deliver a balanced budget:

- £1.1 million transfer from the General Revenue Fund Reserve to provide one off support for the provision of Waste Services in 2015/16.
- The closure of Everleigh Household Recycling Centre.
- A review of adult's residential care charges to recover costs.
- Approve the use of commuted and section 106 funds to support the 2015/16 revenue spend in Highways and Transport as one off virements.
- Approve the capitalisation of £0.800 million spend in IT as a one off virements

Reason for Proposal

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

Michael Hudson Associate Director, Finance

Wiltshire Council

Cabinet

15 September 2015

Subject: **Revenue Budget Monitoring Period 4 2015/2016**

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 4 (end of July 2015) for the financial year 2015/2016 with suggested actions as appropriate.

Background

2. The Council set the 2015/2016 budget at its meeting on 24 February 2015. 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 9 £ m	Profiled Budget to date £ m	Actual Net Spend to date £ m	Projected Spend Position for Year £ m	Projected Overspend/ (Underspend) at Period 4 £ m
General Fund Total	314.983	183.723	146.296	321.228	6.245
Housing Revenue Account	(1.497)	(4.854)	(5.712)	(1.497)	0

4. Budget expenditure is not always spent in equal amounts each month. The profiled budget above shows the anticipated budget at the end of period 4. The main variance between the revised budget at period 4 and the profiled budget is due to a phasing of grant income due to be received by schools in period 12.

General Fund Monitoring Update process

5. 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.
6. Budget monitoring is an ongoing process and budgets and expenditure are reviewed between budget managers and accountants regularly, on a risk based approach. As part of continual service improvement, accountancy is in the process of refining the budget reporting process to enhance consistency and timeliness. As part of this review these reports exclude commitments in the actual spend column, to better show a consistent position. However, known commitments are taken into account in calculating the projected position for the year.
7. The period 4 report shows more detailed information and includes a number of smaller variances. Full details of service area figures are included in Appendix C. The figures in period 4 are current position after any approved recovery actions have been actioned.
8. As in previous reports, this report will target large variances and the managerial actions arising to help to ensure a balanced budget at year end. As per last year, Budget Monitoring reports to members will be taken to Cabinet to cover the periods 4, 7, 9 and year end outturn.

Budget Movements / virements

9. There have been a number of movements between various budget headings in the period, although the baseline net Council budget reported to Council in February to set the Council Tax, of £314 million remains unchanged. These virements are largely due to structural changes since the report for budget setting in February 2015. A full trail is shown in appendix A.
10. Further details of major virements in the period are included in appendix B.

General Fund Monitoring Details

11. Overall the majority of services spend is in line with budget profiles and forecasts. There are a some services which have identified larger variances at this stage of the year than originally planned. Associate Directors are seeking compensating actions to bring these back in line. These are set out in the following paragraphs.
12. Overall the period 4 report identifies potential cost pressures of £6.245 million. This is set out in detail at Appendix C.

Adult Social and Learning Disability (LD) Care

13. Current monitoring forecasts show an overall net overspend on Adult Social Care & LD Adults of £2.250m before any actions. The current plan to recover this overspend is through:
- £0.250m from a review of the non-residential charging policy. It is currently assumed that the new policy will be implemented with effect from 1st January 2016 and the full year will be approximately £1m.
 - £0.500m staffing savings arising from posts held vacant, not appointing / terminating agency and the restructure of Operational Teams.
 - £1.500m through the negotiation of further BCF funds for social care based on a risk sharing allocation of un-allocated funds within the current Better Care Plan Budget. This still needs to be agreed with NHS partners.
 - Careful management of demand and placements to ensure that there is no growth in costs of care packages over the remainder of the year.
14. Clearly a big factor is the assumption around demand growth, including demand from the changes planned by the Care Act which have been revised downwards due to changes announced by Central Government to defer the changes until 2020. At this stage it is still assumed that grant monies for this transformation will still be made available to local authorities to maintain care. Any changes to this assumption could result in a shortfall of income, and this position will need to be monitored closely.

Children's Social and Special Educational Needs and Disabilities Care

15. Children's Social Care budgets are projected to overspend by £1.991 million after actions. The key areas of overspend where costs will need to continue to be managed are:
- The cost of Safeguarding agency staff - £0.862 million,
 - Special Guardianship Orders - £0.600 million,
 - IFA Placements - £0.028 million,
 - External Residential Placements - £0.258 million,
 - Asylum seeking children £0.175 million, and
 - External legal fees £0.068 million.
16. The increase in Special Guardianship Orders was highlighted in the recent Ofsted inspection as a significant improvement; however, there are cost implications arising from this. The ongoing recruitment of permanent staff through the application of Market Supplements should help mitigate against increased numbers of agency staff and it is expected that agency costs will reduce during the year, but this is unlikely to deliver lower costs overall now until late in the financial year.

17. The 0-25 Service Disabled Children is currently projecting a net overspend of £2.400 million. This overspend has arisen primarily due to:
- increased use of agency staff - £0.230 million,
 - The ongoing full year impact of growth in the number and cost of Special Educational Needs and Disability (SEND) placements on transport (£1.170 million) and care package budgets (£1 million).
18. This trend along with the increase in adult LD costs is both an ongoing local and national issue. The council is assessing long term plans to address these costs. However, it is unlikely that the forecast level of spend in this report will be reduced significantly due to the time to change care packages and the assessment of care needed. Whilst some of that will be done, further savings will be required corporately. Corporate and Associate Directors are assessing options and will continue to report to Cabinet throughout the year, as well as feeding into the setting of the 2016/17 budget process.

Communications and communities

19. A number of planned savings from previous years have yet to be implemented. These were based around charges for libraries and the structure of the communities team. Since these proposals were made strategic changes to the method of delivery have meant these savings are no longer feasible. This is giving rise to a £0.500 million pressure. In order to recover this position the service will undertake a review of structures to remove duplication and seek greater community ownership. Proposals are being drawn up and will come to Cabinet shortly.

Legal and Governance

20. Changes to assumptions surrounding local land charges following a recent court ruling have meant that the council ability to collect its full income charges has been significantly reduced (circa £0.350 million per annum). Whilst action has been taken to restructure the team which should manage lower staffing costs due to the replacement of locum staff with permanent employees this will only help to offset the pressure on the pay budget and not the income. At this stage this overspend will thus need to be addressed corporately and senior managers are reviewing what further options are available. As such there is a further £0.400 million risk of overspend in this service at this stage.

Strategic Assets & Facilities Management

21. The service faces a £1.259 million gross pressure due largely to:
- Charges for empty buildings,
 - additional cost of new builds,
 - termination of the schools pooling scheme, and
 - the need to keep buildings open, most notably the file storage facility in Devizes.
22. The service has identified actions to reduce this forecast to £0.800 million. This includes:
- Advancing the disposal of properties (circa £0.309 million)
 - Changing the use of empty properties to reduce the NNDR charge (£0.150 million)
23. Further action and options will be reviewed in the coming period to expand operational building closures and disposal plans, and income generating opportunities.

Highways

24. The Highways service overall faces pressures of £0.300 million arising from energy costs associated with street lighting. As a result it is proposed that £0.300m will be funded from one off commuted sum funds, but this pressure will need to be addressed in setting the 2016/17 budget.
25. The Transport service faces overall pressures of £1.915m, including education transport pressures of £0.495m, RUH Hopper of £0.130m and public transport pressures of £1.42m. It is proposed to fund these from one off section 106 as well as the Better Care Fund for the RUH Hopper in 2015/16 ahead of the wider transport review which is underway to identify longer term budget reductions.

Waste

26. The service faces £1.450 million of pressure from increase collection and disposal forecast costs. This was in part assumed in setting the budget and the General Fund Risk assessment flagged up the potential need to fund up to £1.100 million from reserves (Risk 22 – Appendix 2 to Council Budget Setting Report 25th February 2015). The service is continually looking at options to balance these pressures and recommend that Everleigh Household Recycling Centre (HRC) is closed which will save an additional £0.065 million. It is recommended that £1.1 million will be drawn from reserves therefore, subject to the outturn, and further actions assessed in the following period. A further review of how the remaining £0.300 million can be funded will need to be undertaken.

IT

27. The service is forecasting cost pressures of £0.800 million due to increased costs in services. It is proposed that £0.800m is funded from Capital to support infrastructure development planned to be revenue funded.

General Fund Overall

28. Overall, therefore, the period 4 report identifies potential cost pressures of £6.245 million. Against this there are a number of areas of underspend and further instructions have been issued to management in all areas to review actions for recovery and to deliver further savings. It is forecast that based on experience and instructions issued to management that a balanced budget can be achieved by 31 March 2016. If this is not the case there will be a draw down from reserves which would reduce the level to below the recommended level. Therefore every action should be taken to reduce unnecessary spend.

Housing Revenue Account Monitoring Update

29. Budget figures on the Housing Revenue Account (HRA) have been reviewed as part of the regular monitoring process.
30. The HRA is forecast to be on line on its revenue budgets.

Reserves

31. The tables below provide the forecast as at period 4 on the general fund balance held by the Council. The latest forecast on general fund balances if no action were taken currently stands at £5.9 million at 31 March 2016.

32.

General Fund Reserve	£ million	£ million
Balance as at 1 April 2015		(12.147)
Planned over/(under)spend in reserves for year.	6.245	
Total Forecast movement		
Forecast Balance 31 March 2016		(5.902)

33. At present it is assumed that all other areas currently overspending will be on line by the year end following management action and that General Fund Reserves will not therefore fall to this level and will be within the tolerance reported to Council in setting the 2015/16 Council Tax. 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

34. This report has identified a shortfall if no further action is taken on the general fund budget of £6.245 million at period 4 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 2015/2016.
35. 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

36. This report informs member's decision making.

Risks assessment

37. 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

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

Financial implications

39. 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 2016.

Legal Implications

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

Public Health Implications

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

Environmental Implications

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

Safeguarding Implications

43. Safeguarding remains a key priority for the Council and this report reflects the additional investment for 2015/2016 to support the ongoing spend in looked after children and safeguarding.

Proposals

44. Cabinet is asked to note the outcome of the period 4 (end of July) budget monitoring and to approve the following changes to the budget as part of the current recovery plan to deliver a balanced budget:

- £1.1 million transfer from the General Revenue Fund Reserve to provide one off support for the provision of Waste Services in 2015/16.
- The closure of Everleigh Household Recycling Centre.
- A review of adult's residential care charges to recover costs.
- Approve the use of commuted and section 106 funds to support the 2015/16 revenue spend in Highways and Transport as one off virements.
- Approve the capitalisation of £0.800 million spend in IT as a one off virements

Reasons for Proposals

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

Background Papers and Consultation

None

Contact Name:

Michael Hudson, Associate Director Finance, ext 13601
michael.hudson@wiltshire.gov.uk

Report Author: Matthew Tiller, Chief Accountant

Appendices:

Appendix A: Revenue Budget Movements 2015/2016

Appendix B: Major Virements between Service Areas from Original budget

Appendix C: Revenue Budget Monitoring Statements

Wiltshire Council Revenue Budget Movements 2015/2016

Service	Original Budget	Structural Changes	Revised Original Budget	In Year Virements to Period 4	Revised Budget Period 4	Major Virements See Appendix B
	£m	£m	£m	£m		
Adult Social Care Operations						
Older People	50.260	0.000	50.260	0.181	50.441	
Other Vulnerable Adults	9.664	0.000	9.664	0.000	9.664	
Mental Health	19.861	0.000	19.861	0.079	19.940	
Adult Care Commissioning, Safeguarding & Housing						
Resources, Strategy & Commissioning	4.021	0.000	4.021	0.000	4.021	
Housing Services	4.126	0.000	4.126	0.000	4.126	
Public Health & Public Protection						
Public Health Grant	0.000	0.000	0.000	0.000	0.000	
Other Public Health & Public Protection	2.949	0.000	2.949	(0.055)	2.894	
Leisure	0.580	0.000	0.580	0.200	0.780	
Children's Social Care, Integrated Youth & Preventative Services & 0-25 SEN/Disability Service						
Children's Social Care	31.422	0.000	31.422	(0.361)	31.061	
0-25 Service: Disabled Children & Adults	12.878	0.000	12.878	(0.149)	12.729	
Early Help	2.163	0.000	2.163	(0.094)	2.069	
Learning Disability						
Learning Disability	41.841	0.000	41.841	(0.261)	41.580	
Quality Assurance, Commissioning & Performance, School & Early Years Effectiveness						
School Effectiveness	2.003	0.000	2.003	0.254	2.257	
Safeguarding	1.362	0.000	1.362	(0.027)	1.335	
Funding Schools	0.000	0.000	0.000	0.000	0.000	
Commissioning & Performance	7.495	0.000	7.495	0.784	8.279	*
Economic Development & Planning Services						
Economy & Regeneration	3.965	0.000	3.965	0.000	3.965	
Development Services	0.243	0.000	0.243	(0.001)	0.242	
Highways & Transport						
Highways	13.921	0.000	13.921	(0.010)	13.911	
Transport	17.437	0.000	17.437	0.000	17.437	
Car Parking	(6.103)	0.000	(6.103)	0.000	(6.103)	
Environment & Leisure						
Waste	32.135	0.000	32.135	0.131	32.266	
Environment Services	4.630	0.000	4.630	(0.019)	4.611	
Communications, Community Area Boards, Libraries, Arts, Heritage & Culture						
Communications	1.235	0.000	1.235	0.111	1.346	
Libraries, Arts, Heritage & Culture	5.327	0.000	5.327	0.377	5.704	
Corporate Function & Procurement						
Corporate Function & Procurement	5.308	0.000	5.308	0.155	5.463	
Finance						
Finance, Revenues & Benefits, & Pensions	2.668	0.150	2.818	0.100	2.918	
Revenues & Benefits - Subsidy	0.000	0.000	0.000	0.000	0.000	
Legal & Governance						
Legal & Governance	2.353	0.000	2.353	0.000	2.353	
People & Business Services						
Human Resources & Organisational Development	3.205	0.000	3.205	0.157	3.362	
Business Services	3.552	(0.150)	3.402	0.000	3.402	
Strategic Asset & Facilities Management	12.279	0.000	12.279	(0.125)	12.154	
Information Services	10.291	0.000	10.291	0.021	10.312	
Corporate Directors						
Corporate Directors	0.730	0.000	0.730	0.071	0.801	
Members	2.006	0.000	2.006	0.000	2.006	
Corporate						
Movement on Reserves	0.957	0.000	0.957	(0.575)	0.382	*
Capital Financing	23.199	0.000	23.199	0.000	23.199	
Restructure & Contingency	2.356	0.000	2.356	(0.944)	1.412	*
General Government Grants	(26.126)	0.000	(26.126)	0.000	(26.126)	
Corporate Levys	8.790	0.000	8.790	0.000	8.790	
2015/2016 Budget Requirement	314.983	0.000	314.983	0.000	314.983	
HRA Budget	(1.497)	0.000	(1.497)	0.000	(1.497)	
	313.486	0.000	313.486	0.000	313.486	

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 to Period 4

APPENDIX B

Net virements over £500,000

Commissioning & Performance

Final Budget Load Amendments
Commissioning and Performance Budget Realignment
Remove Overheads & Notional Charges
Other budget realignments
Redundancies Period 3
Redundancies Period 4

In Year Virements period 1-4

Movement on Reserves

Grant Earmarked Reserve withdrawals
Release of Adoption Reform Grant

In Year Virements period 1-4

Restructure & Contingency

Redundancies Period 3
Redundancies Period 4
Transfer to HR re Comensura Budget

In Year Virements period 1-4

£m
0.083
(0.259)
0.584
0.320
0.044
0.012
0.784
(0.200)
(0.375)
(0.575)
(0.494)
(0.249)
(0.200)
(0.943)

Please note, these are only the service movements over £500,000. The sum of all virements balances to zero.

Wiltshire Council Revenue Budget Monitoring Statement: Period 4

31-Jul-15

		Original Budget	Revised Budget Period 4	Profiled Budget to Period 4	Actual to date	Projected Position for Year	Projected Variation for Year: Overspend / (Underspend)	Variation as % of Revised Budget: Overspend / (Underspend)
		£m	£m	£m	£m	£m		
Adult Social Care Operations								
Older People	Gross Costs	61.768	61.949	23.847	21.356	62.145	0.196	0.3%
	Income	(11.508)	(11.508)	(4.565)	(4.296)	(15.125)	(3.617)	31.4%
	Net	50.260	50.441	19.282	17.060	47.020	(3.421)	(6.8%)
Other Vulnerable Adults	Gross Costs	10.251	10.251	3.914	4.524	12.782	2.531	24.7%
	Income	(0.587)	(0.587)	(0.223)	(0.302)	(1.266)	(0.679)	115.7%
	Net	9.664	9.664	3.691	4.222	11.516	1.852	19.2%
Mental Health	Gross Costs	23.060	23.334	9.348	8.086	25.493	2.159	9.3%
	Income	(3.199)	(3.394)	(1.547)	(1.199)	(3.594)	(0.200)	5.9%
	Net	19.861	19.940	7.801	6.887	21.899	1.959	9.8%
Adult Care Commissioning, Safeguarding & Housing								
Resources, Strategy & Commissioning	Gross Costs	4.449	4.449	0.669	0.997	2.392	(2.057)	(46.2%)
	Income	(0.428)	(0.428)	(0.026)	(0.599)	(0.808)	(0.380)	88.8%
	Net	4.021	4.021	0.643	0.398	1.584	(2.437)	(60.6%)
Housing Services	Gross Costs	8.785	8.785	2.764	3.293	8.885	0.100	1.1%
	Income	(4.659)	(4.659)	(1.242)	(1.183)	(4.659)	-	-
	Net	4.126	4.126	1.522	2.110	4.226	0.100	2.4%
Public Health & Public Protection								
Public Health Grant	Gross Costs	14.587	14.587	7.332	2.247	14.587	-	-
	Income	(14.587)	(14.587)	(7.294)	(3.661)	(14.587)	-	-
	Net	-	-	0.038	(1.414)	-	-	-
Other Public Health & Public Protection	Gross Costs	3.871	3.816	1.273	1.301	3.566	(0.250)	(6.6%)
	Income	(0.922)	(0.922)	(0.359)	(0.343)	(0.922)	-	-
	Net	2.949	2.894	0.914	0.958	2.644	(0.250)	(8.6%)
Leisure	Gross Costs	5.643	5.955	2.028	2.273	5.775	(0.180)	(3.0%)
	Income	(5.063)	(5.175)	(1.724)	(1.571)	(4.995)	0.180	(3.5%)
	Net	0.580	0.780	0.304	0.702	0.780	-	-
Children's Social Care, Early Help & 0-25 SEN/Disability Service								
Children's Social Care	Gross Costs	33.341	33.695	11.073	11.785	35.686	1.991	5.9%
	Income	(1.919)	(2.634)	(0.751)	(0.106)	(2.634)	-	-
	Net	31.422	31.061	10.322	11.679	33.052	1.991	6.4%
0-25 Service: Disabled Children & Adults	Gross Costs	36.143	35.994	11.986	13.642	38.394	2.400	6.7%
	Income	(23.265)	(23.265)	(0.207)	(0.625)	(23.265)	-	-
	Net	12.878	12.729	11.779	13.017	15.129	2.400	18.9%
Early Help	Gross Costs	6.901	6.777	2.843	2.773	6.781	0.004	0.1%
	Income	(4.738)	(4.708)	(0.340)	(0.235)	(4.708)	-	-
	Net	2.163	2.069	2.503	2.538	2.073	0.004	0.2%
Learning Disability								
Learning Disability	Gross Costs	44.358	44.097	17.960	17.866	46.881	2.784	6.3%
	Income	(2.517)	(2.517)	(0.999)	(0.245)	(3.254)	(0.737)	29.3%
	Net	41.841	41.580	16.961	17.621	43.627	2.047	4.9%

