

CABINET: THURSDAY, 16 JULY 2020 at 2.00 PM

A Cabinet Meeting will be held as a Remote Meeting via MSTeams on Thursday 16 July 2020 at 2.00 pm

A G E N D A

- 1 Minutes of the Cabinet Meetings held on 19 March, 11 and 24 June 2020
(Pages 3 - 16)

Leader

- 2 Establishment of a Race Equality Taskforce (Pages 17 - 22)

Education, Employment & Skills

- 3 Mutual Investment Model (MIN) Strategic Partnering Agreement (Pages 23 - 76)

Finance, Modernisation & Performance

- 4 Outturn 2019/20 (Pages 77 - 146)
- 5 Re-Procurement of Former National Procurement Service (NPS) Collaborative Construction and Civils Consultancy Frameworks (Pages 147 - 154)

Housing & Communities

- 6 Homelessness - The Response To The Covid 19 Crisis And Delivering The Future Service Model (Pages 155 - 210)

PAUL ORDERS

Chief Executive
10 July 2020

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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**CARDIFF COUNCIL
CYNGOR CAERDYDD**



MINUTES

CABINET MEETING: 19 MARCH 2020

Cabinet Members Present: Councillor Huw Thomas (Leader)
Councillor Russell Goodway
Councillor Graham Hinchey
Councillor Sarah Merry
Councillor Michael Michael
Councillor Chris Weaver
Councillor Caro Wild

Officers: Paul Orders, Chief Executive
Chris Lee, Section 151 Officer
Sarah McGill, Corporate Director
Davina Fiore, Monitoring Officer
Joanne Watkins, Cabinet Office

Apologies: Councillor Lynda Thorne
Councillor Peter Bradbury
Councillor Susan Elsmore

The Leader of the Council welcomed Members to the meeting and advised that three Cabinet Members (Councillors Bradbury, Elsmore and Thorne) had provided apologies to the meeting as they were self-isolating in line with guidance issued in relation to COVID-19 pandemic. Cabinet Members and officers attending the meeting were social distancing within the meeting and the public gallery had been closed with the meeting being webcast. Leaders of the Opposition Groups had also agreed not to attend the meeting.

The Leader advised that the Council had been undertaken significant preparations to respond to the COVID-19 pandemic, including remodelling critical services and implementing homeworking on a large scale, focusing on an essential services delivery model to support vulnerable people. The Leader expressed his thanks to Council officers for the commitment and efforts they were undertaking to respond to the pandemic.

Following UK Government guidelines, a number of public facing Council buildings had been closed to the public, including community hubs and alternative ways of accessing essential services provided by hubs had been established.

Council Group Leaders and the Lord Mayor had agreed that there would be a cancellation of non-essential Council meetings, with the exception of this Cabinet meeting and a quorate Council meeting on 26 March to deal with specific and urgent items.

88 MINUTES OF THE CABINET MEETING HELD ON 20 FEBRUARY 2020

RESOLVED: that the minutes of the meeting held on 20 February 2020 be approved.

89 TO RECEIVE THE REPORT OF THE CHILDREN & YOUNG PEOPLE'S SCRUTINY COMMITTEE ENTITLED 'CHILD MENTAL HEALTH & WELLBEING SUPPORT & SERVICES'

The Cabinet received the report of the Children and Young People's Scrutiny Committee entitled 'Child Mental Health & Wellbeing Support & Services.

RESOLVED: that the report of Children & Young People's Scrutiny committee entitled 'Child Mental Health & Wellbeing Support & Services' be received and a response provided by September 2020

90 SCHOOL ORGANISATION PROGRAMME UPDATE

Cabinet received an update on progress in developing the Council's education estate in Cardiff, including the delivery of new provision under the 21st Century Schools programme as part of the Local Development Plan (LDP), and the enhanced asset maintenance programme in relation to the existing estate.

RESOLVED: that

1. the progress made in developing the school estate in Cardiff through Band A and the early part of Band B of the 21st Century Schools Programme, in addition to the Local Development Plan and the Council's enhanced school asset maintenance programme be noted.
2. the consolidation of the post of Programme Director, School Organisation Programme at Tier 2 as a permanent post reporting to the Director of Education, in line with the Council's pay structure at Assistant Director level be approved
3. authority be delegated to the Director of Education & Lifelong Learning, in consultation with the Cabinet Members for Education, Employment & Skills and Finance, Modernisation & Performance, the Director of Governance and Legal Services, the Corporate Director for Resources, and the Director of Economic Development) to determine all aspects of the procurement process (including for the avoidance of doubt development of all procurement documentation and selection and award criteria, commencement of procurement through to award of contracts) for new build schools within the School Organisation Programme that have been agreed to proceed to implementation by Cabinet.

91 SCHOOL ADMISSION ARRANGEMENTS 2021/22 INCLUDING PROPOSED CHANGES TO THE WELSH MEDIUM PRIMARY AND SECONDARY CATCHMENT AREAS

Councillor Wild declared a personal interest in this item as he had a child in the age range

Councillor Thomas declared a personal interest as an LEA appointed Governor at Ysgol GlanMorfa

The Cabinet received a report containing responses to consultation on proposed changes to the school admission arrangements for 2021/22 and changes to Welsh medium primary and secondary catchment areas. A number of minor changes had been proposed to the school admission arrangements as set out in the report.

It was proposed that implementing Option A for changes to the Welsh Medium Primary School catchment areas would provide the most suitable balance between the number of places available at each school, and the local pupil populations, when taking account of stated parental preferences in the short to medium term.

Further it was proposed that the change to secondary school catchment areas be deferred as there was insufficient evidence to suggest that the change would be of benefit on the local context at this point in time. It was likely that changes may be necessary by 2026.

RESOLVED: that

1. the Council's draft School Admission Arrangements 2021/2022 as set out in the Admission Policy 2021/2022 be determined
2. that the School Admission Arrangements 2021/2022 implement Option A for changes to Welsh-medium primary school catchment areas, as set out in the Welsh-medium catchment areas Consultation Document (Appendix 2).
3. the transfer of the primary school catchment area of Ysgol Glan Morfa from the secondary school catchment area of Ysgol Gyfun Gymraeg Glantaf to the catchment area of Ysgol Gyfun Gymraeg Bro Eder be noted
4. the deferral of the proposed changes to the secondary school catchment areas of Ysgol Gyfun Gymraeg Glantaf and Ysgol Gyfun Gymraeg Plasmawr in Canton and Riverside be noted
5. it be noted that the Council expects to consult on further revisions to Welsh-medium secondary school catchment areas in Canton and Riverside, in the 2024/2025 academic year, for implementation in the 2026/2027 academic year.

92. PAY POLICY 2020/2021

Senior Officers were not present in the meeting during consideration of this item

The Council has a statutory requirement under the Localism Act 2011 to prepare a pay policy statement annually. Cabinet therefore considered the Pay Policy for 2020/21 prior to consideration at Council. The policy statement provided a framework to ensure that employees are rewarded fairly and objectively without discrimination. In line with the Council's commitment to fairness and transparency the pay policy statement also contains the Council's gender pay gap report. The pay gap reflected the average median hourly pay rate within the authority and was smaller than the national average.

RESOLVED: that the attached Pay Policy Statement (2020/21) Appendix 1 be approved for consideration for Council.

93. ALLEY GATING ON PUBLIC HIGHWAYS - CARDIFF COUNCIL POLICY & STRATEGY 2020

Cabinet considered the new Alley Gating Policy which took account of legislative changes including the use of public space protection orders and clarified processes and procedures involved in the delivery of gating schemes. It was recognised that alley gating was an effective way of helping to reduce levels of crime and anti-social behaviour that may otherwise persist to the detriment of local communities.

RESOLVED: that Cabinet approve the Alley Gating Policy Document: Alley Gating on Public Highways – Cardiff Council Policy & Strategy 2020 (Appendix 1)

94. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN

The Cabinet received the HRA Business Plan 2020-2021. The plan set out the strategy for the medium and long term for Cardiff as a social housing landlord. The report also included details of the Council's new building housing programme which was intended to deliver at least 2000 new Council homes.

RESOLVED: that the HRA Business Plan 2020-2021 be approved for presentation to Welsh Government.

95. ACQUISITION OF THE FORMER GAS WORKS SITE IN GRANGETOWN FOR HOUSING DEVELOPMENT

The Appendices to this report are not for publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A to the Local Government Act 1972

Cabinet consider a report proposing the acquisition of the former Gas Works site at Ferry Road, Grangetown for the purpose of delivering a Council-led mixed tenure development of circa 500 new homes. The proposed development would help to meet the Council's aspirations of delivering 1000 new Council homes in line with housing need by March 2022.

RESOLVED: that the Council enter into an acquisition contract with Wales and West Utilities and National Grid for the freehold interest of former Gas Works site at Ferry Road, Grangetown to deliver a Council led mixed tenure housing scheme.

96 OVER-CLADDING OF HIGH RISE BLOCKS

An update on the progress in replacing the cladding of the Council's high-rise blocks was received. Testing was undertaken following the Grenfell Tower tragedy and whilst the results showed that the cladding was not of the same type as used in Grenfell Tower, external cladding was removed from 5 blocks as it did not meet current fire safety standards. A review of re-cladding options had been undertaken and a ceramic brick based cladding was proposed. It was further proposed that leaseholders would not be expected to meet the full cost of refurbishment,

RESOLVED: that

1. the approach to cladding works set out above including the use of the route proposed to procure a contractor for the cladding works to all 5 high-rise blocks be approved.
2. the proposal to reduce the financial impact on home owners (leaseholders) due to the exceptional circumstances of this refurbishment project be approved
3. authority be delegated to the Corporate Director, People and Communities, in consultation with the cabinet member for Housing and Communities, the section 151 Officer and County Solicitor, to deal with all aspects of the procurement relating to re-cladding of all 5 high-rise flats, including setting the contract evaluation criteria and the award of contracts.

97 LAND AT JAMES STREET, CARDIFF

Appendices 2 to 7 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Councillor Hinchey declared a personal interest in this item and took no part in the item.

Cabinet considered authorising the purchase of land situated on the corner of James Street and Adelaide Street and Mandalay house. The purchase of these sites would enable a high quality mixed-use development to include the Council owned Royal Stuart Workshops and Douglas Buildings.

RESOLVED: that authority be delegated to the Director of Economic Development, in consultation with the Cabinet Member for Investment & Development, the Section 151 Officer and the Legal Officer to:

- a) Conclude the acquisitions of the two properties set out in this report in line with the Heads of Terms included at Confidential Appendices 2 and 5.
- b) Agree the terms and enter into an option agreement for the two replacement sites included within Confidential Appendix 4.
- c) Deal with all aspects of the procurement of a development partner to bring forward the development of the site including the restoration of the Royal Stuart Workshops & Douglas Buildings subject to independent valuation/property advice.

98 CALLAGHAN SQUARE

Appendix 2 of this report is not for publication as it contains exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Cabinet considered authorising the disposal of the Council's freehold interest in land at Callaghan Square to the Welsh Government through the public sector land transfer protocol.

RESOLVED: that authority be delegated to the Director of Economic Development, in consultation with the Cabinet Member for Investment & Development, the Section 151 Officer and the Legal Officer to conclude the disposal of land set out in this report in line with the independent valuation and Heads of Terms attached at Confidential Appendix 2.

99 APPROVAL FOR PARTICIPATION IN THE UK RESETTLEMENT SCHEME

An update on the delivery of the current Vulnerable Persons Resettlement Scheme which was due to end in April 2020 was received. The UK government had proposed a replacement scheme and it was proposed that Cardiff, in partnership with the Vale of Glamorgan Council participate within the new scheme.

The Scrutiny letter was circulated, and its status was noted, together with the offer made by Councillor Elsmore to discuss the matter with the Scrutiny Chair.

It was noted that Cardiff Council had contributed substantially to the successful realisation of the current VPRS and had robust systems in place to implement the new scheme.