Wiltshire Council Revenue Budget Monitoring Statement: Period 4

31-Jul-15

		Original Budget	Revised Budget Period 4	Profiled Budget to Period 4	Actual to date	Projected Position for Year	Projected Variation for Year: Overspend / (Underspend)	Variation as % of Revised Budget: Overspend / (Underspend)
		£m	£m	£m	£m	£m		
Quality Assurance, Commissioning & Performance, School & Early Years Effectiveness								
School Effectiveness	Gross Costs	5.765	6.068	1.957	1.689	6.068	-	-
	Income	(3.762)	(3.811)	0.058	0.481	(4.146)	(0.335)	8.8%
	Net	2.003	2.257	2.015	2.170	1.922	(0.335)	(14.8%)
Safeguarding	Gross Costs	1.532	1.507	0.481	0.506	1.507	-	-
	Income	(0.170)	(0.172)	(0.126)	(0.232)	(0.172)	-	-
	Net	1.362	1.335	0.355	0.274	1.335	-	-
Funding Schools	Gross Costs	279.162	264.750	66.286	40.673	264.750	-	-
	Income	(279.162)	(264.750)	(1.959)	(16.036)	(264.750)	-	-
	Net	-	-	64.327	24.637	-	-	-
Commissioning & Performance	Gross Costs	31.792	32.146	11.118	12.218	33.041	0.895	2.8%
	Income	(24.297)	(23.867)	(1.393)	(0.637)	(24.427)	(0.560)	2.3%
	Net	7.495	8.279	9.725	11.581	8.614	0.335	4.0%
Economic Development & Planning Services								
Economy & Regeneration	Gross Costs	4.794	4.794	1.510	2.401	4.794	-	-
	Income	(0.829)	(0.829)	(0.276)	(0.225)	(0.829)	-	-
	Net	3.965	3.965	1.234	2.176	3.965	-	-
Development Services	Gross Costs	5.409	5.408	1.803	1.939	5.408	-	-
	Income	(5.166)	(5.166)	(1.967)	(2.180)	(5.166)	-	-
	Net	0.243	0.242	(0.164)	(0.241)	0.242	-	-
Highways & Transport								
Highways	Gross Costs	17.098	15.918	5.063	3.553	15.918	-	-
	Income	(3.177)	(2.007)	(0.880)	(0.399)	(2.007)	-	-
	Net	13.921	13.911	4.183	3.154	13.911	-	-
Transport	Gross Costs	20.261	19.507	5.606	5.843	19.567	0.060	0.3%
	Income	(2.824)	(2.070)	(1.694)	(1.512)	(2.130)	(0.060)	2.9%
	Net	17.437	17.437	3.912	4.331	17.437	(0.000)	(0.0%)
Car Parking	Gross Costs	1.563	1.563	0.533	0.593	1.563	-	-
	Income	(7.666)	(7.666)	(2.383)	(2.283)	(7.666)	-	-
	Net	(6.103)	(6.103)	(1.850)	(1.690)	(6.103)	-	-
Waste & Environment								
Waste	Gross Costs	36.344	37.403	9.894	8.149	38.040	0.637	1.7%
	Income	(4.209)	(5.137)	(0.957)	(4.680)	(5.474)	(0.337)	6.6%
	Net	32.135	32.266	8.937	3.469	32.566	0.300	0.9%
Environment Services	Gross Costs	6.287	6.267	2.372	3.938	6.145	(0.122)	(1.9%)
	Income	(1.657)	(1.656)	(0.584)	(0.451)	(1.534)	0.122	(7.4%)
	Net	4.630	4.611	1.788	3.487	4.611	0.000	0.0%
Communications, Community Area Boards, Libraries, Arts, Heritage & Culture								
Communications	Gross Costs	1.315	1.426	0.446	0.892	1.926	0.500	35.1%
	Income	(0.080)	(0.080)	(0.027)	(0.004)	(0.080)	-	-
	Net	1.235	1.346	0.419	0.888	1.846	0.500	37.1%
Libraries, Arts, Heritage & Culture	Gross Costs	6.934	7.428	2.791	2.940	7.428	-	-
	Income	(1.607)	(1.724)	(0.355)	(0.352)	(1.724)	-	-
	Net	5.327	5.704	2.436	2.588	5.704	-	-

		Original Budget	Revised Budget Period 4	Profiled Budget to Period 4	Actual to date	Projected Position for Year	Projected Variation for Year: Overspend / (Underspend)	Variation as % of Revised Budget: Overspend / (Underspend)
		£m	£m	£m	£m	£m		
Corporate Function & Procurement								
Corporate Function & Procurement	Gross Costs	6.057	6.212	2.409	3.213	6.212	-	-
	Income	(0.749)	(0.749)	(0.283)	0.031	(0.749)	-	-
	Net	5.308	5.463	2.126	3.244	5.463	-	-
Finance								
Finance, Revenues & Benefits, & Pensions	Gross Costs	14.768	15.022	4.642	5.063	14.972	(0.050)	(0.3%)
	Income	(12.100)	(12.104)	(2.862)	(3.117)	(12.104)	-	-
	Net	2.668	2.918	1.780	1.946	2.868	(0.050)	(1.7%)
Revenues & Benefits - Subsidy	Gross Costs	118.775	118.775	36.753	36.604	118.775	-	-
	Income	(118.775)	(118.775)	(39.928)	(39.619)	(118.925)	(0.150)	0.1%
	Net	-	-	(3.175)	(3.015)	(0.150)	(0.150)	
Legal & Governance								
Legal & Governance	Gross Costs	4.577	4.460	1.159	2.422	4.660	0.200	4.5%
	Income	(2.224)	(2.107)	(0.630)	(0.934)	(1.907)	0.200	(9.5%)
	Net	2.353	2.353	0.529	1.488	2.753	0.400	17.0%
People & Business Services								
Human Resources & Organisational Development	Gross Costs	4.946	5.103	1.755	1.875	5.103	-	-
	Income	(1.741)	(1.741)	(0.838)	(0.925)	(1.741)	-	-
	Net	3.205	3.362	0.917	0.950	3.362	-	-
Business Services	Gross Costs	5.571	5.417	2.563	1.656	5.417	-	-
	Income	(2.019)	(2.015)	(1.378)	(1.499)	(2.015)	-	-
	Net	3.552	3.402	1.185	0.157	3.402	-	-
Strategic Asset & Facilities Management	Gross Costs	15.787	15.621	6.243	6.947	16.421	0.800	5.1%
	Income	(3.508)	(3.467)	(1.395)	(1.036)	(3.467)	-	-
	Net	12.279	12.154	4.848	5.911	12.954	0.800	6.6%
Information Services	Gross Costs	11.811	11.981	4.749	6.656	11.981	-	-
	Income	(1.520)	(1.669)	(0.474)	(0.105)	(1.669)	-	-
	Net	10.291	10.312	4.275	6.551	10.312	-	-
Corporate Directors								
Corporate Directors	Gross Costs	0.757	0.828	0.353	0.381	0.828	-	-
	Income	(0.027)	(0.027)	(0.005)	0.016	(0.027)	-	-
	Net	0.730	0.801	0.348	0.397	0.801	-	-
Members	Gross Costs	2.006	2.006	0.651	0.724	2.006	-	-
	Income	-	-	-	-	-	-	-
	Net	2.006	2.006	0.651	0.724	2.006	-	-
Corporate								
Movement on Reserves		0.957	0.382	(0.575)	(0.575)	0.382	-	-
Capital Financing		23.199	23.199	3.041	2.897	23.199	-	-
Restructure & Contingency		2.356	1.412	(0.432)	(0.117)	1.612	0.200	14.2%
General Government Grants		(26.126)	(26.126)	(7.992)	(9.469)	(26.126)	-	-
Corporate Levies		8.790	8.790	3.120	2.605	8.790	-	-
	Net	9.176	7.657	(2.838)	(4.659)	7.857	0.200	2.6%
Wiltshire Council General Fund Total								
	Gross Costs	865.644	850.956	263.336	236.359	863.754	12.798	1.5%
	Income	(550.661)	(535.973)	(79.613)	(90.063)	(542.526)	(6.553)	1.2%
	Net	314.983	314.983	183.723	146.296	321.228	6.245	2.0%
Housing Revenue Account (HRA)	Gross Costs	24.639	24.639	3.467	2.668	24.639	-	-
	Income	(26.136)	(26.136)	(8.321)	(8.380)	(26.136)	-	-
	Net	(1.497)	(1.497)	(4.854)	(5.712)	(1.497)	-	-
Total Including HRA								
	Gross Costs	890.283	875.595	266.803	239.027	888.393	12.798	1.5%
	Income	(576.797)	(562.109)	(87.934)	(98.443)	(568.662)	(6.553)	1.2%

Wiltshire Council Revenue Budget Monitoring Statement: Period 4

31-Jul-15

		Original Budget	Revised Budget Period 4	Profiled Budget to Period 4	Actual to date	Projected Position for Year	Projected Variation for Year: Overspend / (Underspend)	Variation as % of Revised Budget: Overspend / (Underspend)
		£m	£m	£m	£m	£m		
	Net	313.486	313.486	178.869	140.584	319.731	6.245	2.0%

Wiltshire Council

Cabinet

15 September 2015

Subject: Report on Treasury Management Strategy 2015-16 – First Quarter ended 30 June 2015

**Cabinet member: Councillor Richard 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 2015-16 at its meeting on 24 February 2015, which can be found in the Council meeting in the agenda reports pack at the following [Link](#), Item 9, Pages 167 to 190.

In addition to an Annual Report, the policy requires quarterly reports reviewing the Treasury Management Strategy (TMS). This is the first quarterly report of 2015-16 and covers the period from 1 April 2015 to 30 June 2015.

Proposals

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

Reasons for Proposals

To give members an opportunity to consider the performance of the Council in the period to the end of the quarter against the parameters set out in the approved Treasury Management Strategy for 2015-16.

Carolyn Godfrey – Corporate Director

15 September 2015

Subject: Report on Treasury Management Strategy 2015-16 – First Quarter ended 30 June 2015

**Cabinet member: Councillor Richard 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 2015-16 at its meeting on 24 February 2015, incorporating Prudential Indicators (PrIs), Treasury Management Indicators (TrIs) 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 Council 24 February 2015 agenda reports pack, Item 9, Pages 167 to 190 at the following [Link](#).
- 1.2 The Strategy states 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 2015-16, ended 30 June 2015.

2. Main Considerations for the Cabinet

- 2.1 This report reviews management actions in relation to:
- a) the PrIs, TrIs originally set for the year and the position at the 30 June 2015;
 - 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 2015-16

- 2.2 The following is a review of the position on the key prudential and treasury indicators for the three months to 30 June 2015.
- 2.3 A full detailed listing of the indicators required by the CIPFA Prudential Code, Treasury Management Code and Treasury Management Guidance Notes is given in Appendix 1.

Key Prudential Indicators

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

	2014-15 Actual Outturn	2015-16 Original Estimate	2015-16 Revised Estimate
General Fund	6.3%	7.3%	7.0%
Housing Revenue Account	14.8%	14.6%	14.9%

- 2.4 In Prl 2 above the General Fund revised estimate for 2015-16 is higher than the year end 2014-15 figure mainly due to the decrease in the net budget requirement. At the same time expected financing costs have increased very slightly, mainly principal charges.

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

	2014-15 Actual Outturn £ million	2015-16 Original Estimate £ million	2015-16 Revised Estimate £ million
CFR – General Fund	369.1	416.2	416.3
CFR – HRA	122.6	122.6	122.6
Gross Borrowing – General Fund	233.1	289.1	283.1
Gross Borrowing – HRA	118.8	118.8	118.8
CFR not funded by gross borrowing – General Fund	136.0	127.1	133.2
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 There is no significant change in the 2015-16 revised estimate compared to the original estimate.
- 2.7 The revised estimate for General Fund CFR and gross borrowing is based on the 2015-16 Capital Programme, which currently stands at £173.464 million and includes all of the 2014-15 slippage. The Capital Programme is being reviewed by CLT and will include a review of 2014-15 slippage. The borrowing position may, therefore, be subject to change.

Key Treasury Management Indicators within the Prudential Code

- 2.8 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	2015-16 £ million	2016-17 £ million	2017-18 £ million
Borrowing – General Fund	448.2	488.7	492.5
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	571.6	612.1	615.9

- 2.9 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	2015-16 £ million	2016-17 £ million	2017-18 £ million
Borrowing – General Fund	437.2	476.7	480.5
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	560.6	600.1	603.9

- 2.10 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 £352.1 million).

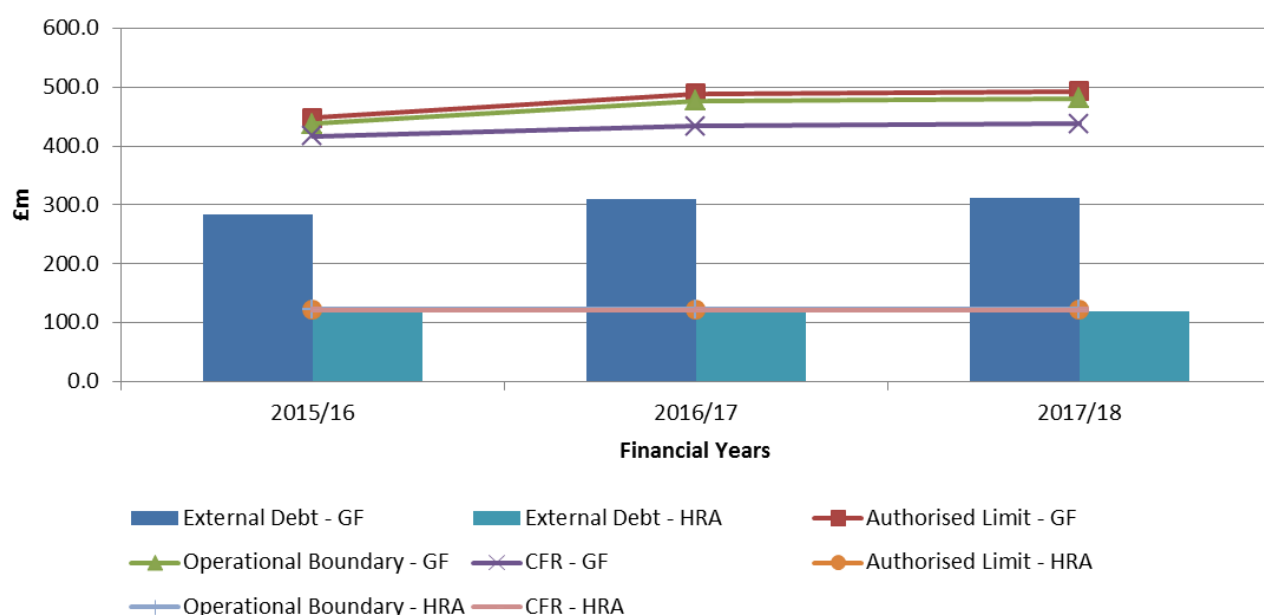
Trl 3 – External Debt

	31/03/15 Actual £ million	30/06/15 Actual £ million	31/03/16 Expected £ million
Borrowing – General Fund	233.1	231.1	283.1
Borrowing – HRA	118.8	118.8	118.8
Total Borrowing	351.9	349.9	401.9
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	352.1	350.1	402.1

- 2.11 Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. A £2 million General Fund PWLB loan was repaid, on maturity, in June 2015. This has resulted in a reduction in actual borrowing, the repayment being contained within the Council's cash flow, through a reduction in investments rather than refinancing. The figure for actual borrowing at 31 March 2015 is stated at the amount that reflects actual outstanding external borrowing at the end of 2014-15 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

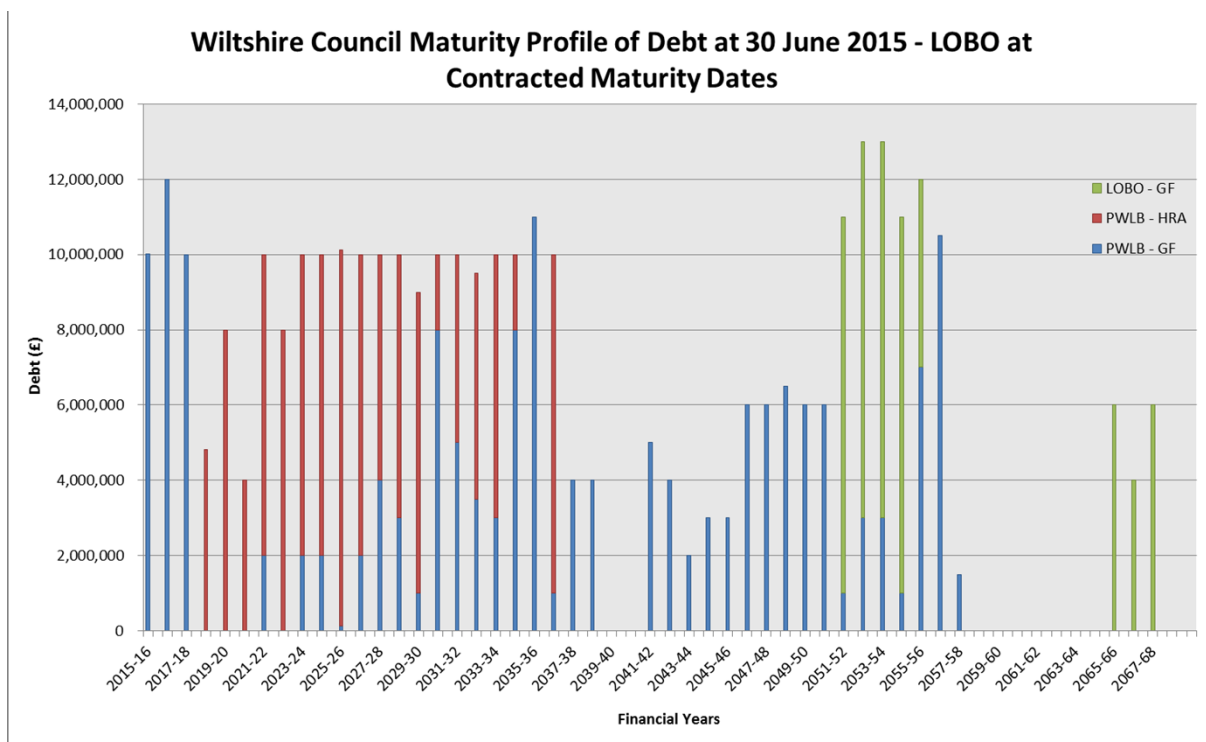
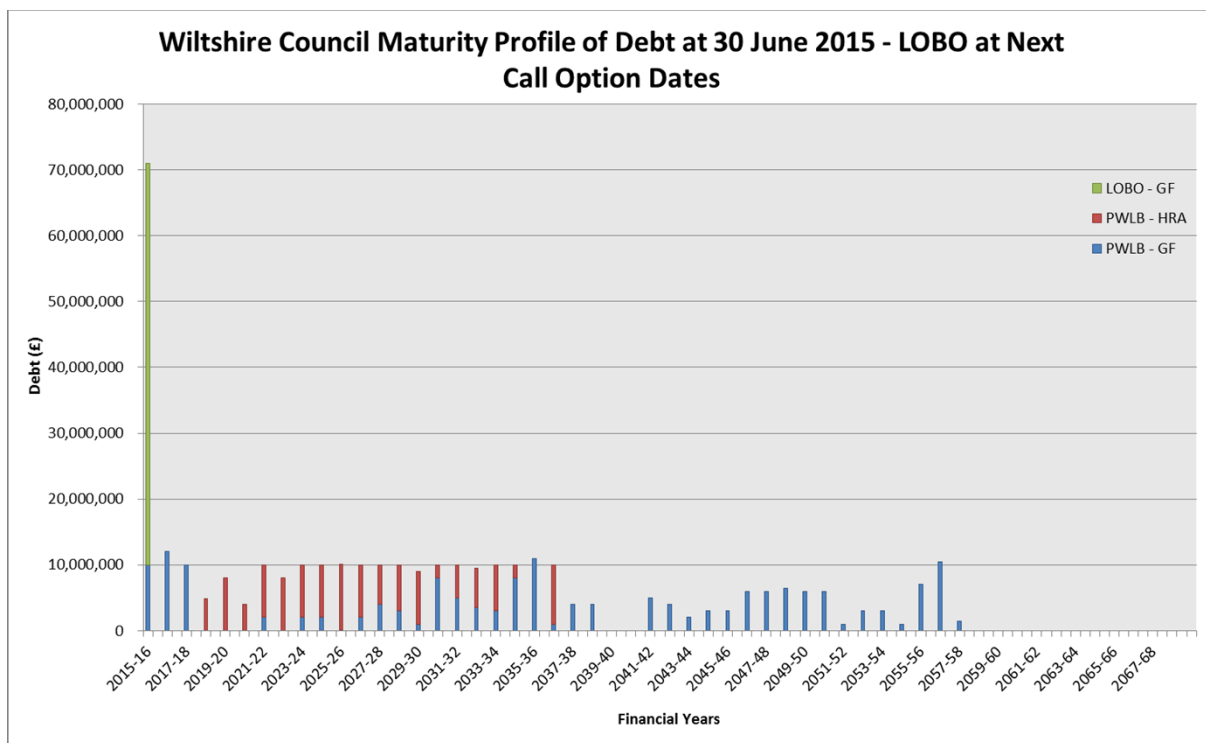
- 2.12 The above Trls 1-3, together with the Capital Financing Requirement (see Prl 4 in paragraph 2.5 above), are represented in the following graph:

Quarterly Report on Treasury Management Strategy - First Quarter 2015-16 - Key Treasury (Prudential) Indicators



2.13 The total cost of borrowing to fund capital expenditure (General Fund and HRA) 2015-16 is currently £26.054 million per annum, made up of interest costs (£13.338) and principal charges (minimum revenue provision) (£12.716 million).

2.14 The following graphs show the period over which the current external debt matures, based on: a) the earliest repayment date (next option call date) in the case of LOBO loans (see also Appendix 2), and b) LOBO loans at their contracted maturity dates (since the end of the financial year 2014-15, a PWLB loan of £2 million has matured and not been refinanced in the period):



Key Treasury Management Indicators within the Treasury Management Code

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

- 2.15 This Trl is now covered by the Annual Investment Strategy for 2015-16, which set a limit of £30 million. During the first three months of 2015-16 no cost effective investments have been identified. The Authority however holds a number of money market funds and a 35 day notice deposit account, which offer relatively attractive interest rates and, in the case of money market funds, instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

- 2.16 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. Applying the CIPFA recommendation, the actual maximum in any one year is currently 20.3% (£71 million) in 2015-16. This remains temporarily above the 15% and in excess of the upper limit on the maturity structure of borrowing, also, currently, 15%. However, this is not the case if the alternative (contracted maturity date) is applied. £61 million (86%) of the £71 million shown as maturing in 2015-16, by the recommended method, relates to LOBO loans. Through call options, the lender has the right to change the interest rate at various points, in which case the Council will repay the loans and consider whether it needs to refinance them. In the current interest rate climate (where interest rates are expected to remain low for some time – Bank Rate is not anticipated to rise until at least quarter 1 (probably quarter 2) 2016 and the Bank of England has stated that it expects to raise rates slowly) they are extremely unlikely to be called. A summary maturity profile is shown in Appendix 2.

Other Debt Management Issues

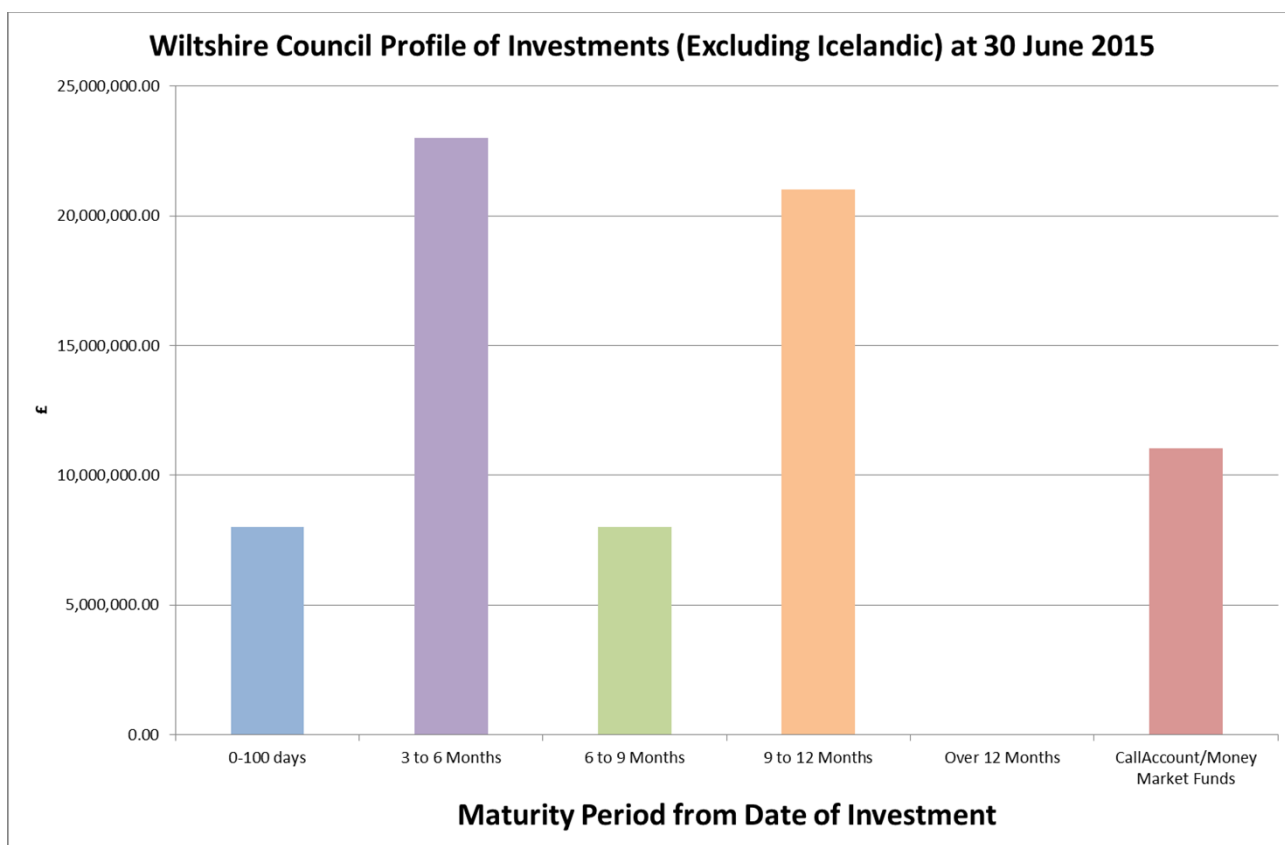
Debt Rescheduling

- 2.17 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. This is unlikely, unless the PWLB change policy regarding early repayment.

Cash Surpluses and Deficits

Short Term Surpluses and Deficits

- 2.18 Any short term cash surpluses or deficits have been managed through temporary deposits or loans, respectively. Temporary deposits outstanding at 30 June 2015 amounted to £71.050 million, as detailed in Appendix 3. The graph below shows the maturity profile of the Council's investments.



Icelandic Banks

2.19 The Council received a further distribution of £359,319.59 from the Administrators of Heritable Bank on 26 August 2015. This brings the total recovered from Heritable to £8.842 million (98%) and a total overall recovery (including monies recovered from Landsbanki) of £11.7 million of the original £12 million (nearly 98%). The balance not recovered has been fully provided for in the accounts.

2.20 There is a small deposit, relating to Landsbanki, remaining in Iceland, which, as stated in previous reports, is being held subject to capital controls, for which we are awaiting an update. Based on the last information available from CIPFA, the Council was expecting to recover up to 95% of its deposits with Heritable, however, the August distribution takes the recovery to around 98%, it may, therefore, be the final distribution. We should know more when the Administrators have issued the next progress report, which, based on the timing of previous reports, is expected to be available later in September.

Longer Term Cash Balances

2.21 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 “special tranche rates” that are offered by ‘Government backed’ banks. The rates available from these types of investments will now be reduced as Lloyds are and RBS will no longer be partially Government owned, as the Government’s programme of the sale of shares in the banks progresses. This has already led to, in the case of Lloyds, and will lead to, in the case of RBS, a

change in the credit rating level and, consequently, the recommended duration for deposits, thus affecting the interest rate available to the Council.

- 2.22 Rates have remained relatively low, which is, therefore, reflected in rates available, including the “special tranche rate” investments. Details of investments outstanding are shown in Appendix 3.

Review of Investment Strategy

- 2.23 The Treasury Management Strategy Statement (TMSS) for 2015-16, which includes the Annual Investment Strategy, was approved by the Council on 24 February 2015. It sets out the Council’s investment priorities as being:

- a) Security of capital;
- b) Liquidity; and
- c) Yield.

- 2.24 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 Capita Treasury Solution’s suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita.

- 2.25 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.

- 2.26 Credit ratings are incorporated within the approved Investment Strategy as detailed within the Treasury Management Strategy 2015-16 and the current ratings have been shown against the deposits outstanding in Appendix 3.

3. Safeguarding Implications

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

4. Public Health Implications

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

5. Corporate Procurement Implications

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

6. Equalities Impact of the Proposal

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

7. Environmental and Climate Change Considerations

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

8. Risks Assessment and Financial Implications

- 8.1 All investment has been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.827%, which compares favourably with similar rates of other UK local authorities
- 8.2 The primary treasury management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.
- 8.3 Investment counterparty¹ risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

9. Legal Implications

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

10. Options Considered

- 10.1 The availability of any longer term investment opportunities, such as those offered by "special tranche rates", is continually monitored.
- 10.2 Also any options available to provide savings from rescheduling long term borrowing are continually assessed in liaison with our treasury advisers.

11. Conclusion

- 11.1 Cabinet is asked to note the report.

Michael Hudson
Associate Director, Finance, Revenues & Benefits and Pensions

Report Author:

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

¹ A Counterparty is a term most commonly used in the financial services industry to describe a legal entity, unincorporated entity or collection of entities (e.g. lender/borrower) to which an exposure to financial risk might exist.

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 2015-16, 2016-17 & 2017-18
- Appendix 2 Summary of Long Term Borrowing 1 April 2015 – 30 June 2015
- Appendix 3 Summary of Temporary Loans and Deposits 1 April 2015 – 30 June 2015

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18**Prudential Indicators****Prl 1 – Capital Expenditure**

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

	2014-15 Actual Outturn £ million	2015-16 Original Estimate £ million	2015-16 Revised Estimate £ million	2015-16 Actual To date 31/07/15 £ million
General Fund	89.8	131.7	168.1	18.8
HRA	8.8	15.3	16.4	3.0

2. The (revised) estimate and actual to date for 2015-16 has been amended to reflect the most up to date capital budget and expenditure position.
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 Month 4 2015-2016 report (as at 31 July 2015) is being taken to CCAC in September 2015.

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

	2014-15 Actual Outturn	2015-16 Original Estimate	2015-16 Revised Estimate
General Fund	6.3%	7.3%	7.0%
Housing Revenue Account	14.8%	14.6%	14.9%

The General Fund revised estimate for 2015-16 is higher than the year end 2014-15 figure mainly due to the decrease in the net budget requirement. At the same time expected financing costs have increased very slightly, mainly principal charges.

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18Prl 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 2015-16 was calculated as being £-17.98.

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

	2014-15 Actual Outturn £ million	2015-16 Original Estimate £ million	2015-16 Revised Estimate £ million
CFR – General Fund	369.1	416.2	416.3
CFR – HRA	122.6	122.6	122.6
Gross Borrowing – General Fund	233.1	289.1	283.1
Gross Borrowing – HRA	118.8	118.8	118.8
CFR not funded by gross borrowing – General Fund	136.0	127.1	133.2
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 borrowing with external borrowing.
8. There is no significant change in the 2015-16 revised estimate compared to the original estimate.
9. The revised estimate for General Fund CFR and gross borrowing is based on the 2015-16 Capital Programme which currently stands at £173.464 million and includes all of the 2014-15 slippage. The Capital Programme is being reviewed by CLT and will include a review of 2014-15 slippage. The borrowing position may, therefore, be subject to change.

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18Prl 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services

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

Treasury Management Indicators within the Prudential Code

11. 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	2015-16 £ million	2016-17 £ million	2017-18 £ million
Borrowing – General Fund	448.2	488.7	492.5
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	571.6	612.1	615.9

12. 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	2015-16 £ million	2016-17 £ million	2017-18 £ million
Borrowing – General Fund	437.2	476.7	480.5
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	560.6	600.1	603.9

13. 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 £352.1 million).

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18Trl 3 – External Debt

	31/03/15 Actual £ million	30/06/15 Actual £ million	31/03/16 Expected £ million
Borrowing – General Fund	233.1	231.1	283.1
Borrowing – HRA	118.8	118.8	118.8
Total Borrowing	351.9	349.9	401.9
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	352.1	350.1	402.1

14. Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. A £2 million General Fund PWLB loan was repaid, on maturity, in June 2015. This has resulted in a reduction in actual borrowing, the repayment being contained within the Councils cash flow, through a reduction in investments rather than refinancing. The figure for actual borrowing at 31 March 2015 is stated at the amount that reflects actual outstanding external borrowing at the end of 2014-15 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

Treasury Management Indicators within the Treasury Management CodeTrl 4a – Upper Limit on Fixed Interest Rate Exposures

The Council's upper limit for fixed interest rate exposure for the period 2015-16 to 2017-18 is 100% of net outstanding principal sums.
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Trl 4b – Upper Limit on Variable Interest Rate Exposures

The Council's upper limit for variable interest rate exposure is 47% for 2015-16, 52% for 2016-17 and 54% for 2017-18 of net outstanding principal sums.

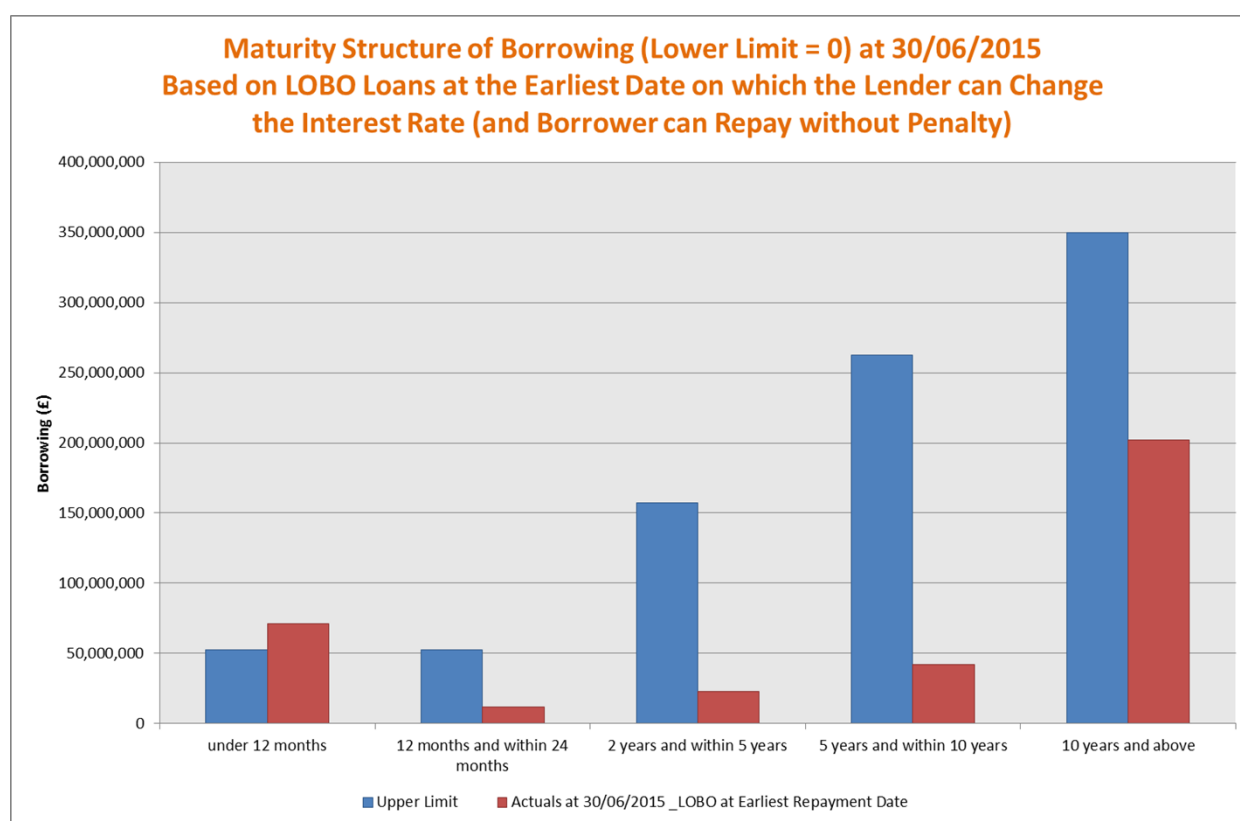
15. Options for borrowing during the period were considered, however, (mainly) due to the premium that would be incurred on the early repayment of debt and the desire to maintain the Council's relatively low average borrowing rate, no new borrowing was taken.

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18

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

Limits on the Maturity Structure of Borrowing	Upper Limit	Lower Limit	Position at 30/06/15
Maturing Period:			
- under 12 months	15%	0%	20%
- 12 months and within 24 months	15%	0%	3%
- 2 years and within 5 years	45%	0%	7%
- 5 years and within 10 years	75%	0%	12%
- 10 years and above	100%	0%	58%

16. The table above and the following graph show that the actual maturity structure is within the agreed limits, except for the under 12 months category where the position at 30 June 2015 remains temporarily above the upper limit. This is mainly due to the effect of the required treatment of LOBO loans (please refer to Trl 7 below – paragraph 19).



17. 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.

Prudential and Treasury Indicators for 2015-16, 2016-17 & 2017-18**Trl 6 – Principal Sums invested for periods of longer than 364 days**

18. This PrI is now covered by the Annual Investment Strategy for 2015-16, 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 2015-16 no cost effective investments have been identified. The Authority however holds a number of money market funds and a 35 day notice deposit account, which offer competitive interest rates and, in the case of money market funds, instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

19. 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. Applying the CIPFA recommendation, for the treasury report, the actual maximum in any one year is currently 20.3% (£71 million) in 2015-16. This remains temporarily above the 15% and in excess of the upper limit on the maturity structure of borrowing. However, this is not the case if the alternative (contracted maturity date) is applied. £61 million (86%) of the £71 million shown as maturing in 2015-16, by the recommended method, relates to LOBO loans. Through call options, the lender has the right to change the interest rate at various points, in which case the Council will repay the loans and consider whether it needs to refinance them. In the current interest rate climate (where interest rates are expected to remain low for some time – Bank Rate is not anticipated to rise until at least quarter 1 (possibly quarter 2) 2016 and the Bank of England has stated that it expects to raise rates slowly) they are extremely unlikely to be called. A summary maturity profile is shown in Appendix 2.

SUMMARY OF LONG TERM BORROWING 1 APRIL 2015 – 30 JUNE 2015

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 2015

Year	Amount (£m)					% age		Average rate (%)	
	PWL B	Market Loans (LOBO)		Total					
		Next Call Date	Contracted Maturity	Next Call Date	Contracted Maturity	Next Call Date	Contracted Maturity	Next Call Date	Contracted Maturity
	(A)	(B)	(C)	(A)+(B)	(A)+(C)				
1 to 5 years	44.825	61.000	-	105.825	44.825	30.2	12.8	3.873	3.194
6 to 15 years	91.123	-	-	91.123	91.123	26.0	26.0	3.139	3.139
16 to 25 years	78.500	-	-	78.500	78.500	22.4	22.4	3.928	3.928
26 to 50 years	74.500	-	45.000	74.500	119.500	21.3	34.1	4.497	4.460
Over 50 years	-	-	16.000	-	16.000	-	4.6	-	4.298
Totals	288.948	61.000	61.000	349.948	349.948	100.0	100.0	3.827	3.827

Average period to maturity (years) 15.21 22.40

CIPFAs Guidance Notes on Treasury Management in the Public Services recommend 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 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, is used in the 2014-15 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 2015 – 30 JUNE 2015

SUMMARY OF DEPOSITS 1 APRIL - 30 JUNE 2015

Deposits Outstanding at 30 June 2015

Borrower	Amount £m	Terms	Interest Rate	Capita Credit Rating at 30/06/2015
HSBC Bank plc	3.000	No fixed maturity date	0.20	Orange - 12 Months
Lloyds TSB Bank	5.000	Fixed to 11-Nov-15	1.00	Red - 6 Months
National Bank of Abu Dhabi	8.000	Fixed to 31-Mar-16	0.80	Orange - 12 Months
Nationwide Building Society	7.000	Fixed to 01-Oct-15	0.66	Red - 6 Months
Barclays Bank	8.000	Fixed to 14-Oct-15	0.64	Red - 6 Months
Landesbank Baden Wuerttbg	8.000	Fixed to 12-Apr-16	0.80	Red - 6 Months* See Note
Oversea-Chinese Banking Corp	8.000	Fixed to 15-Oct-15	0.55	Orange - 12 Months
Clydesdale Bank	8.000	Fixed to 24-Jul-15	0.52	No Colour* See Note
DBS Bank Ltd.	8.000	Fixed to 05-Feb-16	0.65	Orange - 12 Months
Svenska Handelsbanken AB	0.017	No fixed maturity date	0.45	Orange - 12 Months
BlackRock Money Market Fund	0.075	No fixed maturity date	0.43	AAA
J P Morgan Money Market Fund	0.001	No fixed maturity date	0.42	AAA
Prime Rate Money Market Fund	0.009	No fixed maturity date	0.45	AAA
Goldman Sachs	0.001	No fixed maturity date	0.43	AAA
Ignis Money Market Fund	7.923	No fixed maturity date	0.47	AAA
Landsbanki (Escrow Account)	0.024	Est Recoverable Amount	4.17	N/A
Total	71.050			

The credit ratings of two of the counterparties have changed since the dates of the investments. This has resulted in the reduction of the suggested durations in respect of the counterparties. When the deposits were placed with Landesbank Baden Wuerttemberg (LBW) and Clydesdale Bank the suggested durations were 12 months and 100 days, respectively. The deposit with Clydesdale has subsequently matured and been repaid. In terms of the deposit with LBW, although, using the Capita credit list, it still has a suggested duration of 6 months, the counterparty has been removed from the Council's credit list as the Fitch short term rating has been reduced from F1+ to F1 and is now below the additional criteria for foreign counterparties required by the current Treasury Strategy (i.e. at least F1+). No further funds will be deposited with either counterparty while the suggested durations are below the required minimum levels within the Strategy.