RESOLVED: that

1. Cardiff Council's participation in the new, global UK Resettlement Scheme (UKRS), in order to facilitate the resettlement of vulnerable refugees, for the first year of the scheme be approved

2. The collaborative working arrangement with the Vale of Glamorgan Council be continued in order to benefit from the sharing of knowledge, experience and resources, including the regional coordination.
3. It be agreed to extend and support the existing regional Governance arrangements, specifically the regional Leadership Group. Membership comprises key regional stakeholders, including Council Members, Lead Officers and representatives from Housing, Health, Education, South Wales Police, third sector and faith groups.
4. the resettlement of up to six families in Cardiff during the first year be agreed, conditional upon the availability of resources, specifically school places and affordable, sustainable accommodation.
5. authority be delegated to the Corporate Director of People & Communities, in consultation with the Cabinet Member for Social Care, Health & Well-being, s.151 officer and Director of Governance & Legal Services to
 - make changes to documents as needed for the delivery of the UKRS in Cardiff and the Vale of Glamorgan including, but not limited to, the collaboration agreement with the Vale of Glamorgan and agreement with the Integration and Support Service provider and
 - to accept the new funding conditions and
 - generally to progress the regional arrangements for the delivery of the UK resettlement scheme

100. LOCAL DEVELOPMENT PLAN FULL REVIEW

Cabinet received a report outlining the findings of the consultation on the draft Local Development Plan Review and the draft delivery agreement.

It was reported that the majority of responses did not object to the proposed approach and a number raised issues that would related to issues that would need to be raised as part of the replacement plan process.

RESOLVED: that Council be recommended to approve the final Review Report and final Delivery Agreement and authorise their submission to Welsh Government.

MINUTES

CABINET MEETING: 11 JUNE 2020

Cabinet Members Present:	Councillor Huw Thomas (Leader) Councillor Peter Bradbury Councillor Russell Goodway Councillor Graham Hinchey Councillor Sarah Merry Councillor Michael Michael Councillor Lynda Thorne Councillor Chris Weaver Councillor Caro Wild
Observers:	Councillor Adrian Robson Councillor Rhys Taylor
Officers:	Paul Orders, Chief Executive Chris Lee, Section 151 Officer Sarah McGill, Corporate Director Davina Fiore, Monitoring Officer Joanne Watkins, Cabinet Office
Apologies:	Councillor Susan Elsmore

101 RESTART, RECOVER, RENEW: NEXT STEPS FOR CARDIFF DURING THE COVID19 CRISIS

The Leader expressed the Cabinet's gratitude to Members, Officers and Trade Union colleagues for the resilience and effort shown in responding to the COVID19 crisis.

The Cabinet considered a report which outlined the Council's strategic response to the COVID 19 pandemic and the proposed approach to restarting Council services as the national lockdown measures were eased.

It was noted that a range of Council services were adapted, suspended or established for the first time in response to the pandemic and services had been operating on a c crisis footing with essential front line services in operation and staff working from home wherever possible.

The report also set out the critical challenges associated with restarting or repurposing council services to function effectively, sustainably and safely. It also established the principles and planning assumptions for restarting

services based on a 3-stage approach – Restart; Recover and Renew – in accordance with Welsh Government and Public Health guidance.

It was proposed that the Restart process would be managed on a phased basis, subject to a risk-based assessment and discussed with the Trade Unions, to ensure that staff can operate effectively and safely. This would cover all aspects of how services will be delivered in the context of social distancing and infection control requirements.

RESOLVED: that

1. the Restart, Recover, Renew strategy outlined in this report be approved;
2. the approach to restarting council services outlined in Appendix 1 be noted and authority be delegated to the Chief Executive, in consultation with the Leader, to restart services in accordance with changing UK Government, Welsh Government and public health guidance.
3. the Chief Executive in consultation with the Leader, the Cabinet Member for Finance, Modernisation and Performance, and the Section 151 Officer, be authorised to allocate resources, within the budgetary framework, to support the Council's response to the ongoing pandemic and economic crisis;
4. the procurement strategy to ensure a twelve week supply of PPE be noted and authority be delegated to the Section 151 Officer, in consultation with the Director of Social Services to take necessary steps to secure supplies within the budgetary framework;
5. the 'Covid-19 Response - Memorandum of Understanding' between the Council and Trade Unions attached as Appendix 2 be approved
6. the establishment of a 'Recovery Task-force' under the leadership of the Cabinet to oversee the Council's response to the economic crisis be noted.

102 CARDIFF COUNCIL'S RESPONSE TO THE COVID-19 CRISIS FROM A FINANCIAL MANAGEMENT PERSPECTIVE

The Cabinet received a report which contained details of the Council's response to the COVID-19 crisis from a financial management perspective. The pandemic had significant implications for the Council in terms of additional costs and lost income. It was estimated that expenditure to the end of June 2020 was approximately £18m and loss of income around £11m. Significant funding measures had been put in place by the UK and Welsh Government to offset this expenditure.

The report also provided details of officer decisions taken in relation to specific interventions.

The report also contained details of the impact of the pandemic on various service areas within the Council and outlined the need to consider the

financial management implications including the potential re-prioritisation of existing Council finances where appropriate.

RESOLVED: that

1. the action taken by the Council to date in response to the COVID-19 crisis and the financial issues logged and decisions made during this period be noted
2. the assessment of expenditure and income impacts arising from COVID-19 during the first quarter of this financial year (to 30th June 2020) be noted.
3. It be noted that expenditure and income impacts arising from actions taken in response to COVID-19 are claimable from Welsh Government and as such any decisions are considered within the existing budgetary framework.
4. It be noted that a further report is being prepared setting out the budget outturn position of council services for 2019/20.
5. further updates on the budget monitoring position of council services for 2020/21 be received as appropriate.
6. a further report be prepared setting out an updated Medium Term Financial Plan that reflects any changes in service delivery as a result of COVID-19 as well as the usual updates of key financial assumptions.

103. **RESPONSE TO THE IMPACT OF COVID19 ON CARDIFF COUNCIL'S HOUSING DELIVERY PROGRAMME**

Appendix 1 is not for publication as it contains exempt information of the description contained in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972

Cabinet received a report outlining the impact of the Council's housing delivery programme. A number of schemes had been impacted due the pandemic with the open market buy backs effectively on hold, the Courtney Road additional build scheme completion delayed until July 2020 and work on Cardiff Living Schemes delayed.

Approval was also sought in relation to a specific request from Wates Residential – the Cardiff Living Development partner- in relation to the immediate purchase of a number of additional properties currently in development as part of the phase 1 Cardiff Living programme.