Following the sale, in November 2014, of the Council's remaining claim in the winding-up of Landsbanki and the receipt of the last repayment from the administrators of Heritable Bank, the only remaining Icelandic investment now shown as outstanding is the amount (last entry) held in an escrow account in Iceland. The estimated recoverable amounts relating to the Heritable Bank investments are treated as nil, on the basis of previous indications, that there may not be any further repayments, a recovery level of 94% having been attained. The last entry reflects the amount paid out in ISK (Icelandic Krona) which is being held in an interest bearing escrow account in Iceland, pending repayment once the position in respect of Icelandic capital controls is concluded and, as recommended by CIPFA treated as a "new investment".

Investments held have increased by £28.180 million between the end of March 2015 as reported in the annual treasury report, and the end of June 2015. This is because of movements in cash flows, including timing differences in the receipt and payment of cash (e.g. increased receipts/decreased payments, particularly those associated with the funding arrangements for Business Rates Retention). The cash position is constantly reviewed to ensure that the Council maintains an appropriate level for cash flow purposes. The timing differences will be reduced as the financial year progresses.

	Year Ended 31/03/2015 £m	Quarter Ended 30/06/2015 £m	Change £m
Total Deposits Outstanding	42.870	71.050	28.180

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Wiltshire Council

Cabinet

15 September 2015

Subject: **Establishment of a Wholly Owned Subsidiary (WOS) (Housing) repairs and maintenance, planned and investment works as well as client function.**

Cabinet member: **Councillor Jonathon Seed**
 Housing, Libraries, Leisure and Flooding

Key Decision: **Yes**

Executive Summary

The Councils (Housing) 'Responsive Repairs & Voids' contract has its first break clause at 31 March 2016.

The Housing team has reviewed the way in which its contracts are structured and delivered and, through a comprehensive review of the service, has concluded that from an efficiency and service delivery stance it would be better to re-procure its contracts over the next 2-3 years and deliver its Asset Management function in a different way.

To this end officers, residents, the Housing Board and several Members have been part of a comprehensive review of the different contractual arrangements that exist in the housing sector that would best suit the Council, its tenants and our wider stakeholders.

The review concluded that from all of the delivery models available the formation of a WOS would be the most beneficial to the Council.

Proposals

This paper is to seek the Cabinet's approval in principle for :-

1. The formation of a WOS to deliver the Council's (Housing) Responsive Repairs, Voids, and Planned Investment works, works to hostels, Gypsy & Traveller sites, including the client function role.
2. Approve advancing the procurement of a 'partnering contractor' that will manage the delivery of the Council's housing asset management function and housing maintenance client function
3. To agree to delegate the finalisation of the proposal to the Associate

Director for Adult Care, Safeguarding and Housing in consultation with the Cabinet Member for Housing, Leisure, Libraries and Flooding, Corporate Director with responsibility for Housing and the Section 151 and Monitoring Officers.

4. Proposals and final decision to be brought back to cabinet for determination.

Reason for Proposal

A WOS will deliver a more effective service, and address the key issue of the skills gap within this service area.

Maggie Rae
Corporate Director

Wiltshire Council

Cabinet

15 September 2015

Subject: **Establishment of a Wholly Owned Subsidiary (WOS) (Housing) repairs and maintenance, planned and investment works as well as client function.**

Cabinet member: **Councillor Jonathon Seed**
 Housing, Libraries, Leisure and Flooding

Key Decision: **Yes**

Purpose of Report

1. To agree to the formation of a WOS that will deliver council house repairs and improvements and management, and other works which will deliver the council greater efficiencies and more cohesive services.

Relevance to the Council's Business Plan

2. The development of a WOS will support the following objectives or the Council's Corporate Business Plan;
 - a) Priority – Protect those who are most vulnerable
 - b) Key Action 6 – Invest to refurbish council housing and encourage the development of new affordable homes, including supported living in rural areas
 - c) Outcome 3 – Everyone in Wiltshire lives in a high quality environment
 - d) Outcome 4 – Wiltshire has inclusive communities where everyone can achieve their potential
 - e) Outcome 5 – People in Wiltshire have healthy, active and high quality lives
 - f) Outcome 6 – People are protected from harm and feel safe.

Main Considerations for the Council

3. The Options Paper attached to this report has been discussed and agreed with the Council's Cabinet Member for Housing, Libraries, Leisure and Flooding, and with the Housing and Procurement Boards.
4. A WOS meets the needs/risks identified during the options review, it also supports the council's corporate plan.
5. During the review four key strategic and operational requirements and issues were raised which support the proposal;
 - Lack of internal skills to manage an efficient and effective repairs service

- Need to have a performance managed service
 - Being able to develop and use the existing Direct Labour Organisation (DLO)
 - Developing a flexible model that would be able to be expanded in the future to deliver more than just responsive repairs, but also planned, cyclical works, FM works and smaller new build projects if required, as well as being able to work across the council in a more joined up manner.
6. The cost of delivering repairs through a WOS will be held within the existing Housing Revenue Account (HRA) budget. It is envisaged that as well as delivering improved performance the WOS should be able to generate savings in this budget.
 7. The service will see a different approach to responsive repairs with a shift towards greater emphasis on proactive repairs identified through a planned yearly inspection regime, where a more comprehensive list of repairs is collected. These can then be managed in a controlled way, rather than the reactive approach used currently. This model will achieve financial savings as well as a better tenant experience, in that repairs are carried out in fewer visits, meaning less disturbance and inconvenience. The other benefit of annual inspections is that repairs that may not have been reported or reported late, which lead to further damage to assets, will be avoided.
 8. Working to this model is more cost effective as planned repairs are less costly and makes the ratio of responsive repairs to planned repairs more aligned to sector targets. (Recent feedback from an organisation adopting this model is predicted to see an 8% reduction in responsive repair costs.)

Background

9. The council's responsive repairs and void property works are currently carried out through an external contract, (which has been let on a 3 year plus 1 + 1 contract, with the first break clause at 31March 2016), and the Council's own DLO. The annual budget for responsive repairs and voids is £ 3.5 million.
10. Consideration as to the way in which the responsive repairs service has been historically delivered has been the subject of assessment over the past twelve months and covered;
 - A review of all other service delivery models that are available,
 - The need to provide a better service to deliver our responsive repairs, and the repairs service as a whole
 - To ensure any proposed changes to the way the service operates is compliant with all Wiltshire Council's legal and internal policies.
 - To ensure the correct processes for any changes are followed in the correct order.
11. To this end an in depth review has taken place, which involved all relevant stakeholders, including the Housing Board, Members, Tenants (through a detailed questionnaire), specific conversations with local and national housing organisations as well as housing experts and advisors.

12. The review process looked at the top six delivery models being used in the housing sector. Through discussion and inclusion of relevant stakeholders, two were discounted, and the remaining four subjected to a more in depth review as well as SWOT analysis and Risk Assessments on each.

Models Reviewed

Option	Model	View
A	Expand existing (DLO)	Pursue in more detail
B	Create WOS	Pursue in more detail
C	Create 'Managed Service' model by external provider	Pursue in more detail
D	Outsource to external provider	Pursue in more detail
E	Create Joint venture with External provider	Discard – If this type of model is to be considered the WOS would be of less risk
F	Develop Cost Sharing Group with another organisation	Discard – Following conversation Local RSL. See below.

13. As part of the evaluation process there was engagement with local Registered Providers (RP's), to establish how they were delivering their repair service now and what their plans were for the future.
14. Two of the larger RPs indicated that they were not in a position to consider our requirements at present. One other RP discussed their present arrangements and were open in their comments and thoughts. They developed a WOS 12 months ago and intend to start rolling out planned and works maintenance this summer through the WOS. They have put their customer contact staff into the WOS and share office space with the parent company, this has helped with communication and joined up working and thinking.
15. The conclusion was that although there were synergies in the direction of travel and thinking, this RP was not far enough advanced to link up with, though it did consolidate our thinking of a WOS being the right model for the Council to pursue.

Conclusion

16. It was evident through the process that the existing delivery model needed to be changed. The preferred model that can deliver the best mix of the key requirements, established at the outset of the review, is a WOS, a bespoke company that not only will be commercially aware but also have the Council's key drivers at its centre.
17. This option not only will enhance service delivery, but also address the recruitment and retention of skilled workforce.

Safeguarding Implications

18. The WOS will need to link into the Council's safeguarding procedures, this will be more controllable than with some of the other models reviewed.

Public Health Implications

19. The provision of a good quality repairs service and well maintained homes will assist in maintaining residents' health.

Corporate Procurement Implications

20. The Council will be looking to procure a 'partnering contractor' that will manage the delivery of the Council's housing asset management function and housing maintenance client function. The contract will be for 15 years with two 5 year break clauses (plus normal break clauses for non-performance).
21. The Contract will initially be managed as a service which has a budget in the region of £3.5 million per annum. This will be followed, at a date to be agreed providing that performance is delivered by the contractor, by the planned and cyclical works (replacement kitchens, bathrooms, doors, roofs, gas servicing, painting etc) which has a budget of approximately £10 million per annum.
22. The Council will require external procurement and legal support to take forward the WOS model. The WOS model is relatively new so there is limited external procurement and legal support who have previously worked on WOS models. The procurement advice will cost in the region of £60k plus VAT and the legal support will be in the region of £30k plus VAT> It is anticipated that these will be secured through existing framework agreements..
23. The setting up of the WOS has been agreed in principle by the Corporate Procurement Board as an appropriate delivery model for this service.

Equalities Impact

24. The formation of a WOS and the changes to the way we deliver responsive repairs will support the thinking that well maintained homes contribute to overall health and wellbeing of tenants and that secure, safe and stable accommodation can enable households to contribute positively to their communities.
25. Equality impacts will be monitored as the project progresses. This is to ensure that the Council's statutory commitments to promoting equality and inclusion and tackling inequality are maintained. The delivery of an effective and efficient repairs service will also support the delivery of the council's vision to create stronger and more resilient communities

Environmental and Climate Change Considerations

26. Specifications and the way future repairs are delivered will support Environmental and Climate Change. For example specifications processes will

be written and aligned to ensure longevity in materials and products used, fewer visits and hence lower carbon foot print. A full impact assessment will be developed early in the project.

Risk Assessment

27. The risks that may arise are detailed below, along with actions that will be taken to mitigate them.

	Risk	Mitigating Action
a)	Insufficient resources to deliver the project	An internal project team has been developed including a proposed 'Project Board' which will oversee the project / procurement process. There will be the need to use external expert support around the legal set up of the WOS, this has been discussed with the legal team.
b)	Insufficient Backing for a Wholly Owned Subsidiary	The formation of a WOS needs 'buy in' from the top down, as this will be a significant change to the council, consultation with Legal, Procurement, and Finance teams has been crucial, yet further work with other teams, and officers will be required. The Project Board will monitor this.
c)	Scepticism for change	It is important that we ensure the project is given the necessary level of importance and support corporately, and that the changes in working practices are communicated in a structured and clear way. A detailed communications plan will form part of the procurement strategy documents
d)	Meeting delivery timescales	The procurement of this project will have to be closely monitored. The break clause in the existing repairs contract is 31 March 2016, we can extend by a short period if required, but the concern will be that the longer the process takes the greater the risk of a drop off of service levels with the existing contractors with the resulting adverse affect on our tenants. The Project Board will monitor this.
e)	Adaptability of ICT Systems	Without question, one of the key ingredients of any new forward thinking repairs service is the IT system. A clear understanding of the WOS IT requirements will be required during the development of the tender documents to ensure, integration at mobilisation does not become a problem.

Risks if the proposed decision is not taken.

28. Council will be left with existing housing repairs and maintenance contracts which will have to be extended.

Financial Implications

29. The budget for repairs and maintenance forms part of the 30 year business plan which is regularly reviewed and updated in line with corporate priorities for housing and future financial projections. The breakdown of costs for the responsive & cyclical budget for 2014/15 was as follows:

Service	Budget	Actual	Variance
Handy person Service	18,000	7,899	(10,101)
Housing Repairs Contracts	998,000	1,277,609	279,609
Void Repairs – Contractors	2,158,200	1,071,281	(1,086,919)
Housing Maintenance Trading Account	839,200	683,849	(155,351)
Housing Repairs – Contractors	1,485,500	2,657,909	1,172,409
Total	5,498,900	5,698,546	199,646

30. The first area we have assessed is whether the WOS option provides better value for money (VFM). The Council has 5,439 properties that require cyclical repairs and maintenance and on average the Council is budgeting to incur £425.76 of cost per property each year. These figures are exclusive of the external contracts that support the planned repairs and maintenance, which if added mean a spend of just over £700 per property. However, it is understood that gas and electricity would not form part of the WOS arrangement.
31. The level of spend is dependent of course on the condition of the housing stock. This makes comparison with other organisations difficult, as different places will face different issues dependent on their business plan and updating of their repair and maintenance over the last few years. An analysis of the repairs history for the same period within housing associations and arms length management organisations (ALMOs) that have introduced a WOS model shows a sector average cost of £356.53, with average costs per property ranging from £238 to £402. It should be noted that in these cases it is not uncommon for there to have been significant investment in the stock prior to transfer, and as such the repairs programme could be significantly less.
32. The voids service is very different in that Wiltshire Council is significantly cheaper per property than the sector average and also the comparator authorities. The average cost for void repairs was £1,357 against the average of £1,965 amongst the other authorities. Again this can be influenced by several local circumstances – from turnaround time to the state of the property on vacation, and its age.
33. However, to conclude on whether the WOS option offers VFM prima facie we are of the view that the comparative costs are interesting and would suggest that there is merit to explore further why Wiltshire Council's DLO is more expensive for repairs and maintenance when compared and the level of scope for savings through a more efficient means of managing the service. If costs were reduced to the sector average it would result in an efficiency of £0.377m per annum. Efficiencies can be made by reducing the number of visits to properties and implementing a one visit service for cyclical repairs, and more efficient finance models to manage responsive repairs.

34. The next area we have assessed is the overall budget envelope and the Council's position on the maintenance of its housing stock during any WOS contract / operation. The HRA is made up of a balance of both revenue and capital costs which form part of a 30 year business plan outlining the proposed investment in housing during this period. The two are intrinsically linked and any decisions affecting spending on the HRA should not be made in isolation. Therefore, when considering decisions around setting up a WOS it should be done with thought to the whole HRA business plan and not just the repairs and maintenance service. At present the Council is developing a new build programme that is partly funded from the HRA and projections of rental income. Should that scheme overspend or not fully recover costs from rental income then there is a significant risk that the deficit falling to the HRA could only be made up from a reduction in the repairs and maintenance spend. This would thus have a significant impact on the programmes of work and structure of delivery contained in this report. At this stage it is not possible to quantify that level of risk and mitigation strategies are developing alongside the scheme. However, recent examples of external factors such as the Chancellor of the Exchequer's recent announcement on rent reductions and Welfare Reform show how sensitive the funding for the HRA can be. As such the Council should consider all aspects of HRA in the level of any tender presented to market to ensure that the 30 year business plan remains affordable. That work must be completed before the tender is issued. If there are any shortfalls or conflicts then the in principle decision on a WOS should be re-examined by Cabinet to ensure it still provides value for money.
35. Finally we have assessed the VAT implications. These are varied and complex and the implications relate to the structure of the WOS. For example a WOS will not benefit from section 33 of the VAT Act so will only be able to recover input VAT where this relates to its taxable supplies. The repair and maintenance of houses is taxable and therefore it is likely that the WOS will be fully taxable and charge VAT to the Council as appropriate. However, if the contract with the WOS relates only to HRA properties, which the Council treats as non-business, the VAT on the subsidiaries fees will be recoverable in full by the Council without impacting on its partial exemption calculation. If there are any commercial properties such as estate shops there will be a small impact on the partial exemption calculation where repairs are carried out by the new Subsidiary (with VAT incurred on the labour as well as goods) rather than in-house where VAT would have only been incurred on the goods purchased. Alternatively, if the staff will continue to be employed by the Council but will be working for the new subsidiary, this suggests that the Council will be making a supply of staff to it and must charge VAT on the consideration received and it is then for the Subsidiary to recover this VAT. For the VAT to be charged correctly it would be advisable for the consideration for the supply of staff to be clearly identified within the agreements (i.e. not hidden as an offset against fees charged).
36. The new VAT arrangements for housing repairs and maintenance will depend on the final contractual and legal arrangements. This will need to be clearly set out and the invoicing arrangements agreed with HMRC in advance. Based on current proposed structure it is not anticipated this will be an issue, however this must be resolved before any procurement process is(?) advanced.

37. Overall in principle our work alongside Housing's suggest that there is scope to explore a housing repairs and maintenance WOS, although further work is required to ensure that both the overall envelope and ways of operating are clarified. All of this must be done via the revised 30 year Housing Business Plan which is due to be completed shortly. If when this further work is completed it significantly revises the financial assessment and would suggest that the WOS is either uneconomical and / or it would result in standards being reduced it is suggested that the decision to move forward would need to come back to Cabinet to reconsider based on the new information.

Human Resource Implications

38. Throughout the process TUPE arrangements will be followed, and any affected staff from within the Council will be transferred to the WOS when it is established. The same is true for staff currently employed by the contractor within the TUPE rules.
39. All trade union and staff consultations will be followed throughout the establishment of the WOS

Legal Implications

40. The Council has the power to establish a WOS, derived from the General Power of Competence (Localism Act 2011) and to the extent the WOS is a "trading company" (that is has customers other than the Council and seeks to make a profit) then the power derives from section 95 Local Government Act 2003. Whatever level of trading is contemplated that activity can only be carried out by a company within the meaning of the LOCAL Government and Housing Act 1989. Therefore the form of the company must be one of: a company limited by shares; a company limited by guarantee; an unlimited company; or an industrial and provident society.
41. In the event that the WOS is created and becomes a functioning body then, strictly speaking, in having the WOS perform its repairs service the Council will be procuring services from the WOS. As the WOS will be a separate entity to the Council and because of the value of the repair works the procuring of services from the WOS will be regulated by the Public Contract Regulations 2015 ("PCR 15").
42. PCR 15 is helpful to the Council's proposal. Even though regulated by PCR 15 the arrangement described in this report falls into an "exemption", the consequence of which is that no procurement exercise is required and the Council can deal directly with the WOS without any risk of procurement challenge.
43. The Council and WOS will remain in this harbour safe from challenge while the following conditions are met:

- i) The WOS remains just that – wholly owned by the Council (or by a consortium of local authorities). 100% of the shareholding of the WOS is in the hands of LAs.
 - ii) The Council (or the consortium of LAs) exercises over the WOS strong management control – e.g. directors of WOS should be senior officers of the Council or its Councillors.
 - iii) At least 80% of the services provided by the WOS are provided to the Council (or LAs); that is to say the WOS can do business elsewhere but not more than 20% of its turnover is with others.
44. If any one or more of these conditions are not met then the exemption is lost and dealing directly (that is to say without tendering for the repair services) with WOS will allow other organisations to challenge the WOS – Council relationship.
45. Despite the constraints in i) to iii) above the WOS will be a separate legal entity. It will be required by Company Law to submit accounts (although it may be able to take advantage of the small company provision and avoid having to provide an auditors' report) and pay corporation tax and VAT. In order that it be properly assessed to tax the WOS' accounts must give "a true and fair view" of the state of the WOS and to enable this the true costs of running the WOS must be established. Costs easily identifiable will be wages and materials. Other costs will be less easy to identify will be those for items provided by the Council, for instance IT services, rent for property provided by the Council or shared with the Council, "consultancy" advice provided by the Council by way of central services such as procurement/finance advice.

James Cawley
Associate Director, Adult Care Commissioning and Housing

Appendix

Options Paper

Background Papers

None

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Delivery of Response and Voids Service



Report 2

Proposed Core Service Standards

Updated June 2015

Prepared by:

Mathew Baxter ICIOB MIOB
Managing Director
echelon consultancy ltd
echelon House
219a Hatfield Road
St Albans
Herts.
AL1 4TB

Phone: 01707 339800
Mobile: 07989 325887
Email mathew@echelonconsultancy.co.uk
www.echelonconsultancy.co.uk

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1.0 Executive Summary & Recommendations

- 1.1 Echelon have recently undertaken a high level review of Wiltshire Council's current delivery model for Repairs and Voids and undertaken a detailed options appraisal for three alternative delivery models for the Council to consider:
- Option A –Expand DLO
 - Option B – Create Wholly Owned Subsidiary with External Provider
 - Option C – Develop 'Managed Service' type model with External Provider support
- 1.2 The outcomes of the options appraisal were provided to Wiltshire Council in a detailed report.
- 1.3 This second report draws on the findings of the review and current best practice in repairs service delivery to make a series of core service delivery recommendations that should be considered by Wiltshire Council irrespective of which of the three options are selected. These are highlighted in Section 2 of the report.
- 1.4 Appendix A details the proposed procurement route and Appendix B highlights sector wide service drivers
- 1.5 Appendix C highlights the ICT considerations to support the service delivery model and Appendix D is a sample Property MOT form.
- 1.6 It is recommended that a Project Group is convened for the development of the core service delivery model and that all stakeholders are engaged in the design of the proposed new model.
- 1.7 Echelon have provide a separate proposal highlighting the procurement process and how we would propose to support Wiltshire Council through the procurement and implementation of the new model.