RESOLVED: that

- 1 Approval be given in principle, subject to the satisfactory outcome of detailed due diligence checks by the authority, to the request from Wates

to acquire unsold property in phase 1 of the Cardiff Living sites as detailed in this report, as a direct response to the impact of Covid-19.

- 2 Delegated authority be granted to the Corporate Director for People and Communities in consultation with the Cabinet Member for Housing and Communities following satisfactory outcome of detailed due diligence checks by the authority and formal approval by the Section 151 Officer in consultation with the Cabinet member for Finance to conclude the purchase agreement in respect of the purchase of the unsold properties as described in this report
- 3 the outline approach indicated in the report in respect of future housing development sites be noted and that the approach will inform specific housing development scheme reports planned for consideration later in 2020.

104. CITY RECOVERY STRATEGY

A report outlining the Cardiff Recovery Strategy and proposals for mitigations and adaptations related to the COVID19 pandemic and its impact on the city centre and key employment locations was considered.

It was noted that the lockdown had immediate and significant impact on the way the city centre and district centres operated and on the economy of Cardiff. The report proposed mitigating measures to allow businesses within the city to operate within the regulatory requirements as lockdown is eased.

RESOLVED: that the proposals outlined within this report and Appendix 1 be noted and approved and authority delegated to the Director of Planning, Transport and Environment and the Director of Economic Development, in consultation with the Leader of the Council, the Cabinet Member for Strategic Planning and Transport, the Cabinet Member for Investment and Development, the s151 Officer and the Legal Officer to develop and implement detailed plans.

MINUTES

CABINET MEETING: 24 JUNE 2020

Cabinet Members Present: Councillor Huw Thomas (Leader)
Councillor Peter Bradbury
Councillor Susan Elsmore
Councillor Russell Goodway
Councillor Graham Hinchey
Councillor Sarah Merry
Councillor Michael Michael
Councillor Lynda Thorne
Councillor Chris Weaver
Councillor Caro Wild

Observers: Councillor Rhys Taylor
Councillor Keith Parry
Councillor Adrian Robson

Also:

Officers: Paul Orders, Chief Executive
Chris Lee, Section 151 Officer
Sarah McGill, Corporate Director
Davina Fiore, Monitoring Officer
Joanne Watkins, Cabinet Office

Apologies:

**105 NEW PRIMARY SCHOOL PROVISION TO SERVE PARTS OF
CREIGIAU/ST FAGANS, RADY/MORGANSTOWN AND FAIRWATER**

Cabinet considered a report outlining a proposal to establish a 2FE entry dual stream primary school with nursery provision to serve the early phases of the Plasdŵr development in accordance with the requirements of the School Organisation Code.

The proposal had been subject to consultation and a statutory notice had been published on 26 February 2020. Three objections had been received and details together with the Council's response were contained within the report.

RESOLVED: that

1. the proposals as set out in paragraph 1 of the report be approved without modification
2. officers be authorised to take the appropriate actions to implement the proposals as set out in paragraph 1
3. officers be authorised to publish the decision within 7 days of determination of the proposal
4. approval of any necessary contracts be delegated to the Director of Education and Lifelong Learning in consultation with the Corporate Director Resources & Section 151 Officers, Director of Legal Services and the Cabinet Members for Education, Employment & Skills and Finance, Modernisation and Performance.

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**CARDIFF COUNCIL
CYNGOR CAERDYDD**



CABINET MEETING: 16 JULY 2020

ESTABLISHMENT OF A RACE EQUALITY TASKFORCE

LEADER (COUNCILLOR HUW THOMAS)

AGENDA ITEM: 2

Reason for this Report

1. To obtain Cabinet authority to establish a Race Equality Taskforce, which will enable the production of recommendations for immediate action, alongside longer-term recommendations, to act on race inequality and address racial injustice in Cardiff.

Background

2. In Capital Ambition, the Administration make clear their commitment to reducing the large and growing inequalities between communities, to tackling inequality in all its forms and to making sure that all citizens can contribute to, and benefit from, the City's success.
3. Cardiff is proud to be a diverse city, and the Cabinet recognises and celebrates the strength that this diversity has brought and will continue to bring to the City's future. The Cabinet is also clear that race inequality continues to exist in Cardiff. The Cabinet therefore wishes to work with Black, Asian and Minority Ethnic (BAME) communities, public service partners and major employers to identify and put in place a programme of action that seeks to address race inequality.

Issues:

Diversity and Inequality in Cardiff

4. Using statistics from the Annual Population Survey, it is estimated that, for the year ending 31 March 2020, 76,400 of Cardiff's residents were from BAME groups: 20.7% of the total population. In comparison, 186,600 individuals are from BAME Groups in Wales as a whole: 6% of the total population.
5. Additionally, using data from the Pupil Level Annual School Census for 2019/20, it is estimated that 13,270 pupils aged 5 or over are from BAME groups: 28% of the total school population, compared with 8% (33,290) for Wales as a whole.

6. The lived experience and chances for BAME people in Cardiff differs significantly and detrimentally from those of White people.
7. The Welsh Index of Multiple Deprivation paints a complex picture for the City. However, in terms of overall deprivation, 34.8% of Cardiff's Black/African/Caribbean/Black British population reside in the 10% most deprived group. This is double the number of Cardiff's White population who reside in the same group, at 17.2%.
8. Cabinet recognises the divergent experiences of different BAME groups and the necessity of a nuanced approach if we are to progress race equality.

The Black Lives Matter movement

9. The tragic death of George Floyd in the USA has seen protests taking place across the world, including in Cardiff, as part of the Black Lives Matter movement. This has led to a reflection, both on how the history of Black communities in the UK are treated, and on the ongoing challenges that BAME people continue to face in today's society.
10. A feature of the Black Lives Matter movement is its call to reassess how individuals in British history with involvement in slavery are commemorated.
11. In Cardiff, this has focused on the statue of Sir Thomas Picton in the Marble Hall at Cardiff City Hall, whose military career and death at the Battle of Waterloo drove his original inclusion in the 'Heroes of Wales' collection. However, there is growing awareness and understanding of the brutal nature of his Governorship of Trinidad and his involvement in slavery, prompting many to request that the Council moves this statue to a more appropriate location.
12. A democratic mandate will be sought for the proposed removal of this historic monument through a debate and decision by Full Council. This will also enable the Council to consider the practicalities of safely removing the statue and managing any associated implications to the listed status of the Marble Hall.
13. Beyond this important debate regarding the Sir Thomas Picton statue, the Leader of the Council has indicated his eagerness to work with Black Communities to better understand their needs and look at what further action the Council can take to make tangible improvements to their lives and outcomes.
14. It is therefore proposed that a new Race Equality Taskforce is established by the Council. This will enable the coordination of meaningful and evidence-led actions and recommendations to address racial discrimination and promote race equality in Cardiff.