2.0 Proposed Core Service Model Considerations

2.1 Introduction and Best Practice

2.1.1 Having undertaken numerous options appraisals for repairs services and having developed several of the leading repairs models in the UK there are several high-level elements that we recommend are considered and/or built into the new delivery model to support a 'Wiltshire Council Core Repairs' offer, which is summarised as follows:

- Resident involvement in the development and scrutiny of services
- Extended access to the core service (delivering repairs to customers between 8am and 8pm Monday to Friday, and Saturdays from 9am to 1pm)
- Appointments for all repairs
- A right first time approach which drives customer satisfaction
- Emergency call out provision 365 days per year, 24 hours a day
- Commitment to training, skills and employment opportunities
- Flexible services that cater for vulnerable customers.

2.1.2 In addition, we have recommended that a stakeholder workshop is held that will help to identify specific drivers for the service.

2.2 Core Service Model

2.2.1 Form of Contract

The majority of the existing contracts have been procured using the TPC2001 or TPC2005 Forms of Contract and the review has identified that this form of contract has been successful in driving the relationships between Wiltshire Council and their current Service Providers.

Therefore, we recommend that the TPC2005 Form of Contract is adopted for the contract.

2.2.2 Duration of Contract

In order to achieve the highest level of investment from Service Providers and to achieve maximum benefits from the principles of the proposed commercial model it is recommended that Wiltshire Council considers a 10-year contract duration.

In order to mitigate any risks attached to a long-term contract it is recommended that this be on the basis of an initial 5-year contract with an option to extend for a further 5 years.

In addition there would be clear break clauses for non-performance (linked to the KPIs) and also a 'no-fault' termination clause allowing either party to terminate the contract with a 12-month notice period.

2.2.3 Commercial Model

Wiltshire Council will need to consider the development of an alternative commercial model, such as a price per property or price per repair model that provides an annual fixed cost.

2.2.4 Incentivisation

As part of the commercial model the Service Providers profit is split 50/50 between fixed and variable profit, the variable profit is then linked directly to the performance indicators that the client identifies as being business critical (for example, right first time, completions on time, etc.).

2.2.5 Repairs Classifications

The work categories and response times for all repairs works (including communal repairs) are recommended as follows:

- **Priority 1 Emergency** work to be attended to and made safe within 2 hours and rectified within 24 hours.
- **Priority 2 At Resident's Convenience** work to be completed at the Resident's convenience but in any event within 28 calendar days. All works in this category will be appointed via the Contact Centre. Any exceptions to appointments that are more than 28 days will be considered on an individual basis. Repairs to communal areas may be appointed dependent upon the nature of the work but must always be completed within 28 days with a target of reducing the average end to end time to 10 days.

2.2.6 Appointments

We have identified appointments as a key issue from all stakeholders' perspectives and to deliver an improved service it is recommended that the following principles are considered in relation to appointments:

- Appointment slots –review appointment slots at the point the tenant phones the repair through to provide more flexibility to tenants (it is recommended that this is a discussion point at dialogue for Options B and C)

- Prompts – to reduce missed appointments the Service provider will send a reminder (text or phone call) the day before the appointment and the operative will phone or text ahead when they are in transit to confirm an arrival time
- Follow-up works – should a follow-up appointment required then operative will make the appointment with the tenant whilst on site

2.2.7 Right First Time

All stakeholders have clearly identified the delivery of a 'right first' time service as a key aspiration. In order to achieve this it is critical that there is a clearly understood definition of what 'right first time' means in the context of the contract, and we would recommend the following:

The number of repair works that are completed on the first visit without the requirement for further appointments, expressed as a percentage of the number of repairs completed.

First Time Fix includes:

- Attended at agreed appointment
- Finished job in one visit (including any visits to collect materials)
- Job work complete on same day as visit (including additional trades to attend as long as above criteria met)

First Time Fix excludes:

- Not attending at agreed appointment
- Not finished on same day (regardless of reason)

The measurement of right first time is one of the main KPIs we have recommended and we would suggest this is a measured that is incentivised.

2.2.8 Working Hours

It is recommended that Wiltshire Council considers the Service Provider's normal core working hours being 8.00am – 8.00pm Monday to Friday and 9.00am to 12.00pm on Saturdays. At all other times the Service Provider will provide office cover and operatives to carry out emergency works only.

The Service Provider will be required to provide an out of hours service for emergency repairs, covering the hours from 8.00pm to 8.00am each weekday, 5.00pm on Friday to 9.00am on Saturday and 12.00 pm on Saturday to 8.00am on Monday including all statutory holidays.

The demand for evening and weekend appointments will be reviewed regularly and the service adjusted as demand dictates.

2.2.9 Risk based Property MOTs

The purpose of the Property MOT is to for the Service Provider to undertake an annual physical check of all “working component parts” and the structure of the property for defects and carry out any required repairs to prevent the need for repairs to be reported by the Resident over the 12 month period following the MOT.

The objective of the MOT is to reduce the demand on responsive repairs, reducing the need for Residents to call the contact centre to report a repair which results in the Service Provider needing to dispatch someone to carry out an urgent or routine repair. There is no intent for the service to be seen as a ‘Home Improvement’ type service.

It is assumed that the MOT will be undertaken by a multi-skilled operative who will have the ability to complete the majority of repairs identified whilst on site. The full specification for the MOT will be developed during the procurement process (a working example is provided in **Appendix D**).

It is proposed that MOTs are initially undertaken on a pilot basis with a focus on stock in geographically dispersed areas and rolled out to the rest of the contracts based on the outcomes of the pilot.

2.2.10 KPIs

Taking into consideration the drivers identified by Wiltshire Council and aligning these with the various aspirations identified through this review we recommend the following measures are considered going forward:

Core Measures (potentially incentivised)

Repairs

- **Customer Satisfaction** – a measure of the number of customers satisfied with their repair (measured by a third party)
- **Right First Time** – the number of repairs completed in one visit
- **Appointments Kept** – the number of appointments that should be made and of those the number that are kept
- **End to End Time** – average end time of a repair
- **Completions** – number of emergency jobs complete in time and average end to end time of non-emergency jobs
- **Complaints** – a measure of repairs related complaints (including how effectively they are managed)
- **Recalls** – the number of repairs that have to be re-visited due to initial repair not resolving issue

Voids

- **Customer Satisfaction** – a measure of customer satisfaction with their new home
- **Completions** – number of voids complete in time and average end to end time of voids
- **Complaints** – a measure of voids related complaints (including how effectively they are managed)
- **Post Void Repairs** – the number of repairs complete on the void following letting

In addition, we would recommend additional measures:

- **360 appraisal** – monthly review of each party's satisfaction with each other
- **Productivity** – the productivity of operatives
- **Open jobs** – the number of 'open' jobs
- **Run Rate** – a measure of the number of repairs per property per year on a unit by unit basis to highlight any exceptions
- **Priority Ratio** – the ratio of emergency to non-emergency jobs
- **Health and Safety** – the number of accidents/incidents on the contract
- **Environmental** – environmental impact of contract (carbon footprint, recycling of waste etc.)
- **Social Value** - the added social value of the contract (e.g. apprentices, local labour, etc.)

These KPIs will be developed in the format of a KPI Handbook and each KPI will be defined under the following headings:

- **Purpose** – identifies why the KPI is being measured
- **Definition** – defines the measurement
- **Method** – clearly demonstrates how the KPI is measured
- **Example** - a worked example, using data, to demonstrate method of measurement
- **Measurement** – measurement intervals
- **Target** – the agreed target score(s) for the KPI
- **Target Source** – Where the target has been derived from
- **Scorer** – defines who is responsible for collecting score/data

For each KPI where a standard format for data collection is required these have been prepared and are given in the appendices to the Handbook. The appendices to be added will include a standard KPI Review Form and also a matrix detailing the targets for each KPI.

The Service Provider will provide reports on the Key Performance Indicators stated within the contract KPI Handbook. Performance against the KPIs will dictate whether the Service Provider is paid the variable profit as stated in the Price Framework.

A formal review meeting will take place on a monthly basis for the duration of the contract. A final assessment of the Key Performance Indicators will be made at the end of each year and any adjustments made in the final certified payment for the year. In addition the Service Provider will also provide the following operational reports:

- Weekly KPI Scorecard
- Monthly financial report
- Monthly priority for improvement (PFI) report, following the recommendations and weaknesses noted in the preceding month's report
- Weekly voids progress and monitoring report
- Weekly list of works outstanding beyond agreed appointment date
- Any other reports that may be agreed from time to time
- Weekly complaints monitoring report

Appendix A: Procurement Route

Legal Considerations

Fit with current contractual commitments

There is no conflict with current contractual obligations as the new contract commences as there is no formal contract with an external service provider.

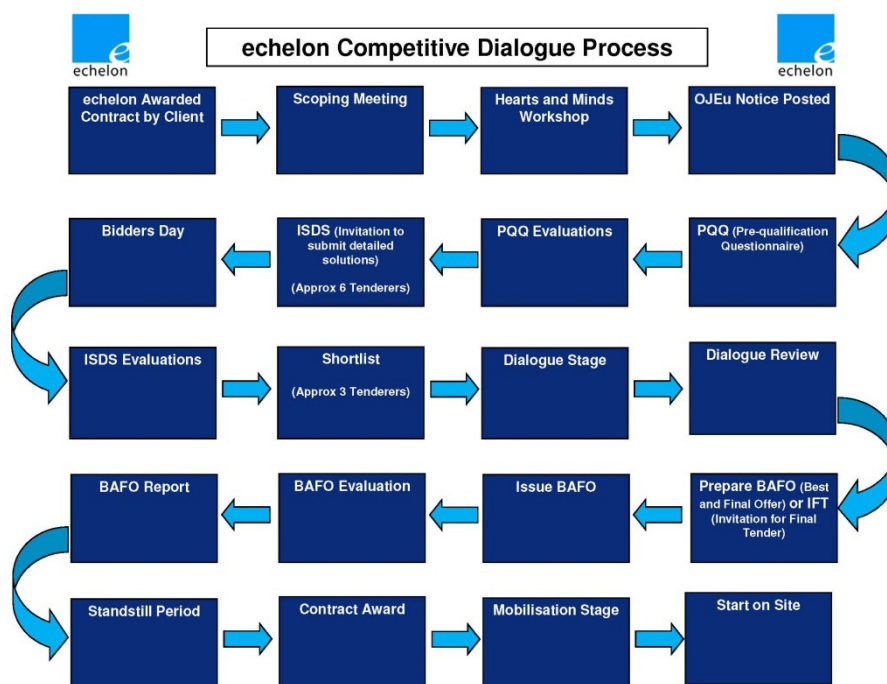
OJEU Compliance

All procurement in the public sector is subject to EC Treaty principles of non-discrimination, equal treatment and transparency. The EC Public Procurement Directives require contracting authorities such as Wiltshire Council to provide details of procurements in a prescribed format, which are then published in the Official Journal of the European Union (OJEU).

In accordance with European legislation, this contract is above the threshold for supply and 'service' procurements with an estimated value of £172,514 and 'works' contracts with an estimated value of £4,322,012 therefore it must be advertised in the OJEU. This is based on the thresholds from January 2014 and figures are net of VAT.

The develop of wither a WoS or a Managed Service will involve significant change management in both the client and contractor and as such it is recommended that the Competitive Dialogue (CD) procurement process is utilised by Wiltshire Council.

The CD process is summarised in the following table:



The advantage of the CD process is that it will enable Wiltshire Council to engage in dialogue with the bidders in relation to their initial submissions at ISDS stage. This enables us to understand how they have approached risk and how they have interpreted the data (e.g. repairs history, stock profile etc.) to inform their initial price.

The outcome of these discussions will be further refinement of the model to enable bidders to make a Best and Final Offer with the comfort of making a more informed decision following the dialogue.

echelon have extensive experience of CD and echelon have recently completed the procurement of a highly successful WoS model using the CD process.

A full timetable for the CD process is provided in our procurement proposal.

TUPE Implications

The view of echelon is that the TUPE implications are minimal as in both instances employment of the operatives is retained by Wiltshire Council. However, in the WOS model the staff will transfer into a new entity so TUPE will be a consideration (but for Wiltshire Council rather than an external Provider).

Leaseholder Considerations

It is recommended that should Wiltshire Council have any Leaseholders that they are one of the stakeholder groups represented at all stages of the process.

- s20 Landlord & Tenant Act 1985
- Amended by Commonhold and Leasehold Reform Act 2002
- Service Charge (Consultation Requirements) (England) Regulations 2003
- Public Contracts Regulations 2006
- Housing and Regeneration Act 2008

- “Qualifying Long Term Agreement” (QLTA)
 - any agreement over 12 months long
 - excluding management agreements
- “Qualifying Works” (QW) – any works on a building
- “Relevant Costs” - £100 / £250
- “Incurred under”
- “Public Notice” – OJEU notice is required

Stage 1 Consultation - Notice of Intention (to enter into QLTA)

- describes works/services
- explains why agreement necessary
- explains why Qualifying Works are required (if relevant)
- invites observations
- explains why not inviting contractor nominations doing so (Schedule 2 - public notice)
- 30-day consultation period

This letter will set out the criteria for the recommendation and make the Leaseholder aware of where they can view the full tender submission (we would recommend this is held at Wiltshire Council's Head Office).

We will also respond directly to any observations requiring a response from the initial letter under Stage 1. Leaseholders then have a 30-day period to respond to the notice.

This 30-day period is made between completion of the Selection Report and the formal Contract Award. This runs in parallel with the statutory OJEU Standstill period although initial pre-commencement works can be commenced at risk.

Stage 3 - Notice of Intention (to undertake Qualifying Works)

Any Qualifying Works under the QLTA require a third stage of consultation with the following elements:

- Same requirements as for Notice of Intention to enter into QLTA
- Emphasis on specific costs of Qualifying Works
- Duty to have regard to leaseholder observations
- Response to leaseholder on those observations

Consequences of not following procedure

Some of the potential consequences to Wiltshire Council if the correct consultation is not carried out are as follows:

- Service charges limited to £250 per leaseholder per year for QW and £100 for costs incurred under a QLTA
- Where Qualifying Works are done under a QLTA the amount is £100
- This applies unless LVT dispenses with consultation requirements

Appendix B – Sector Wide Service Drivers

Strengths & Weaknesses – Sector Wide

To provide an external perspective the following table provides the Top 25 Objectives captured by echelon across all the R&M contracts we have procured:

No.	Description
1	Better communication between Resident/Service Provider
2	Flexible appointments (to include evening / weekend appointments
3	2 hour appointment timeslots
4	Empowering the Service Provider to make decisions
5	Get the Job Done right 1 st time
6	Service provider to be first point of contact for Resident
7	Better training for all Staff and supervision
8	Own workforce (i.e. branded as Client's own)
9	Provide a good, professional, consistent service
10	Different ways to be offered to report a repair
11	Employ people with repairs skills
12	Property Health Checks
13	Co-location – Housing Association and Service Provider working collaboratively
14	Listen to needs Residents and respond / act accordingly
15	Service Providers to ensure they protect property when undertaking repairs (e.g. overshoes)
16	A better and more efficient service
17	Diagnostic tool for Residents
18	Quality Checks to be done

19	Call Handlers to receive training on Resident / Landlord responsibilities
20	Contractor to be 1 st point of contact
21	Fix now fix at Residents convenience
22	Business cards to be left by operatives after repair complete
23	Residents to be compensated for missed appointments by Contractor
24	Freephone number for mobiles
25	Categorise repairs

Appendix C: ICT IMPLICATIONS

Experience of the sector is that the IT solution being offered by the various providers' is becoming a differentiator in their selection and ability to deliver the service.

With the outsource model it is proposed that the works order will be administered through the Service Provider's computerised Repairs Ordering and Management Systems and the works order will be raised & monitored through Wiltshire Council's computerised Housing Management & Asset Management Systems. Financial administration will be carried out via Wiltshire Council's Finance System. Formal application for payment will be made by the Service Provider on an agreed basis (e.g. monthly).

For the contract to be administered, the following will be required of the Service Provider's IT system:



- (a) **Works Orders** - Electronic processing and management of works order requests, exclusions and practical completions regarding voids and responsive repairs, from the following stakeholders:
 - I. Contact centre
 - II. Property Services
 - III. Other delegated authorities (OOH Service Providers)
- (b) **Job Scheduling** - Work scheduling and prioritisation, escalation and status updates.
- (c) **Appointments** - Electronic management of appointments with Customers. To include dynamic resource scheduling, of failed, missed, re-scheduled appointments and non-access monitoring.
- (d) **Job Cost Data** – Ability to record and provide work codes & descriptive details of actual work undertaken, including duration, SMV's, trades utilised and materials used.
- (e) **Invoice Data** - Ability to record and supply financial, costing and performance related information as necessary for invoicing, trend analysis and validation of payment requests.
- (f) **Monitoring** - All data as necessary for the generation of the KPI metrics as outlined in the KPI Handbook that will be developed for the contract.
- (g) **Event Updates** - Ability to record and provide works order processing information including key stages/events, notes recorded against works orders to the client in an agreed electronic format via an agreed interface mechanism

- (h) **Other Data Updates** – Ability to receive other relevant data, such as:
- Property Updates
 - SOR Updates
 - User defined Alerts (UDC's)
 - Asbestos information
 - Vulnerability indicators
- (i) Any other processes and information that is referred to or implied elsewhere in this Invitation to Tender (ITT) documentation.

Wiltshire Council will be responsible for the provision of the interface specification and security standards which must be adhered to by the Service Provider. The Service Provider will be responsible for all costs relating to developing, installing and maintaining all interfaces required between their IT Systems and the Clients Systems.

Should the call centre be retained by Wiltshire Council it is imperative that the Service Provider provides the necessary support to the Contact Centre to ensure full integration of systems and to allow the Contact Centre to have full access to the Service Provider's resource scheduling at point of first call to enable maximum flexibility for appointments at the Resident's convenience.

Appendix D – Sample Property MOT Form (Grainger PLC)

		PROPERTY CONDITION ASSESSMENT (PCA)					
Address:							
Residents Names (details off all occupants)					Contact Nos:		e-Mail
Property Type		<input type="checkbox"/> House	<input type="checkbox"/> Bungalow	<input type="checkbox"/> Flat (GF, 1stF, 2ndF)	<input type="checkbox"/> End Terrace	<input type="checkbox"/> Mid Terrace	<input type="checkbox"/> Maisonette
		Elevation Photos (Y/N)					
External Visual Inspection		Checked	Work Carried Out			<input checked="" type="checkbox"/>	Check & Report
Chimney stack, pot, flashing.							
Roof covering, soffits, fascias.							
Guttering, downpipes, SVPs, gulleys.							
External lights (flats only).							
Walls.							
External doors / windows; frames, furniture.							
Internal Visual Inspection		Checked	Work Carried Out			<input checked="" type="checkbox"/>	Check & Report
Internal Doors; frames, furniture							
Windows; furniture, glazing							
Taps, ball valves, stopcocks, waste pipes, sanitaryware, bathroom extract fan							
Plaster, tiling							
Electrics							
Skirting, architraves, flooring							
Kitchen units, doors, drawers, shelves, worktops, hinges, extract fans.							
Mould							
Cylinders							
Loft / roof space: tanks, overflows, valves, insulation							
Hazard		Risk Assessment (H / M / L / NA)		Control / Notes			Photo (Y/N)
Access (visual inspection of paths and steps)							
Communal areas (visual inspection for access purposes)							
Asbestos							
Infestation							
DIY - Electrical							
DIY - Gas							
DIY - Other							
Rubbish removal							
Notes and Comments:							
Property Access Details							
Does Resident have right of access through any neighbouring homes, buildings or land? (Yes/No)				If 'yes' provide details			
Does any other person have a right of access through the property? (Yes/No)				If 'yes' provide details			
Inspected by:		Date:		Time arrived on site:		Time left site:	
						Weather	

Operative Checklist

Checks to be complete	Tick
Show ID card and discuss the scope of the PCA with Resident	
Lubricate all locks and hinges	
Tighten all handles, locks and catches	
Test & clean out extractor fans	
Test all taps for operation & shut off	
Check External door locks for operation	
Test all WC flush for operation	
Check for running overflows	
Protect tenants furniture and belongings	
Clear dust and debris on completion of the work	
Record all works carried out and complete form fully	

Component Condition

Component	Condition (1-5)	Photo (Y/N)
Electrical Rewires		
Heating New and upgrades		
Kitchen Replacement (more than 1/3rd of units)		
Bathroom Replacement (More than 1 item)		
External Door Replacement		
Garage Door replacement		
Roof Replacement		
Window Replacement (more than 25%)		
Fencing (more than 2 linear metres)		
Loft Insulation		
Improvements to Environmental Works		
Plastering to Whole Room		
Resident Improvements/Extensions		

Referrals	Yes/No	Photo (Y/N)
Structural Repairs		
Rising / Penetrating Damp		
Asbestos		

Aids and Adaptations	Yes/No	Photo (Y/N)

Tenant Recharge	Yes/No	Photo (Y/N)

Comments for referrals

COMPONENT CONDITION SCORE RATING

1	2	3	4	5
EXCELLENT	VERY GOOD	AVERAGE	POOR	VERY POOR
Modern facilities, no works required	Fixtures and fittings dated but in good condition and do not require renewal	Some fixtures and fittings would benefit from a degree of modernisation	Require minimal repair / modernisation	Require renewal

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Wiltshire Council

Cabinet

15 September 2015

Subject: Transfer of the Colonel William Llewellyn Palmer Educational Charity

Cabinet member: Dick Tonge, Cabinet Member for Finance

Key Decision: No

Executive Summary

This report sets out the background and rationale for the resignation of the Council as sole Trustee of the Colonel William Llewellyn Palmer Educational Charity and the transfer of the Charity from Wiltshire Council to the Bradford on Avon Town Council as sole Trustee.