Establishing a Race Equality Taskforce for Cardiff

15. The context for the establishment of the Race Equality Taskforce has been well documented in several recent studies, reviews and inquiries, which reveal the extent of racial inequality in the UK, including:
 - The [Race Disparity Audit](#), published in 2017, showed inequalities between ethnicities in educational attainment, health, employment and within the criminal justice system.
 - The [McGregor-Smith Review of race in the workplace](#), published in 2017, found people from Black and Minority Ethnic backgrounds were still disadvantaged at work and faced lower employment rates than their White counterparts.
 - The [Lammy Review](#), also published in 2017, found evidence of bias and discrimination against people from Ethnic Minority backgrounds in the justice system in England and Wales.
 - The [Windrush Lessons Learned Review](#), published in March 2020, found the Home Office showed, “institutional ignorance and thoughtlessness towards the issue of race.”
16. It is proposed that the Race Equality Taskforce for Cardiff will work to the following objectives:
 - Work with Cardiff's communities and organisations to improve and prioritise race equality to achieve an inclusive, cohesive, thriving and representative city;
 - Guide Cardiff's policy and strategy developers to make sure race equality is included in all of their work;
 - Use the Council's convening power to advance race equality in the public, private and voluntary sector, working closely, where required, with the Cardiff Public Services Board;
 - Coordinate actions and recommendations to advance race equality, focusing on priority work-streams, identified in consultation with the City's BAME residents;
 - Report on progress on race equality and the general impact of inequality and discrimination on the BAME communities of Cardiff.
17. The Council proposes the following initial areas of focus for the Taskforce's consideration:
 - What more can be done to ensure that the Council's membership and workforce represents the full diversity of the City it serves;

- The experiences of BAME children and young people in education, in alignment with the Welsh Government's recently announced working group focusing on this area;
- Supporting BAME communities to access employment opportunities;
- Diversity in the public realm, working closely with the Taskforce recently established by the Welsh Government to audit statues, street and building names to address Wales' connections with the slave trade;
- Supporting the civic and democratic involvement of BAME communities through voter registration and participation in the Census 2021.

18. It is proposed that a rapid and focused consultation will be undertaken in August 2020 to seek BAME residents' views on the priorities for the Taskforce. This work will inform the establishment of work-streams to coordinate strategic evidence, practice and policy reviews and produce recommendations for action.

Appointment of Chair

19. The Leader of the Council has invited the Ward Councillor for Butetown, Cllr Saeed Ebrahim, to Chair the Race Equality Taskforce. The Chair will oversee the activities of the work-streams and strategic activities associated with tackling discrimination and disadvantage faced by BAME people in Cardiff, along with chairing Taskforce meetings, and promoting the work of the Taskforce.

Membership

20. It is proposed that the Taskforce be comprised of the Chair and up to 14 members. The membership will be made up of individuals with insight and interest in race, ethnicity and human rights and who have the ability, experience, opportunity and influence to make changes in their sector, industry and institutions or organisations.

21. Membership of the Taskforce will be selected following a public appointment process that will be openly advertised by the Council. It is expected that individuals will have experience in one or more of the following fields:

Voluntary Sector and Community Organisations	Public Services
Major Employers and Small-to-Medium Sized Enterprises (SMEs)	Culture and the Arts
Education, including Further and Higher Education	Sport
Trade Unions	Children and Young People

22. A comprehensive Terms of Reference will be developed to support the Taskforce membership.

23. Meetings of the Taskforce will take place once a quarter until the end of the current administration. Members are expected to make every effort to attend all meetings. Attendance will be recorded formally through the minutes.

Governance

24. The Taskforce will report to Cabinet. The Taskforce will provide reports on each work-stream to Cabinet, complete with recommendations for action to be considered. The Taskforce will also provide an annual report to Full Council, in line with the reporting schedule for the Council's statutory Equalities Annual Report.

Reason for Recommendations

25. To obtain Cabinet authority to establish a Race Equality Taskforce.

Financial Implications

26. There are no direct financial implications arising from this report but consideration should be given as part of any future Council budget setting as to whether any budget allocation is required once the Taskforce is set up.

Legal Implications

27. The public sector equality duties under the Equality Act 2010 require the Council to give due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.
28. The recommendation of this report to establish a Race Equality Taskforce ('the Taskforce') should serve to assist the Council to discharge its equalities duties in respect of race and ethnic or national origin.
29. The Taskforce will require Terms of Reference, incorporating detailed provisions with regard to its remit, membership (including co-optees) and reporting responsibilities, as outlined in the body of the report; and other matters such as terms of office, decision making and voting rights, and rules regarding conduct and personal interests. For the avoidance of doubt, it should be noted that the Taskforce will have no separate legal status or formal decision making powers. Legal Services will advise further on the draft Terms of Reference.
30. The Wellbeing of Future Generations (Wales) Act 2015 requires the Council to consider how its proposed decisions will contribute towards meeting the Well Being objectives set out in the Corporate Plan.

31. Members must also be satisfied that proposed decisions comply with the sustainable development principle, which requires that the needs of the present are met without compromising the ability of future generations to meet their own needs.

HR Implications

32. There are no direct financial implications arising from this report but consideration should be given as part of any future Council budget setting as to whether any budget allocation is required once taskforce is set up.