Bradford on Avon Town Council has set out its case as a suitable Trustee.

The main benefit to the Council of the transfer of the Charity will be to cease work that is not core to its business plan. The main benefit to the Charity will be the strengthened local control and democratic governance by an organisation that can demonstrate many examples of strong governance and effective management of property and land assets

The report therefore seeks Cabinet approval of the proposals set out below.

Proposal(s)

That Cabinet:

1. Gives 'in principle approval' to the 'transfer' of its administration of the Colonel William Llewellyn Palmer Educational Charity to Bradford on Avon Town Council.
2. Delegates authority to the Associate Director, Communities and Communication to seek approval from the Charity Commission and, subject to the Commission's approval, to progress the transfer to its conclusion.

Reason for Proposal

The transfer of the Charity will meet the aims of the Wiltshire Council Business Plan by removing a non- core Council activity. The transfer will further the aims of the Charity it being managed by an organisation closer to the residents that use it.

Carolyn Godfrey, Corporate Director

Wiltshire Council

Cabinet

15 September 2015

Subject: Transfer of the Colonel William Llewellyn Palmer Educational Charity

Cabinet member: Dick Tonge, Cabinet Member for Finance

Key Decision: No

1. Purpose of Report

To give the background to the proposal that the Council resigns its position as sole Trustee of the Colonel William Llewellyn Palmer Educational Charity (CLPEC) and approaches the Charity Commission to seek the transfer of the Charity from Wiltshire Council to the Bradford on Avon Town Council (BOATC) as sole Trustee.

2. Relevance to the Council's Business Plan

Administering such Charities is not part of the Business Plan.

3. Main Considerations for the Council

Increasingly, local authorities are recognising that acting as a Charity Trustee is not a core activity. The Charity Commission has specifically endorsed the transfer of assets to locally accountable bodies who have appropriate investment knowledge, Charity Commission reporting frameworks, and community grant-making powers.

4. Background

The CLPEC was established from the sale of land at Sladesbrook in Bradford on Avon for a price of £800,000. It was confirmed as operative by the Charity Commission on 11 June 1992. The land sold was part of an area that was the subject of a bequest to the Council by Colonel William Llewellyn Palmer in 1931. The Charity retains ownership of the remaining land at a site one mile to the north of the town centre, which constitutes a recreation ground and allotments.

In the spirit of Colonel Palmer's original bequest, the Charity is for the benefit of children and young persons up to the age of 25 attending, or who have attended, schools in Bradford on Avon, and for the provision of recreational facilities for the same age group in the town. The first call on the income of the Charity, however, is the cost of maintaining the Charity's property.

As at the year ending 31st March 2014 the assets of the Charity comprised:-

- Investments, comprising unrestricted funds with a market value of circa £1.621 million (book cost - circa £1.113 million)
- Land comprising a Recreation Ground of 3.4 acres at Sladesbrook, Bradford on Avon, and Allotments valued at £27,800.
- Estimated reserves of £29,953.
- Investment in play area improvements in 2014/15 to a value of £66,768.
- Grants to beneficiaries in 2015/16 of £28k

Wiltshire Council is sole Trustee of the CLPEC and supported by an Advisory Panel comprising Officers and Members from the Council; and Town Councillors and the Town Clerk representing BoATC. The Charity has recently overseen a major revamp of the play area facilities at Sladesbrook. It has also continued to award annual grants to individuals and organisations which further its charitable aims.

Discussions have taken place over recent months between Wiltshire Council and BoATC highlighting the mutual benefits to both parties, to the Charity itself, and to the residents of Bradford on Avon of Trusteeship transferring from Wiltshire Council to BoATC. BoATC has employed the services of an expert from the Community Development Foundation to help them develop this proposal.

5. Benefits

In transferring the Charity to the Town Council, Wiltshire Council will cease an activity that is not part of its core business.

In making its case as a suitable Trustee, BoATC states many examples of strong governance and effective management of assets comprising property and land:-

1. A well established and proven record of understanding the needs of the community which it serves
2. Good governance
3. Financial competence in managing substantial budgetary allocations
4. Managing more diverse assets including land and buildings
5. Delivering public and charitable benefit through the two Trust Funds where it acts as sole Trustee and through the annual grants award programme.

BoATC also confirms that it has the ability to deliver benefit to the community of Bradford on Avon through:-

1. The capacity and proven expertise to develop and maintain community assets, including land set aside for recreational purposes
2. Proven policies and processes aligned to providing grant support to individuals, groups, organisations and charities
3. Governance and financial acumen resulting in effective management of the Town Council's finances, including significant precept allocation and substantial 'other income'
4. A diverse group of Town Councillors and a Town Clerk with many combined years of public service, who are close to the people of

Bradford on Avon and aware of their need from a regulatory, civic and community perspective.

The proposal by BoATC is that it becomes the sole Trustee with 12 Town Councillors and 2 Bradford on Avon Unitary Councillors fulfilling a number of roles in managing the affairs of the CLPEC, to include, for due diligence purposes:-

- Governance
- Risk Management
- Financial Management, with emphasis on the assets held in the form of endowment
- Physical management of the assets comprising the Recreation Ground and Allotments
- Grant making to support the local community

6. Safeguarding Implications

None.

7. Public Health Implications

None

8. Corporate Procurement Implications

None

9. Equalities Impact of the Proposal

BoATC operates under the terms of a robust Equal Opportunities Policy that governs all aspects of its work. The Town Council is opposed to discrimination on any grounds and recognises that in some situations it is necessary to take positive action to eliminate discrimination and disadvantage.

The Town Council also recognises that positive action may be required to address social and cultural inclusion, and that there are implications for allocation of resources when planning and delivering programmes of work, often using positive action to target resources where they are most needed, or directing funds to special interest groups or geographic areas.

10. Environmental and Climate Change Considerations

None

11. Risk Assessment

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

The Trust would continue to be managed by the Council.

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

Once the transfer of the Charity to BoATC has been completed the responsibility will rest with the BoATC as sole Trustee.

12. Financial Implications

The proposed transfer is cost-neutral to the Council as all of its expenditure has been reimbursed by the Trust.

13. Property Implications

The land at Sladesbrook is not a Council asset; it belongs to the Charity, and will be transferred to the Town Council as part of the transfer of the Charity. It will be the responsibility of BoATC to make appropriate arrangements for grass cutting, play area health and safety inspections, management of the allotments and other day to day maintenance and repairs.

14. Legal Implications

Process

Should Cabinet be minded to give its 'in principle' approval to the 'transfer' in actual fact, although the effect amounts to the Charity being transferred, there is no transfer involved. The legal process is actually the appointment of Bradford on Avon Town Council as sole Trustee and the retirement of Wiltshire Council as sole Trustee. It is proposed that, should Cabinet be minded to give its 'in principle' approval, the power be delegated to the Associate Director, Communities and Communications - to complete the necessary legal requirements. This would involve:

- Wiltshire Council making a resolution under the Charities Act 2011 to amend the governing documents of the Charity so as to allow for new or replacement Trustees (as it stands the governing documents only allow for a sole Trustee).
- Once the Resolution is made, submitting it to the Charity Commission along with the application to amend the governing documents.
- Subject to acceptance by the Charity Commission, Wiltshire Council would then be party to a Deed:
 - appointing Bradford on Avon Town Council as a new sole Trustee and
 - effecting the resignation of Wiltshire Council as sole Trustee.
- For the sake of continuity the onus would be on legal representatives of the Town Council as the future Trustee to draft the necessary documents and liaise with the Charity Commission – Wiltshire Council Legal Services will assist with this when necessary.

Duties as Trustee

In order for the Charity Commission to give its approval it must be satisfied that the proposed changes are in the best interests of the Charity. Prior to this, Wiltshire

Council acting in its capacity as Trustee must also be satisfied that it is in the best interests of the Charity for the proposed changes to take place.

In the process of putting together this report the officers that administer the Charity on a day to day basis have been consulted and the proposals of the Town Council have been considered. It is the view of the author of this report, in consultation with the relevant officers, that it is in the best interest of the Charity that the proposals put forward in this report take place.

Risk of challenge/Charity Commission refusal

There is a risk that the Charity Commission may refuse the proposed amendments or suggest a more onerous method of transferring the Charity. This could result in delay or could preclude the transfer entirely.

There is also the risk that the Charity's beneficiaries could bring a challenge if they deem that the transfer procedure was not completed properly or that the decision to transfer the Charity was not taken with the best interests of the Charity's beneficiaries in mind.

15. Options Considered

Option (a): To continue as at present, with the Charity being managed by Wiltshire Council

The Council would continue at a cost neutral activity.

Option (b): To transfer the Charity to a body that will act as Trustee and manage the funds.

This would result in the asset being managed by an organisation closer to the residents that use it.

16. Proposal

That Cabinet:

1. Gives 'in principle approval' to the 'transfer' of its administration of the Colonel William Llewellyn Palmer Educational Charity to Bradford on Avon Town Council.
2. Delegates authority to the Associate Director, Communities and Communication to seek approval from the Charity Commission and, subject to the Commission's approval, to progress the transfer to its conclusion.

17. Reason for Proposal

The transfer of the Charity will meet the aims of the Wiltshire Council Business Plan by removing a non- core Council activity. The transfer will further the aims of the Charity it being managed by an organisation closer to the residents that use it.

Carolyn Godfrey
Corporate Director

Report Author: Peter Dunford, Community Engagement Manager.
Tel. 01225 713060

28 August 2015

Background Papers

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

Appendix 1: A Proposal from Bradford on Avon Town Council for consideration by Wiltshire Council to effect the transfer of the Trusteeship of the Colonel William Llewellyn Palmer Educational Charity to Bradford on Avon Town Council (dated April 2015)

Appendix 2: Overview of the Charity, June 2014

Appendix 3: Official Copy (Title Plan)

Appendix 4: Finance Report, November 2014

**THE COLONEL WILLIAM LLEWELLEN PALMER
EDUCATIONAL CHARITY**

No: 1015681

**A PROPOSAL FROM BRADFORD ON AVON
TOWN COUNCIL**

**FOR CONSIDERATION BY
WILTSHIRE COUNCIL**

**TO EFFECT THE TRANSFER OF TRUSTEESHIP
OF THE CHARITY TO:**

BRADFORD ON AVON TOWN COUNCIL

APRIL 2015

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- 2. The Colonel William Llewellyn Palmer Educational Charity**
- 3. The Credentials of Bradford on Avon Town Council and its suitability to become Trustee to the Colonel William Llewellyn Palmer Educational Charity**
- 4. The Future of the Colonel William Llewellyn Palmer Educational Charity after Transfer of Trusteeship to Bradford on Avon Town Council**
- 5. Benefits to Wiltshire Council**
- 6. Legal Considerations**
- 7. Costs**
- 8. Summary of Benefits to all Interested Parties**
- 9. Recommendation**

- 1. Introduction**

Bradford on Avon Town Council (BoATC) are aware and duly recognise that the Colonel William Llewellyn Palmer Educational Charity (CWLPEC) is a registered Charity, number 1015681, governed by a Scheme approved by the Charity Commission for England and Wales, dated 11th June 1992.

The Charity has assets comprising cash, investments and land situated in Bradford on Avon, comprising a Recreation Ground and Allotments.

The objects of the Charity are to: - *Benefit Children and Young Persons up to the age of 25 attending, or who have attended, schools in Bradford on Avon, Wiltshire and for the provision of Recreational facilities for the same age group in the Town. Providing Allotments and a Recreation Ground known as Sladesbrook. Distributing grants in support of:-*

1. *The education of children and young persons attending schools within the defined area of benefit*
2. *In promoting the education of children and young persons under the age of 25 within the defined area of benefit who are in need of financial assistance*
3. *In or towards providing facilities in the interests of social welfare for the recreation and other leisure time occupation of children and young persons under the age of 25 resident in Bradford on Avon with the object of improving their conditions of life*

Wiltshire Council are appointed sole Trustee of the CWLPEC and supported by an Advisory Panel comprising Officers and Members from the Council; Town Councillors and the Town Clerk representing BoATC.

Discussions have taken place over recent months between Wiltshire Council and BoATC highlighting the mutual benefits to both parties and the local residents of Bradford on Avon, of Trusteeship transferring from Wiltshire Council to BoATC (the corporate body).

This Proposal sets out to confirm the tangible benefits to all interested parties and to make a compelling case for the transfer of Trusteeship of the CWLPEC to BoATC.

Formal approval from Wiltshire Council and the Charity Commission for England and Wales is a pre-requisite to the transfer of Trusteeship.

2. The Colonel William Llewellyn Palmer Educational Charity

The objects of the CWLPEC are detailed on page 2 of this Proposal and have been diligently and effectively fulfilled by the existing Trustee over many years, with the support, expertise and knowledge of Advisory Panel members comprising:-

- 4 County Councillors, including the member for Bradford on Avon
- 2 nominees from Bradford on Avon Town Council
- Officers from the Council's Corporate Support Team, Legal Services and Finance Team

As at the year ending 31st March 2014 assets of the Charity comprised:-

- Cash totalling circa £90,000
- Investments, comprising unrestricted funds with a market value of circa £1.621 million (book cost - circa £1.113 million)
- Land comprising a Recreation Ground of 3.4 acres at Sladesbrook, Bradford on Avon, nominal value £1 and Allotments valued at £27,800

The Recreation Ground and Allotments are administered by Wiltshire Council with ground maintenance undertaken by English Landscapes (12 months contract from 1st June 2014)

Extracts from the Trustees Annual Report confirm that the first call upon the income of the Charity is the cost of maintaining the Recreation Ground and Allotments, with expenditure totalling £19,400 during the last financial year. During the last financial year 15 grants to were awarded to qualifying groups and individuals totalling £15,000

There is clear evidence that the CWLPEC is delivering charitable and public benefit. Over the past 5 years over 80% of available income has been expended in furtherance of the Charity's objects.

Furthermore effective Governance is in place with:-

- The Charity's investment portfolio delivering annual returns which compare favourably to benchmark
- A Reserves Policy is in place which is carefully considered and provides for future planned expenditure
- An Annual Budget, prepared in advance, which determines the level of grant awards to be made in the year based upon forecast income
- Clear evidence that the Trustee recognises that Permanent Endowment exists and, without the express permission of the Charity Commission, only annual income should be used to further the objects of the Charity

BoATC recognises that the CWLPEC is an effective and efficient Charity, consistently fulfilling its objects for the benefit of members of the community within Bradford on Avon.

3. The Credentials of Bradford on Avon Town Council and its suitability to become Trustee to the Colonel William Llewellyn Palmer Educational Charity

BoATC fulfils a number of diverse statutory and civic responsibilities which it carries out for and on behalf of the inhabitants of Bradford on Avon.

The Town Council consists of 12 elected members, with over 65 years of combined Public Sector service as Town Councillors who demonstrate excellent knowledge of the requirements of the inhabitants of Bradford on Avon. They hail from varied backgrounds giving rise to complementary skills and knowledge and are supported by a Town Clerk who has been employed by BoATC for in excess of 15 years.

BoATC is responsible for:-

- Responding positively to crises affecting the town, for example flooding in December 2013 giving rise to the Emergency Planning Working Group reforming
- Providing Christmas lights in the town
- Tourism in its widest sense, seeking to attract visitors to the town and to make their visit memorable
- Community Enhancement Projects, for example the major refurbishment, for multipurpose community use, of St Margaret's Hall
- Providing Community Emergency Volunteers (C.E.Vs)
- Providing hanging baskets in the town
- Maintaining some benches and bus shelters
- Providing Grants and Arts & Festival Grants
- Organising and promoting Annual events, for example the Annual Flower Show held at St Margaret's Hall
- The production of an effective and well considered Neighbourhood Plan
- Supporting twin towns, of Norden, Sully sur Loire and Elblag
- Collating paperwork for the Lorry Watch scheme

BoATC can demonstrate many examples of strong governance and effective management achieved through the complementary committee structure which it has adopted.

The Town Council's ability is proven in respect of the management of assets comprising property and land:-

- St Margaret's Hall and the community activities which regularly take place at this recently refurbished and enhanced venue
- Bearfield Playing Field a registered Trust Fund with an annual maintenance budget of £2,150
- Festival Gardens a registered Trust Fund with an annual maintenance budget of £2,000
- Victory Field including pavilion, play area and Multi Use Games Area
- Land at Tory
- Youth and Community Centre on a short term lease from Wiltshire Council
- Town Council will shortly take over Westbury Gardens from Wiltshire Council

The Annual Accounts for BoATC for the year ending 31st March 2014 confirm that Mazars audited the accounts and are able to report, once again, that no significant issues were raised and the audit report was clear.

The Town Council effectively managed income totalling £453,000 including the annual precept of £329,000 with year end annual reserves of £296,000 apparent.

During the last financial year BoATC delivered grant awards totalling in excess of £7,000 in support of local voluntary groups, charities and organisations. They also supported:-

- The Tourism Association with grants totalling £14,750
- The Leisure Youth and Arts Committee made grants totalling £6,000 to fund 9 events

throughout the year

- A grant of £9,580 was awarded to the Bradford on Avon Sports Association to enable them to maintain and support events at the Victory Field

BoATC can clearly demonstrate:-

1. A well established and proven record of understanding the needs of the community which it serves
2. Good governance
3. Financial competence in managing substantial budgetary allocations
4. Managing more diverse assets including land and buildings
5. Delivering public and charitable benefit through the 2 Trust Funds where it acts as sole Trustee and through the annual grants award programme.

4. The Future of the Colonel William Llewellyn Palmer Educational Charity after Transfer of Trusteeship to Bradford on Avon Town Council

Without appearing to be presumptuous it is prudent at this early stage to plan for the transfer of Trusteeship of the CWLPEC from Wiltshire Council to BoATC and have have a clear strategy for the ongoing management and administration of the Charity.

It is acknowledged that Wiltshire Council, acting in their capacity as sole Trustees and with assistance provided by the Advisory Panel, have managed the affairs of the Charity in an exemplary manner over many years. BoATC are committed to build upon the historical success of the Charity and well placed to continue to deliver the existing objects of the CWLPEC for the benefit of individuals, groups, organisations and charities domiciled within Bradford on Avon.

It is proposed that BoATC become the corporate trustee to the charity. It is further proposed that the 12 Town Councillors and 2 Bradford on Avon Unitary Councillors fulfil a number of roles in managing the affairs of the CWLPEC, to include, for due diligence purposes:-

- Governance
- Risk Management
- Financial Management, with emphasis on the assets held in the form of endowment
- Physical management of the assets comprising the Recreation Ground and Allotments
- Grant making to support the local community

In practice Town Councillors plus the 2 Unitary Councillors will agree their roles within these areas of responsibility and meet on a regular basis (probably monthly or at least every two months) to discuss matters of importance/interest/issues arising and to take all necessary actions to manage the affairs of the CWLPEC.

Conscious that the assets of the CWLPEC comprise a significant investment portfolio, currently managed by the Council's Finance/Treasury Team, BoATC recognise the requirement to appoint an Investment Manager to provide on-going expertise and support. In this connection discussion are planned to be held with the existing Investment Managers and the Investment Management arm of Grant Thornton UK LLP who currently enjoy a relationship with the Town Council and undertake

the annual independent audit of accounting statements for and on behalf of the Audit Commission.

BoATC will seek to take over existing maintenance contracts from Wiltshire Council in relation to the Recreation Ground and Allotments. They will be formally reviewed prior to their expiry date on a 'value for money basis'.

It is proposed to retain Bloomfield's, Chartered Accountants as the Independent Examiners to the CWLPEC

BoATC will seek to promote the CWLPEC through the medium on their website, Third Sector Organisations (capacity builders) and the Town Council newsletter which is delivered to every household twice per year.

The project to complete the refurbishment of the play equipment at Sladesbrook has now been completed save some minor snagging and no further significant expense is planned in the foreseeable future.

A review of the facilities provided to tenants of the Allotments area will be undertaken to identify any remedial work required. BoATC are keen to encourage tenants forming an Allotments Holders Association to encourage self-management and maintenance of the site.

5. Benefits to Wiltshire Council

It is perceived that there are direct and indirect benefits to Wiltshire Council approving the transfer of Trusteeship of the CWLPEC to BoATC.

Direct benefits include the significant cost savings relative to resources and personnel currently supporting the Charity provided by the Corporate Director of Children's Services, Officers from the Council's Corporate Support Team, Legal Services and Finance Team. In addition, support is provided by the Cabinet Member for Finance Performance, Risk Procurement and Welfare Reform and other Council members.

Indirect benefits include delivering 'Localism' and enabling BoATC to take control of the CWLPEC where objects, area of benefit, charitable and public benefits are specific to members of the public, groups, organisations and charities resident and delivering community benefit in Bradford on Avon.

6. Legal Considerations

Charity Commission approval will be required to support the transfer of Trusteeship of the CWLPEC from Wiltshire Council to BoATC.

Wiltshire Council's Legal Services Department have already produced a document highlighting the options available to support the transfer and spoken with the Charity Commission who have indicated that, *'if it is in the best interest of the Charity to transfer its Trusteeship, the Council will be able to do so'*.

BoATC have independently spoken with the Charity Commission who reaffirmed Caroline's statement by providing their in principle support to the transfer and advising that *'the transfer of*

Trusteeship will not be unreasonably withheld'.

BoATC will be seeking independent legal advice from Giselle Davies, Partner, Charity Law and Third Sector/Social Enterprise, Geldards LLP. Cardiff.

Support will be provided to ensure that:-

1. The transfer of Trusteeship is effected in the best interests of Wiltshire Council and BoATC
2. BoATC obtain good title to the assets of the CWLPEC comprising the Recreation Ground and Allotments
3. That Town Councillors are formally made aware of their obligations as Charity Trustees as stated within the published guidelines issued by the Charity Commission
4. Consideration to be given to seeking support to review any existing contracts with service providers relative to the maintenance of the Recreation Ground and Allotments

7. Costs

BoATC will be seeking to:-

- Deduct consultancy and legal costs from the assets of the CWLPEC, at the time of transfer
- Reclaim on-going direct costs relating to managing the assets and administering the activities of the CWLPEC

8. Summary of Benefits to all interested Parties

This proposal seeks to identify the clear benefits, to all interested parties, of Wiltshire Council agreeing to the transfer of Trusteeship of the Colonel William Llewellyn Palmer Educational Charity to Bradford on Avon Town Council, subject to Charity Commission approval, where in principle support has already been received.

A review of the credentials pertaining to BoATC confirm that they have the ability to deliver benefit to the community of Bradford on Avon through:-

1. The capacity and proven expertise to develop and maintain community assets, including land set aside for recreational purposes
2. Proven policies and processes aligned to providing grant support to individuals, groups, organisations and charities
3. Governance and financial acumen resulting in effective management of the Town Council's finances, including significant precept allocation and substantial 'other income'
4. A diverse group of Town Councillors and a Town Clerk with many combined years of Public Service, who are close to the people of Bradford on Avon and aware of their need from a regulatory, civic and community perspective

BoATC acknowledge that they will require external expertise to ensure the smooth transfer of Trusteeship of the CWLPEC and have already identified an experienced solicitor, fully conversant with charity law, to work in conjunction with Wiltshire Council's Legal Services Team to effect the transfer.

The appointment of an Investment Manager to provide guidance on the assets of the CWLPEC comprising a significant portfolio of investments is already being addressed and an appointment is planned to coincide with the transfer of assets.

Wiltshire Council are likely to see significant cost savings following the transfer of Trusteeship which will free up resources used to manage and administer the CWLPEC with the indirect benefit on knowing that the CWLPEC will become the responsibility of the Town Council who are best placed locally to meet the needs of the people and communities of Bradford on Avon. A clear example of 'Localism' in action.

Inhabitants of Bradford on Avon are also likely to see benefits in the CWLPEC being managed and administered locally by their Town Council, with Town Councillors using their collective local knowledge to make informed judgements on future expenditure and grant awards made from the Charity. Engagement with local people and representative groups is planned to maximise upon the use of recreational and leisure facilities provided by the Recreation Ground and Allotments.

There are no perceived or identified drawbacks impacting upon the CWLPEC from the transfer of Trusteeship from Wiltshire Council to BoATC

9. Recommendation

Bradford on Avon Town Council recognise that the Colonel William Llewellyn Palmer Educational Charity has been managed effectively by Wiltshire Council for many years. Within this Proposal the Town Council confirm they would seek to continue to fulfil the existing objects of the Charity with the benefit of increased input from local people.

This Proposal seeks to confirm the capability, acumen and desire of the Town Council to become Trustee of the Charity and provides a compelling case for the Officers and Members of Wiltshire Council to support the recommendation for Trusteeship of the Charity to transfer from Wiltshire Council to Bradford on Avon Town Council, subject to Charity Commission approval.

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1. The Trust

The Trust was established in 1931 further to a Deed of Gift to a predecessor of Wiltshire Council with 8.7 acres of land to be used as school garden and playing field at Sladesbrook, Bradford-on-Avon. In 1990 an Order of the Charity Commission approved and established a Scheme for the 'Charity of Llewellyn Palmer for a School Garden and Playing Field' to be administered and managed upon the terms set out in the 1931 Deed of Gift. In 1991, the trustee sold 2.3 acres to Knightstone Housing Association for £800,000. To reflect the change in composition of assets, the Charity Commission in 1992 varied the Charity's Scheme. It set out the new purposes of the Charity and laid down rules relating to the management and expenditure of Charity's income. See attached Land Registry Office Copy WT271747 highlighting in red the parcel of land sold and the remaining parcel of land constituting 6.4 acres (3.4 acres playing field, 1.7 acres for N/W allotment and 1.3 acres for S/W allotment).

2. Purpose

2.1. The 1992 Charity Commission Scheme sets out the Charity's purpose as land known in the scheme as no. 1 (the recreation ground) is to be retained as such for the benefit of the inhabitants of Bradford on Avon. Income of the Charity to be applied in the following order:

1. Charity land to be used as a recreation ground for the benefit of the inhabitants of Bradford-on-Avon with the object of improving the conditions of life for the said inhabitants
2. Promoting the education of children and young persons attending schools maintained by the Local Education Authority.
3. Promoting the education of children and young persons in need of assistance under the age of 25 who have attended such schools or who are resident in the area.
4. Providing facilities in the interest of social welfare for the recreation and other leisure time occupation of children and young persons under 25 resident in the area with the object of improving their conditions of life.

2.2. The 1992 Charity Commission Scheme also specifies the way the Charity is to be administered, the main points being:

1. Wiltshire County Council as Trustee.
2. All sums of cash belonging to the charity (other than sums of cash for immediate work purposes) to be invested in the Trust for Charity.
3. Land known in the scheme as no. 1 (the recreation ground) is to be retained as such for the benefit of the inhabitants of Bradford on Avon.
4. The remaining property is to be Let or otherwise managed by the Trustee.
5. Subject to an Order by the Charity Commission the Trustee may sell the whole or part of the land, proceeds to be invested in Trust for the Charity.
6. The income of the Charity shall be applied in the following order of priority:
 - Expenses of management (including the cost of maintaining the property).

- The promotion of education of children and young persons attending schools maintained by the local education authority and grant maintained schools in Bradford on Avon.
 - Promoting the education of children and young persons under the age of 25 who have attended such schools or who are resident in Bradford on Avon and in need of financial assistance.
 - In or towards providing facilities in the interests of social welfare for the recreation and other leisure time occupation of children and young persons under the age of 25 resident in Bradford on Avon with the object of improving their conditions of life.
7. The Charity is not to relieve public funds.
 8. The Charity is to provide Statements of Account to the Commissioners.

3. Management

3.1. Wiltshire Council as the sole trustee of the Charity administers the Trust through the office of the Director of Children Services. To advise and assist the Director carry out their responsibilities, an Advisory Panel was established of senior officers who have specialist expertise in property management, education based awards, legal and finance. The Advisory Panel consists of :

1. 4 Wiltshire Councillors (2 from Bradford-on-Avon)
2. 2 representatives of Bradford-on-Avon Town Council
3. Supported by:
 - Wiltshire Council Finance.
 - Wiltshire Council Corporate Function and Procurement.
 - Wiltshire Council Neighbourhood and Planning Department.
 - Wiltshire Council Community Governance – Bradford-on-Avon.

3.2. Financial awards are made annually on the basis of applications during the summer with a contingency fund available for individual applications throughout the year. The Director for Children's Services approves these applications after consulting the Advisory Panel.

3.3. Documentation produced by the Trust on an annual basis are:

1. The Advisory Panel Minutes of Meeting
The Advisory Panel Minutes of meeting are produced by Sue Jeffreys Funding Co-ordinator and circulated to the Advisory Panel and Director.
2. The Financial Year Reports
The Financial Year Report is produced by Tina Winfield Accounting Technician and circulated to the Advisory Panel and Director.
3. The Report to Member/Trustee's Annual Report
Wiltshire Council produces a Members / Trustee's Annual Report as required by the Charity Commission which is also approved by Council. Tina Winfield produces the report and it is circulated to the Advisory Panel and Director.
4. The Annual Budget
The Annual Budget is produced Tina Winfield and circulated to the Advisory Panel and Director.

3.4. Management of the Funds

3.4.1. The investment portfolio is managed by Tina Winfield and independently examined by Blomfields, Chartered Accountants, 33 Duke Street, Trowbridge, Wiltshire, BA14 8EA.

According to the Annual Report for 2012/2013, investments held at 31 March 2013 were valued at £1.604 million with expenditure totalling £42,331. The largest single element of expenditure was to beneficiaries (£15,000) and the rest for maintaining and improving the grounds. Income was £55,729 and was mainly derived from the Trust's investments. The surplus of £13,398 for the year was added from the Trust's general reserve, which at the end of the year was £70,107.

3.5. Management of Property

3.5.1. The Trust Property comprises 3.40 acres of playing field and just over 3 acres of allotments. There are 53 allotment plots each let out at a nominal rental charge which varies from £13 - £80 per year depending on the size of the plot. The annual income from the allotments is approx. £900. The allotments and recreation ground are administered by the Council. The Trust's property is managed by the Council's Neighbourhood Services under a Service Level Agreement with the Trust. There has been little capital investment in the play equipment on the Property, the result being that the facility appears somewhat 'run down'. To remedy this, the Trust has committed itself to a £65,000 pound refurbishment project.

4. The legal mechanism for affecting the transfer

4.1 The Council as Trustee must be satisfied that any transfer of Trusteeship is in the best interests of the Trust. The Charity Commission will also need to be satisfied of this. Where it is decided that a transfer is in the best interest of the Trust movements can be made towards implementing a transfer.

4.2 The Council as Trustee must be satisfied that any transfer of Trusteeship is in the best interests of the Trust. The Charity Commission will also need to be satisfied of this. Where it is decided that a transfer is in the best interest of the Trust movements can be made towards implementing a transfer.

4.3 When considering a transfer the Council would have to consult with the Charity Commission, both on the appropriate method for transferring the Trust and on the choice of prospective Trustee.

4.4 There are two methods by which the Council could transfer its Trusteeship the choice of method will depend on the position taken by the Charity Commission. The Charity Commission may take the view that the Council's Trusteeship was (in respect of Colonel Palmer's intentions) essential to the purpose of the Trust. In which case, **method two** will have to be used to amend the Trust document for allow for alternative Trustees.

4.5 If the Commission is of the view that the Council's Trusteeship is not essential and just a matter of the mechanics of the Trust, **method one** can be used to amend the Trust document to allow for alternative Trustees.

4.6 In any case, the decision to amend or apply to the Charity Commission for a Scheme to amend the Trust document (using either method), resign as Trustee and appoint a new Trustee is one that needs to be taken by the Council. Therefore the time lag in involved in having a decision passed by the Council needs to be factored into any consideration of timescales.

5. To amend the Trust Document to allow for alternative Trustees

5.1 Method 1

5.1.1 Section 280 of the Charity Act 2011 'Power to modify powers or procedures of unincorporated charity' allows for administrative changes to be passed by a resolution of the Trustees.

5.1.2. The powers under this section could be used to allow the Trustee to pass a resolution amending the Trust document to:

- extend the definition of Wiltshire Council to a wider definition of up to three Trustees (as this is the number recommended by the Charity Commission)
- allow for the appointment of another sole trustee on the proviso that they are also a body corporate

5.1.3. Before passing the resolution a draft copy should be sent to the Charity Commission for approval. Once the resolution is passed by the Council the Charity Commission must be notified of the amendments and provided with an amended copy of the Trust Document using the [online form](#). Once the Charity Commission has made the changes to its register the Council can proceed to resign as Trustee.

5.2 Method 2

5.2.1 The Council would have to apply to the Charity Commission to apply to have its Scheme amended to:

- extend the definition of Wiltshire Council to a wider definition of up to three Trustees (as this is the number recommended by the Charity Commission)
- allow for the appointment of another sole trustee on the proviso that they are also a body corporate

6. To resign as Trustee and appoint a new Trustee in its place

6.1 The Trustee Act 1925 s.36(1) allows for a Trustee to resign and appoint another Trustee in its place. This can be done through a Deed of Resignation and Appointment. If the Council were to appoint another sole Trustee, reference to the amended scheme (method 2) or reference to the resolution (method 1) above would have to be made in the Deed following s 69(2) of the Trustee Act 1925.

6.2 Legal ownership of the land would automatically vest in the new Trustee as per s.40(1) of the Trustee Act 1925.

6.3 The Charity Commission and Land Registry would have to be notified in order for the Registers to be updated.

These are the notes referred to on the following official copy

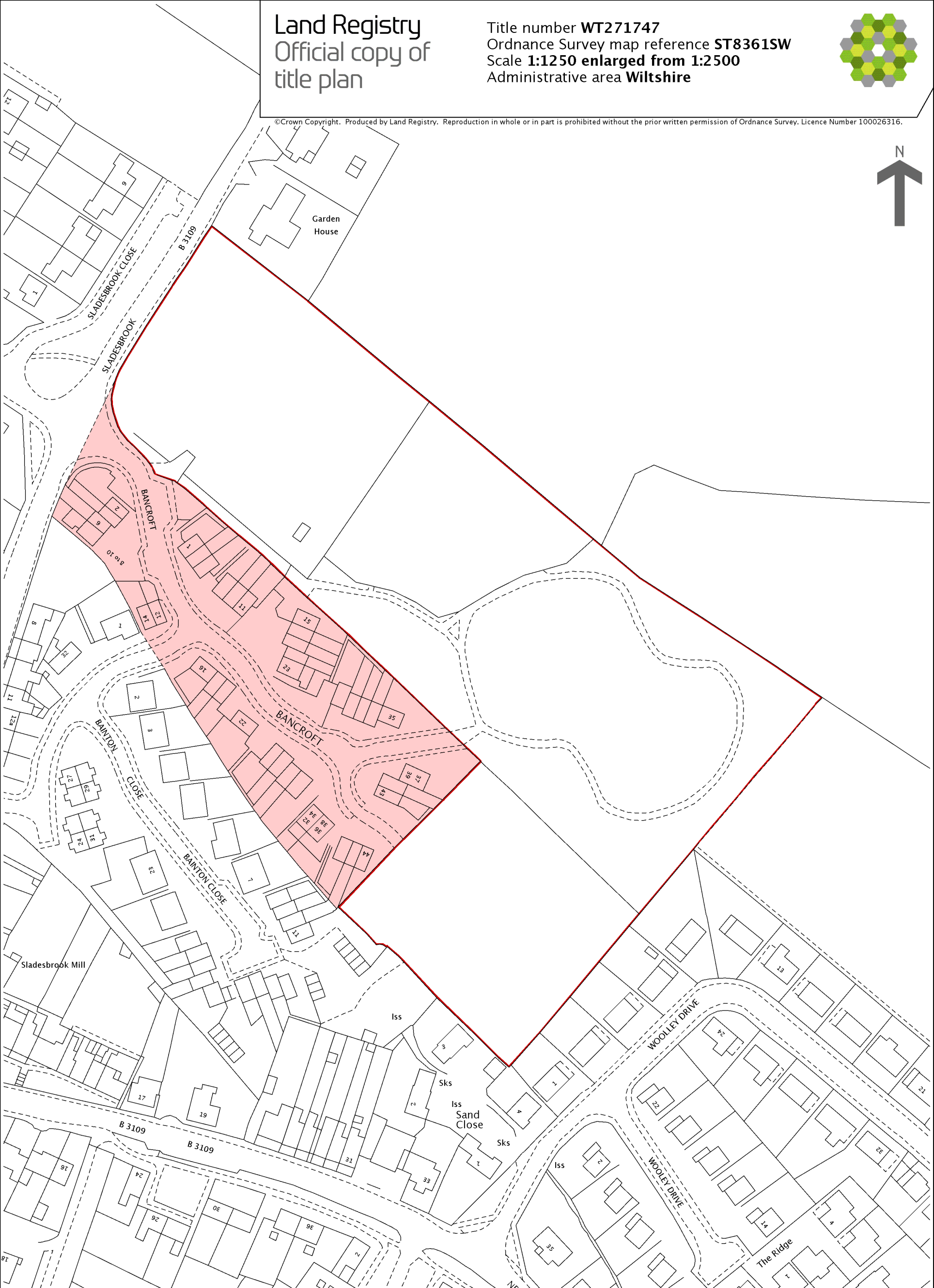
The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from Land Registry.

This official copy is issued on 23 April 2014 shows the state of this title plan on 23 April 2014 at 11:24:27. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide *19 - Title Plans and Boundaries*.

This title is dealt with by the Land Registry, Weymouth Office .



COLONEL WILLIAM LLEWELLEN PALMER EDUCATIONAL CHARITY

Charity registration number 1015681

Finance Report November 2014

1. 2013/14 Outturn Position & Budget for 2014/15 onwards (appendix A)

- There was an increase of £3,472 on budget for income in 2013/14 and this was due to slightly more investment income. A prudent approach is generally taken so fluctuations like this can be expected.

Expenditure was £8,221 less than budget as the £5,000 for improvements was not used and there were minimal grounds maintenance costs.

- The surplus of £8,296 was added to the reserve which brought the balance at 31st March 2014 to £90,096. The recommended reserve is currently £29,000 (all expenditure less beneficiary payments), so the reserve is currently over by £61,096.
- Budget for 2014/15 – Income is budgeted the same as the previous year.

Quotations were sought for replacing and refurbishing the play equipment. The playing field and improvements budget line is based on the current anticipated costs of £63,011. This is broken down as follows:-

- £3,500 Consultation fees
- £1,380 climbing unit
- £56,721 touchwood
- £1,410 touchwood – further work

A new contract was agreed with English Landscapes at a cost of £2,640 making a large saving on mowing and general maintenance of the ground. The usual £3,500 is in budget for other jobs such as allotment clearance and extra general repairs.

I have increased the payment to beneficiaries to £25,000 and this will then leave £7,710 over the recommended reserve of £29,000. If there are further improvements to be made this £7,710 can be used this year or it can be added to the amount paid to beneficiaries.

Looking further ahead due to the lower grass cutting contract and the trust not having to put money aside for new equipment, there

may be up to £30,000 available to beneficiaries in subsequent years. Once the next contact for grounds maintenance is negotiated next year, the reserve can be reduced. The reserve is made up of one year's costs, so if we can get a similar contact next year, the reserve can be lowered by around £6,000 making this also available for other works or beneficiaries.

2. 2013/14 Accounts (appendix B)

- The general revenue balance stands at £90,096 as discussed above.

3. Annual Report 2013/14 (appendix C)

There are no significant changes required to the format or content as laid down by the Charity Commission.