RECOMMENDATIONS

Cabinet is recommended to:

1. Approve the proposal to establish a new Race Equality Taskforce with the objectives set out in paragraph 16 of the report.
2. Agree the appointment of Cllr Saeed Ebrahim as Chair of the Race Equality Taskforce.
3. Delegate authority to the Head of Performance & Partnerships, in consultation with the Chair of the Race Equality Taskforce and Leader of the Council and with advice from the Director of Governance and Legal Services, to finalise detailed Terms of Reference for the Race Equality Taskforce, to be confirmed at the inaugural meeting of the Taskforce.
4. Delegate authority to the Head of Performance & Partnerships, in consultation with the Leader of the Council and Chair of the Race Equality Task Force, to undertake a public appointment process for membership of the Race Equality Taskforce.
5. Delegate authority to the Head of Performance & Partnerships, in consultation with the Leader of the Council and Chair of the Race Equality Taskforce to commence a public consultation exercise to inform the initial priorities for the Race Equality Taskforce’s work programme.

SENIOR RESPONSIBLE OFFICER	SARAH MCGILL Corporate Director People & Communities
	10 July 2020

**CARDIFF COUNCIL
CYNGOR CAERDYDD**



CABINET MEETING:16 JULY 2020

**MUTUAL INVESTMENT MODEL (MIM) STRATEGIC
PARTNERING AGREEMENT**

**EDUCATION, EMPLOYMENT & SKILLS (COUNCILLOR SARAH
MERRY)**

AGENDA ITEM: 3

Reason for this Report

1. For Cabinet to approve the Strategic Partnering Agreement (SPA) with Welsh Education Partnership Co to facilitate the delivery of education and community facilities through Welsh Government's Mutual Investment Model (MIM), subject to minor amendments which will be delegated to the Director for Education and Lifelong Learning. A link to the SPA can be found [here](#).
2. To ask Cabinet to note that the Chief Executive will use his delegated authority to make the appointment of the School Organisation Programme Director or Director for Education and Lifelong Learning, as 'Participant Representative' to sit on the Strategic Partnering Board.

Background

3. At its meeting on the 14th December 2017, the Cabinet received a report which:
 - Outlined the priority schemes to be undertaken as part of Cardiff's Band B 21st Century Schools Programme;
 - Requested members note the approval in principle by WG of the Strategic Outline Case submitted by Cardiff Council for Band B of the 21st Century Schools Programme and to authorise discussion with the WG to secure business case approval for individual schemes.
4. This report set out the sufficiency, suitability and condition issues in Cardiff and which form were the basis of the funding request from Cardiff to WG under the Band B programme.
5. Support for Cardiff' programme was secured in principle to enable the Council to:

- Remove all “D” condition, end of life, school properties;
 - Address the 8 form of entry sufficiency issue in the English medium secondary sector in the central area of the City;
 - Address the sufficiency, condition and suitability issues in the Special Sector, in both primary & secondary settings;
 - Address local sufficiency issues in Welsh medium primary schools in the East & West of the City;
 - Address local sufficiency issues in English medium primary schools in Cardiff Bay & West of the City.
6. In developing its outline programme for 21st Century Schools Band B, the Council considered a range of options and prioritised a list of projects and schemes. This work was undertaken in conjunction with external cost consultants to ensure the robustness of indicative costs. The Council utilised standardised construction cost rates as provided by WG.
 7. The indicative cost of the Council’s outline Band B programme was £284 million. This cost represented the full “rolled-up” cost of all schemes within the preferred programme. At the point of submission, external cost consultants confirmed that delivering the programme was possible within the overall envelope identified.
 8. As set out in the December 2017 report, the WG’s approach to Band B is slightly different to Band A as there are two funding models available to support Local Authorities to finance their investment; traditional capital and MIM. MIM is a national scheme to borrow funds via the private sector to design and build schools, and maintain the building fabric over a 25 year period.
 9. The Cabinet’s initial position regarding MIM (following consideration of the overall cost of MIM; the WG’s proposed contribution rate at 75:25 and the overall level of risk exposure) was to express an interest in the traditional capital funding model only, when submitting its Strategic Outline Business Case. However, following further consideration in the 21 March 2019 report, Cabinet agreed to pursue a dual funding model strategy to fund the 21st Century Schools Programme to include the MIM route for the delivery of our proposed Band B schemes at Cathays and Willows (including 3FE primary). The Cabinet were keen to use the MIM new build programme as a vehicle to transform teaching and learning and local communities. This aligned with Welsh Government’s proposed contribution rate alteration to 81:19.

Issues

10. Welsh Government has been procuring a Private Sector Delivery Partner (PSDP) to work with it on the delivery of education and community facilities. The PSDP and a subsidiary of the Development Bank of Wales will be required to form a Special Purpose Vehicle (SPV) called WEPCo, which will deliver the services to participants. Welsh

Government have also appointed Bevan Brittan LLP as legal advisors to advise them in respect of the procurement and Strategic Partnering Agreement (referred to below). The advice is provided on the basis that it can also be relied upon/used by participants. Their advice has been included in this report.

11. Cardiff Council, along with other local authorities and further education institutions, will be a participant to the arrangements. The participants and WEPCo will enter into a Strategic Partnering Agreement (SPA). The SPA provides for how the parties act together over the long term in a collaborative partnering, non-adversarial and open manner to support the effective planning, procurement and delivery of education and community facilities in Wales and the delivery of infrastructure services. This includes partnering services for the project such as legal, design and technical advice.
12. The SPA is a 10 year agreement with a potential to extend a further 5 years between WEPCo and all participating local authorities and further education institutions. The enclosed MIM Background Paper in **Appendix 1** provides a more detailed summary of the SPA. WEPCo's performance is managed through the Strategic Partnering Board (SPB). Participant representation is required on the SPB. The SPB's role will be to approve the Strategic Delivery Plan (**SDP**); ensure any new project proposals are consistent with the SDP; monitor WEPCo's performance against agreed KPIs; approve any extension to the SPA term; and approve any proposed disposal of interest in share capital resulting in a loss of control by WEPCo (or subsidiary). **Appendix 1** also provides a more detailed summary of the role of the SPB.
13. WEPCo will undertake all partnering services (i.e. the design, project development and professional services). Approved MIM Projects will be developed by WEPCo, but delivered (including hard facilities management) by Project Co which will enter into a Project Agreement with the Council to deliver the relevant MIM Project. The Council will be a contracting party with Project Co which will have contracts in place to manage the building and facilities contractors. The Council will be responsible for payment of the relevant proportion of the monthly unitary charge (debt repayments) which forms 19% of the capital and 100% of the hard facilities management costs.
14. Evaluating the full financial and non-financial impact of funding projects via the MIM route is challenging and the following is largely based on information and financial modelling provided by WG. The anticipated benefits of MIM are as follows:
 - Potential for earlier delivery of schemes, particularly in the context of the slowdown of the traditional capital funded model schemes.
 - Earlier delivery would assist with the avoidance of part of the significant cost that will be required to maintain Condition D schools before the new schools are constructed.

- A school asset that is maintained at a high level during the 25 year lease period, with the WG contributing towards 81% of the maintenance costs.
 - The Council and schools concerned will have full control over the day to day operation of the building, including soft facilities management and use of the building and its facilities.
 - Engagement with the MIM route may provide an opportunity to reconsider the scope of schemes that could potentially be funded via MIM.
15. There are also potential limitations of the MIM funding model, these are set out below:
- The suitability of MIM is limited to complete new builds only, projects that include refurbishment or extensions are not deemed suitable.
 - Projects (or a group of similar projects in a local authority area) would need to have a capital value of £15 million or more to be funded through this route.
 - MIM is not deemed suitable for small primary schools, PRUs or special schools.
 - Statutory consultation needs to have been completed beforehand with no outstanding or complicated land issues.
 - The scope of schemes needs to be clearly defined in advance of commencing a MIM scheme with changes to scope being problematic once the scheme is underway.
 - The capital, revenue and associated borrowing costs are unknown until the projects have been procured by ProjectCo. However, all will be procured within agreed benchmarked parameters.
 - Cardiff Council will not directly manage the procurement and design process, but it will be an important stakeholder to ensure the project meets the local needs and there are clear checkpoints throughout the process. Further information can be found in the enclosed MIM Background Paper in **Appendix 1** alongside general question and answers.
16. Councils will still need to undertake and fund some capital works, including work to develop the school specific brief, and will also be required to undertake and where required fund some works connected to FFE; management and lifecycle of 3G pitches; soft facilities management; catering and ICT. It is envisaged at this stage that where required separate procurement processes will take place.
17. Cardiff Council has only two schemes that have been identified as potential MIM schemes. These are Cathays High School and Willows High School.

18. Willows High School project has been identified as potential Pathfinder projects and will therefore form part of the initial batches of new projects to be taken forward. The process for new projects is set out in Schedule 5 of the SPA and the enclosed MIM Background Paper in **Appendix 1** provides a more detailed summary of the Approval Process for New Projects under the SPA. It is expected that proposals for both schemes will be brought forward in autumn 2020.
19. Welsh Government has completed the procurement process for the Private Sector Delivery Partner (PSDP) and the highest ranked bidder with a score of 91.57% Meridiam Investments II SAS. Meridiam will be appointed as the Selected Bidder on expiry of the Standstill Period. It is an international organisation with vast experience in this field. Meridiam will be supported educationally by the Learning Crowd.
20. The next stage is to enter into the Strategic Partnering Agreement (SPA) with WEPCo in order for the Pathfinder projects to progress. At this stage the agreement of the SPA only commits Cardiff Council to services with the contract and not the delivery of capital projects.

Reasons for Recommendations

21. Reasons for Cabinet to approve the Strategic Partnering Agreement (SPA) with Welsh Education Partnership Co to facilitate the delivery of education and community facilities through Welsh Government's Mutual Investment Model (MIM) are that:
 - The Welsh Government's Mutual Investment Model (MIM) is a delivery model that is deemed value for money;
 - The Strategic Partnering Agreement (SPA) with Welsh Education Partnership Co to facilitate the delivery of education and community facilities is a consistent with other Local Authorities across Wales and provides the required services to deliver future projects;
 - There is limited commercial risk to the Council until projects are progressed under the New Project Approval Process.
22. It is proposed to delegate to the Director of Education and Lifelong learning as set out in recommendation d. This is to allow any minor amendments to the SPA as indicated in the footnotes in **Appendix 1** and any further updates to reflect advice provided as well as complete any other documents associated with the SPA.

Financial Implications

23. Under the Mutual Investment Model (MIM) new schools will be constructed via a Special Purpose Vehicle and the Council will make a net contribution of 19% (with WG providing 81% of the revenue funding required) towards the annual unitary charge for a period of 25 years. The funding required for the Council's contribution will be made available via the SOP Revenue Reserve, which also meets revenue costs arising in relation to programme delivery and capital financing.

24. Other capital costs arising will be outside of the scope of MIM funding. These costs will include those directly connected to the new school, such as FFE and ICT, as well as other costs not directly connected to the new building. These costs are still within the scope of the 21st Century Schools Programme and will be funded via the traditional capital route, with WG contributing towards 65% of the costs.
25. An updated analysis of the options has been completed, including inflationary uplift and changes in scope, to assess the whole life costs of the two projects. When comparing MIM and standard Band B funding the total revenue cost over the 25-year period is broadly similar, with the estimates suggesting that MIM would result in lower costs over the life of the financial model.
26. The analysis compared the traditional Band B funding (with a 65% WG intervention rate) to the MIM model (81% WG intervention rate). In reality, the overall envelope for Band B is already under significant pressure and the pathfinder MIM schemes would no longer be affordable within Band B. The MIM scheme provides value for money based on the high-level analysis completed to date. Given the limited options available the only other route available for these schemes currently would be to push these schemes into Band C or reprioritise the Band B programme in its entirety.

Legal Implications

27. Approval to enter into the Strategic Partnering Agreement (SPA) is an executive function requiring a decision of the Cabinet.
28. To enter into and participate in the SPA referred to in this report, the Council will be relying upon a number of statutory powers:
 - i. the “well-being” powers contained in section 2 Local Government Act 2000;
 - ii. powers contained in the Education Acts 1996 and 2002;
 - iii. the “incidental” provisions of section 111 Local Government Act 1972.