Recommendation / Decisions to be made:-

1. The Advisory Panel are asked to;
 - Approve the accounts & annual report for 2013/14.
 - Endorse the draft budget for 2014/15

Date: 16 October 2014

**Tina Winfield
Finance
Wiltshire Council**

(3 Appendices Attached)

COLONEL WILLIAM LLEWELLEN PALMER EDUCATIONAL CHARITY						Appendix A
Charity Commission Registration number 1015681						
Budget Monitoring Statement for 2013-14 & Budgets for 2014/15 to 2016/17						
	Budget v Actual		Revised Budgets			
	2013/14	2013/14	2014/15	2015/16	2016/17	
	Budget	Actual	Budget	Budget	Budget	
	£	£	£	£	£	
Revenue Account						
Income						
Investment income	51,000	54,230	51,000	51,000	51,000	
Interest on revenue balances	0	0	0	0	0	
Allotment income	950	942	950	950	950	
Deposits on allotment	0	250	0	0	0	
Total	51,950	55,422	51,950	51,950	51,950	
Expenditure						
Payments to beneficiaries	15,000	15,000	25,000	30,000	30,000	
English Landscapes *1	9,111	9,066	2,640	3,000	3,000	
Grounds maintenance	3,500	540	3,500	3,500	3,500	
Playing field improvements & consult fees	5,000	0	63,011	5,000	5,000	
Independent examiners fee *1	400	400	400	400	400	
Property valuation fee *1	140	130	140	140	140	
Departmental charges						
- Education *1	1,440	1,454	1,454	1,440	1,440	
- Finance *1	2,893	2,893	2,929	2,900	2,900	
- Legal *1	300	0	303	300	300	
- DOR Grounds Contract *1	5,870	5,850	5,959	5,900	5,900	
Refund of Allotment deposits		100				
Total	43,654	35,433	105,336	52,580	52,580	
surplus/(deficit)	8,296	19,989	(53,386)	(630)	(630)	
Revenue balance						
Opening balance	70,107	70,107	90,096	36,710	36,080	
surplus/(deficit)	8,296	19,989	(53,386)	(630)	(630)	
Closing balance	78,403	90,096	36,710	36,080	35,450	
Cumulative Amount over Recommended Reserves of £29,000		61,096	7,710	7,080	6,450	
Notes						
* 1 These costs are subject to inflationary increases that are not yet anticipated for 15/16 onwards. Any increases will need to be matched by a decrease in awards.						

Charity reference 1015681

Note

	Note				2013/14	2012/13
					Unrestricted funds	Unrestricted funds
					£	£
Cash Funds						
Lloyds Bank					88,578	70,107
VAT owed					1,518	0
					90,096	70,107
Investment Assets			Fund to which it belongs		2013/14 Market Value *1	2012/13 Market Value *1
					£	£
Investments						
130,386.102 Charishare Income			Endowment		667,316 *3	622,854 *3
196,131.9954 Charity Equity Income			Endowment		691,463 *4	607,224 *4
202,698.79 COIF Charities Fixed Interest Income			Endowment		262,394 *1	276,217 *1
3.4 Area Recreation Ground	4				1 *2	1 *2
3.1 Acre Allotments	4				27,800 *2	27,800 *2
					1,648,974	1,534,096
Debtors						
VAT					1,518	0
Total Assets					1,739,070	1,604,203
Source:						
*1 CCLA valuation						
*2 Independent valuation by Carter Jonas						
*3 Black Rock valuation						
*4 Schroders valuation						
Liabilities					£	£
Carter Jonas Valuation Charge					0	130
Independent Examination Fee					400	400
Deposits on Allotments					1,100	950
Total Liabilities					1,500	1,480

Colonel William Llewellyn Palmer Educational Charity

Charity reference 1015681

Notes to the Financial Statements for the financial year ended on 31 March 2014

1.	These accounts have been prepared on a receipts and payments basis using standard accounting principles as recommended in the Statement of Recommended Practice by the Charities Commission.		
2.	Payments to beneficiaries included:-		
		£	£
	Schools:-		
	Fitzmaurice School, Bradford on Avon	1,200	
	Christchurch School, Bradford on Avon	1,149	2,349
	Individuals		2,300
	11 grants to other groups		10,351
	TOTAL GRANTS ISSUED FOR 2013/14		15,000
3.	The department charges totalling £10,197 relate to administration work done on behalf of the trust. A contract for grounds maintenance was with English Landscapes and Balfour Beatty. There were no employees and there is no element of profit in the charge		
4.	The Charity owns a recreation ground of 3.4 acres, and 49 allotments covering 3.1 acres, at Sladesbrook, Bradford on Avon. An independent valuation was made by Carter Jonas at 31st March 2013 where the recreation ground was valued at £1 and the allotments at £27,800. The valuation is now done every four years or more regularly if a four-yearly valuation is insufficient to keep pace with material changes in fair value.		
6.	Details of Investments held at 31 March 2014	Book Cost	Market Value
		£	£
	202,698.79 COIF Fixed Interest Fund Income Shares	273,643	262,394
	196,131.99 Charity Equity Fund Income Shares	410,465	691,463
	130,386.102 Charishare Common Investment Fund Inc Shares	428,464	667,316
	Total	1,112,573	1,621,173
	Valuation source - CCLA, Black Rock & Schroders		
7.	Movements in Investments during the year	Book Cost	Book Cost
		£	£
	Cost as at 1 April 2013		1,112,573
	add Purchases		0
	less Sales at Cost		0
	Cost as at 31 March 2014		1,112,573
			Market Price
			£
	Value as at 1 April 2013		1,506,295
	add purchase		0
	add net unrealised profits/(losses)		114,878
	Value as at 31 March 2014		1,621,173

The Colonel William Llewellyn Palmer Educational Charity
Annual Report of the Trustees for the Year ended 31 March 2014

Charity registration number: 1015681

Trustee Name: Wiltshire Council

**Bankers: Lloyds Bank TSB, 64 Fore Street,
Trowbridge, Wiltshire, BA14 8EU**

**Independent Examiners: Blomfields, Chartered Accountants,
33 Duke Street, Trowbridge, Wiltshire,
BA14 8EA**

**Address: Finance – Technical Accountancy
Wiltshire Council
County Hall
Trowbridge
Wiltshire
BA14 8JN**

Trustees' Annual Report

Wiltshire Council is the sole Trustee of the Trust and is required by the Charity Commission to produce an annual report for Council approval. Under delegated powers the approval of annual reports on the activity of the Trust and on investment matters, together with any contentious policy issues, are dealt with on behalf of the Council, by Dick Tonge, Cabinet Member for Finance Performance, Risk Procurement and Welfare Reform.

Structure, Governance & Management

The Charity was established from the sale of land at Sladesbrook, Bradford on Avon, Wiltshire, for a price of £800,000. It was confirmed as operative by the Charity Commission on 11 June 1992.

The land sold was part of an area of land that was the subject of a bequest to the Council by Colonel William Llewellyn Palmer in 1931. The Charity retains ownership of the remaining land at a site one mile to the north of the Town Centre, which constitutes a recreation ground and allotments.

In the spirit of Colonel Palmer's original bequest, the Charity is for the benefit of children and young persons up to the age of 25 attending, or who have attended, schools in Bradford on Avon, and for the provision of recreational facilities for the same age group in the town. The first call on the income of the Charity, however, is the cost of maintaining the Charity's property.

The Council, as the trustee of the Charity, has arranged for its day to day administration to be delegated to its Corporate Director of Children's Services (currently Carolyn Godfrey). To assist the Director in carrying out these responsibilities, an Advisory Panel has been established and its membership is as follows:

- Four County Councillors (including the member for Bradford on Avon)
- Two nominees from Bradford on Avon Town Council
- Officers from the Council's Corporate Support Team, Legal Services and Finance Team.

Management of the Recreation Ground and Allotments

The allotments and recreation ground have continued to be administered by the Council. The Trust's property is managed by the Council's Highways and Transport Services and for allotments Waste and Environment team. These are under a Service Level Agreement with the Trust.

Distribution of Awards to Beneficiaries

Any income of the Charity not applied to the maintenance of the Charity's property and the cost of administration and management is available in the following order of priority, as required by the Charitable Scheme:

- i. In promoting the education of children and young persons attending schools maintained by the local authority in Bradford-on-Avon.
- ii. In promoting the education of children and young persons under the age of 25 who have attended such schools or who are resident in Bradford-on-Avon and who are in need of financial assistance.
- iii. In or towards providing facilities in the interests of social welfare for the recreation and other leisure-time occupation of children and young persons under the age of 25 resident in Bradford-on-Avon with the object of improving their conditions of life.

Awards are made on the basis of applications to the Charity on an annual basis. The Director of Children's Services considers and approves these applications after consulting the Advisory Panel.

Risk Management

The Trustee has given consideration to the major risks to which the charity is exposed to and created a risk register which is available on request. Systems have been designed to mitigate those risks.

Objectives and Activities

The objects of the charity (which are taken from the trust deed) are:-

- The Land belonging to the Charity to be used as a recreation ground for the benefit of the inhabitants of Bradford-on-Avon with the object of improving the conditions of life for the said inhabitants
- Promoting the education of children and young persons attending schools maintained by the Local Education Authority and Grant Maintained Schools in Bradford-on-Avon.
- In promoting the education of children and young persons under the age of 25 who have attended such schools or who are resident in Bradford-on-Avon and who are in need of financial assistance.
- In or towards providing facilities in the interest of social welfare for the recreation and other leisure time occupation of children and young persons under the age of 25 resident in Bradford-on-Avon with the object of improving their conditions of life.

The main activities of the Charity during the year have been the continuing management of the ground and allotments, and the distribution of awards to beneficiaries.

How our Activities Deliver Public Benefit

Briefly the aims of the Trust are to provide a recreation ground for the benefit of the inhabitants of Bradford-on Avon and to promote the education of children and young persons (for full details see objectives above).

To fulfil these aims and its charitable purpose for public benefit:-

- Grants have been made to individuals and groups for the purchase of equipment, to help fund recreational projects, holiday schemes etc.
- The recreation ground continued to be maintained by the charity and used by local inhabitants.
- The allotments continued to be managed and made available to local residents. A nominal rental charge at an average of £15 per year is requested per plot.

An investment strategy is in place to provide an adequate level of income to make grants each year. During 2013/14 a total of 15 grants were awarded totalling £15,000. For further details of what grants were made during the year please see the Achievements and Performance below and notes to the financial statements.

Letters of Thanks

The Trust is an invaluable source of funding for the children and young people of Bradford on Avon and the Council holds on file letters of thanks received from many beneficiaries.

Statement

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Achievements & Performance

Payments to Beneficiaries

In total during the year £15,000 was awarded for 13 group applications and two individual applications. A full summary of the approved awards is set out in the notes to the financial statements.

Plans for the Future

Following well received refurbishments to nearby play parks at Barton Farm and at Victory Field in 2013, it is planned to replace the play equipment at Sladesbrook next year. Local views on the detail of the refurbishment was sought from the children at Christchurch Primary School, Bradford on Avon and from local residents. A Working Group was set up and is aiming to complete the project in the summer of 2014.

Financial Review

The financial position of the Charity for the year is shown in the financial statements. Expenditure for the year totalled £35,433, the largest single element was to beneficiaries (£15,000) and the rest for maintaining and improving the allotments and recreation ground. Income was £55,422 and is mainly being derived from the Trust's investments. The surplus of £19,989 for the year was added from the Trust's general reserve, which at the end of the year was £90,096.

Investments held at 31 March 2014 are detailed in the notes to the accounts, these being valued at £1.739 million at that date. There was an increase of £135k in the market value of the investments since last year.

Reserves Policy

The Trust is a permanent endowment trust whereby the income is used in the furtherance of its objectives. Unrestricted funds are needed:-

- to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice; and
- to cover administration fund-raising and support costs without which the charity could not function.

The Trustee therefore considers it prudent that unrestricted reserves should be sufficient to cover one year's administration and support costs, including the cost of maintaining the Trust's property.

The Trustee prepares a budget each year which determines the level of awards to be made in that year based on forecast income. During the budget process the level of reserves will be reviewed to ensure that the reserves policy is being adhered to.

With a year end reserve of £90,096 this year the reserves are higher than the level recommended under the Trust's reserves policy (13/14 £29,000). Due to a prudent approach taken with investment income, over £3k more was received during 2013/14 and again this year the improvement budget of £5k was not used. A decision was made by the Advisory Panel in March 2010 to carry this forward any under-spends and to build up the reserve with the intention of spending the surplus on replacing and refurbishing the play equipment. There is plan to complete this project in the summer of 2014.

Independent Examination

The Charity's accounts, which are maintained by the Associate Director - Finance, are subject to independent scrutiny by accountants Blomfields of Trowbridge.

Other Information

Any comments on this report or on the activities of the Charity generally should be addressed to the Colonel William Llewellyn Palmer Educational Charity, c/o The Corporate Director, Wiltshire Council, County Hall, Trowbridge, Wiltshire, BA14 8JN.

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ON BEHALF OF WILTSHIRE COUNCIL TO THE CHARITY

.....
DATE

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Wiltshire Council

Cabinet

15 September 2015

Subject: Changes to council tax discounts on empty properties

Cabinet member: Councillor Richard Tonge, Finance

Key Decision: Yes

Executive Summary

In 2013 the Council introduced a local scheme for determining both a means tested council tax reduction scheme and, as a result of further freedoms provided by the Local Government Finance Act of 2012 and The Council Tax (Exempt Dwellings)(England)(Amendment) Order 2012, made a number of changes to the treatment of unoccupied property.

Council agreed on 13th November 2012 that:

- a) the discount of 10% for second home owners was withdrawn,
- b) that properties requiring structural repair would be awarded a 3 month discount from council tax followed by a 9 month 50% discount after which a full charge would apply (known as a Class D discount, as defined at Appendix A)
- c) Properties that were unfurnished and unoccupied would be awarded a discount for 3 months after which a further 50% discount would apply for a further 3 months followed by the full charge. (Class C discount, as defined at Appendix A)
- d) The exemption on properties subject to a repossession order be removed.

These changes were introduced from April 2013.

The changes have had minimal impact on the Council's council tax bad debts.

When the scheme was introduced it was recognised that the proposals would need review, particularly in light of decision made by other authorities as their approach was not known when the scheme was put together.

However new financial pressures are mounting. Initial research indicates that working age families currently in receipt of council tax reduction will be disadvantaged by the proposals announced in the July Spending Review. One of the hidden consequences of a fall in national welfare benefits will mean that the amount of council tax reduction awarded by the Council could increase as more households could qualify. In addition the Council faces other financial pressures due to the reduction in government grant.

This report proposes a number of changes to the way in which council tax is charged on unoccupied property, which would raise an estimated £2.1 million additional income for the Council to help meet these cost pressures.

Proposals

- a. That properties undergoing structural repair are no longer eligible for a discount on council tax (known as a Class D discount, as defined at Appendix A).
- b. That properties that are unfurnished and unoccupied are no longer eligible for a discount on council tax (known as a Class C discount, as defined at Appendix A).
- c. That properties which remain unfurnished and unoccupied for more than two years is charged a levy equating to 50% of the annual council tax due.
- d. That changes are implemented with effect from April 2016, which will enable advance communications and advice to be provided.

Reason for Proposal

The cost pressures on the Council's budget as a result of the July Spending Review are well known.

It is estimated that by removing the discount on unoccupied properties, properties undergoing structural repair and adding a levy to properties left unoccupied for more than two years will generate an additional income of £2.1 million per annum for the Council and a further £534,000 for towns and parishes, the Police and the Fire and Rescue Authority. The methodology of the council tax base does not allow the Council to make changes to the tax base without them affecting these other bodies.

It will reduce administration costs for the Revenues Service and will bring our policies more in line with neighbouring authorities.

Carolyn Godfrey
Corporate Director

Wiltshire Council

Cabinet

15 September 2015

Subject: **Changes to council tax discounts on empty properties**

Cabinet member: **Councillor Richard Tonge, Finance**

Key Decision: **Yes**

Purpose of Report

1. To propose changes to council tax discounts on properties that are empty and unfurnished and properties that are undergoing structural alteration or repair and to introduce a levy on property that are empty and unfurnished for over two years in order to contribute to meeting cost pressures resulting from the Spending Review July 2015.

Main Considerations for the Council

2.
 - Taking these prudent financial steps will raise income that will be used to offset some of the new cost pressures and risks of operating a local council tax reduction scheme resulting from the July 2015 Spending Review without impacting those most reliant on the scheme and addresses some of the broader financial challenges faced by the Council.
 - The proposal will simplify and minimise the administrative process. Over the course of a year the Class D discount is awarded to around 450 dwellings per annum whilst the Class C discount is awarded to around 19000 dwellings. Details of the current discounts are set out in Appendix A
 - Currently around 450 properties in Wiltshire have been empty for more than 2 years.
 - It is anticipated that neighbouring authorities will be reviewing their approach to discounts and levies in light of the July 2015 Spending Review. Their current schemes are shown at Appendix B.
 - Whilst the number of empty homes in Wiltshire is not large compared with some authorities there are still significant voids that could be utilised by those in housing need. By implementing these proposals the Council is demonstrating a proactive stance to encourage landlords to find occupiers for these properties.

- The proposals can be implemented with only minor software and website changes together with communication to interested parties.
- Removing discounts and adding a levy will show as an increase in next year's tax base.

Background

3. In 2013 the Council introduced a local scheme for determining both a means tested council tax reduction scheme and, as a result of further freedoms provided by the Local Government Finance Act of 2012 and The Council Tax (Exempt Dwellings)(England)(Amendment) Order 2012, made a number of changes to the treatment of unoccupied property.

Council agreed on 13th November 2012 that:

- a) the discount of 10% for second home owners was withdrawn,
- b) that properties requiring structural repair would be awarded a 3 month discount from council tax followed by a 9 month 50% discount after which a full charge would apply (known as a Class D discount, as defined at Appendix A)
- c) Properties that were unfurnished and unoccupied would be awarded a discount for 3 months after which a further 50% discount would apply for a further 3 months followed by the full charge. (Class C discount, as defined at Appendix A)
- d) The exemption on properties subject to a repossession order be removed.

These changes were introduced from April 2013.

The changes have had minimal impact on the Council's council tax bad debts.

When the scheme was introduced it was recognised that the proposals would need review, particularly in light of decision made by other authorities as their approach was not known when the scheme was put together.

Safeguarding Implications

4. None

Public Health Implications

5. None

Corporate Procurement Implications

6. None

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

7. A full assessment is not required as this new proposal will not affect any specific group. Should there be landlords who are classed as being on a low income, the provision of advance communications and advice will reduce any impact of its introduction.

No other protected characteristic group would be disproportionately impacted against because of the proposed changes.

Environmental and Climate Change Considerations

8. None

Risk Assessment

9. Without these changes the financial risk to the Council will be increased. The alternative might have to be to load some of the new cost pressures onto those who can least afford it and are most reliant on the local council tax reduction scheme.

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

10. See point 9.

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

11. See point 9.

Financial Implications

12. There is a risk that the Council's ability to collect council tax might be affected but experience of the changes that were introduced in April 2013 is that there was minimal impact.

Legal Implications

13. There is no statutory requirement to consult on these proposals, however both section 11A of the Local Government Finance Act 1992 (which relates to discounts) and section 11B of the same act (which relates to higher amounts for long-term empty dwellings) contain the following notice requirement:

'A billing authority which makes a determination under this section shall publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination.'

Options Considered

14. To make changes to the council tax discounts applied to empty properties as detailed in this report or to amend the council tax reduction scheme and make cuts to other services in order to make savings.

Conclusions

15. Taking these prudent financial steps will raise income that will be used to offset some of the new cost pressures and risks of operating a local council tax reduction scheme resulting from the July 2015 Spending Review without impacting those most reliant on the scheme and addresses some of the broader financial challenges faced by the Council.

Carolyn Godfrey
Corporate Director

Report Author:

Ian P Brown, Head of Revenues and Benefits

27th August 2015

Background Papers

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

None

Appendices

Appendix A Current Property Discounts from the Council's website
Appendix B Current Property Discounts from other authorities in the area
undertaken in July 2015

Current Property Discounts from the Council's website

Class D

Property requiring or undergoing structural alteration or major repair

From the 1 April 2013, a property requiring or undergoing structural alteration or major repair which is substantially unfurnished and unoccupied may be entitled to a discount for up to 12 months (3 months at 100% and 9 months at 50%). Upon completion of the works or once the 12 month discount has expired (whichever is shorter), the standard 100% charge for properties which is no-one's main residence will apply.

Please note that this discount applies to the property and not the owner. This means that if a new owner takes over a property and wishes to claim this discount, but the previous owner had already claimed part or all of the discount up to the point of sale, the new owner will only be entitled to the remaining period of the discount, if any.

Class C

Property which is unfurnished and unoccupied

From the 1 April 2013, a property which is unfurnished and unoccupied will receive a discount for up to 6 months (3 months at 100% and 3 months at 50%). After the 6 month period has expired, a 100% charge becomes payable

Please note that this discount applies to the property and not the owner. This means that if a new owner takes over a property and wishes to claim this discount, but the previous owner had already claimed part or all of the discount up to the point of sale, the new owner will only be entitled to the remaining period of the discount, if any.

Current Property Discounts from other authorities in the area undertaken in July 2015.

Authority	Class C	Class D	Long term empties (2 years)
BANES	No discount awarded	No discount awarded	150%
Test Valley	3 months at 100%	100% for up to 12 months	150%
Winchester	1 month at 100%	100% for up to 12 months	100%
New Forest	1 month at 100%	50% for up to 12 months	100%
Havant	No discount awarded	No discount awarded	150%
West Berks	28 days at 100%	No discount awarded	150%
Chichester	No discount awarded	No discount awarded	150%

(N.B. It is probable that these authorities will be undertaking a further review as part of their budget setting process.