The well-being powers contained in section 2 Local Government Act 2000 permit the Council to do anything which it considers is likely to achieve any one or more of the following objects:

- (a) the promotion or improvement of the economic well-being of their area;
- (b) the promotion or improvement of the social well-being of their area, and

- (c) the promotion or improvement of the environmental well-being of their area
29. In exercising this power the Council has had regard to the requirements of the Well-Being of Future Generation (Wales) Act 2015 ('the Act'). The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
30. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2019-22. When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that Cabinet should consider how the proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
31. The well-being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that the Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- (a) Look to the long term
 - (b) Focus on prevention by understanding the root causes of problems
 - (c) Deliver an integrated approach to achieving the 7 national well-being goals
 - (d) Work in collaboration with others to find shared sustainable solutions
 - (e) Involve people from all sections of the community in the decisions which affect them
32. The Cabinet must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible here: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>
33. The incidental provisions of section 111 Local Government Act 1972 permit the Council to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

34. Entering into the SPA does not bind the Council in any way. However, the Council will be required to appoint a representative to act on its behalf in relation to the SPA. The identity of the representative may change at any time following written notice to WEPCo and all other Participants. Each representative may also at any time, by written notice to WEPCo, authorise others to exercise the functions and powers of the Council.
35. The power to appoint an individual to the Strategic Partnering Board (SPB) pursuant to Schedule 2 Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 is delegated to the Chief Executive in consultation with the relevant Cabinet member for the appointment of officer representatives, in accordance with Part 3 Section 3 of the Constitution. As set out in this report, the Cabinet is asked to take this decision in place of the Chief Executive as part of the recommendations contained herein.
36. The SPA is to be executed as a deed and attested in accordance with Article 13.5 of the Constitution.
37. This report details proposed Pathfinder projects at Willows High School and Cathays High School. It is noted that to proceed with these projects, Cabinet authority will be required to approve the use of the Approval Process for New Projects as set out in Schedule 5 of the SPA. Any decision to proceed to deliver any new project including a Pathfinder Project, and to enter into associated legal documentation to facilitate the same including a Project Agreement, will be reported back to Cabinet in future report(s) for decision.
38. The Cabinet should be satisfied that the procurement is in accordance within the financial and budgetary policy and represents value for money for the Council.
39. The Cabinet should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

Equalities Implications

40. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are:
 - Age
 - Gender reassignment
 - Sex
 - Race – including ethnic or national origin, colour or nationality
 - Disability
 - Pregnancy and maternity
 - Marriage and civil partnership
 - Sexual orientation
 - Religion or belief – including lack of belief.

41. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the recommended approach. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.
42. Proposals on a project by project basis will address equalities implications as necessary, and reports back to Cabinet on any individual projects to be taken forward will contain appropriate Equality Impact Assessments.

HR Implications

43. Further information will be required about the operation of the MIM scheme in order to fully assess any HR implications which may arise. This could be as a result of changes in responsibilities for Hard and Soft FM arrangements as well as the management of any facilities proposed for community use. In addition, at the appropriate time an assessment of any TUPE implications under the Transfer of Undertakings (Protection of Employment) Regulations 2006 will need to take place. Full dialogue with any affected staff and trade union colleagues will need to be undertaken during this assessment process.
44. The Education Directorate may also need to consider its capacity for any additional responsibilities which arise as a result of the operation of a MIM scheme.

RECOMMENDATIONS

The Cabinet is recommended to:

- (a) Note the outcome of the Preferred Bidder Stage of the Competitive Dialogue Procedure under the Public Contracts Regulations 2015 as outlined in this report;
- (b) Subject to recommendation (c) and (d), approve the execution, delivery and performance of the Strategic Partnering Agreement with the Welsh Education Partnership Co in Autumn 2020 to facilitate the delivery of a range of infrastructure services and the delivery of education and community facilities;
- (c) Approve the Strategic Partnering Agreement linked to this report and summarised in **Appendix 1** of this report so as to give effect to recommendation (b), subject to recommendation (d) below;
- (d) delegate authority to the Director for Education and Lifelong Learning, in consultation with the Cabinet Member for Education, Employment and Skills, Director of Governance and Legal Services and s151 Officer:

- i) To agree any minor amendments to the Strategic Partnering Agreement approved here as may be necessary, for reasons including but not limited to finalising any outstanding areas and to reflect advice provided; and
 - ii) To approve any further deeds and documents which are ancillary to the Strategic Partnering Agreement approved here
- (e) Note that the Chief Executive will use his delegated authority to make the appointment of the School Organisation Programme Director or Director for Education and Lifelong Learning as 'Participant Representative' to sit on the Strategic Partnering Board (SPB);
- (f) Note that in agreeing to the Strategic Partnering Agreement, it is not being asked to decide to proceed with any project. Any decision to proceed with a projects will be reported back to Cabinet in future report(s) for decision.

SENIOR RESPONSIBLE OFFICER	NICK BATCHELAR Director of Education & Lifelong Learning
	10 July 2020

The following appendix is attached:

Appendix 1 - Mutual Investment Model (MIM) Background Paper

Appendix 1 Mutual Investment Model (MIM) Background Paper Cabinet 16 July 2020

This background paper provides advice on the following:

- Strategic Partnering Agreement Summary
- Strategic Partnering Board Summary
- Approval Process for New Projects Summary
- Strategic Partnering Agreement FAQs document
- Design and Cost Guidance

WEP STRATEGIC PARTNERING DELIVERY MODEL
SUMMARY OF STRATEGIC PARTNERING AGREEMENT

1 INTRODUCTION¹

- 1.1 The WEP Strategic Partnering Agreement (**SPA**) is the agreement entered into between the Local Authorities and Further Education Institutions (**Participants**)² and WEPCo (being the joint venture company established between the Private Sector Delivery Partner (**PSDP**) and a subsidiary of the Development Bank of Wales).
- 1.2 The SPA provides for how the parties act together over the long term in a collaborative partnering, non-adversarial and open manner to support the effective planning, procurement and delivery of education and community facilities in Wales and the delivery of infrastructure services.
- 1.3 The SPA sets out the high level principles that underpin the delivery of the parties' obligations; the behaviours, vision and values of WEPCo; the establishment of a framework that promotes excellence and value for money; and the monitoring and management of WEPCo's performance.
- 1.4 Under the SPA, WEPCo will be required to provide **partnering services** to the Participants. These services include (i) project development and delivery; (ii) supply chain assembly and management and (iii) other professional services necessary to fund and deliver education and community facilities.
- 1.5 The initial term of the SPA is 10 years. This may be extended by 5 years by any one or more Participants. Certain protections in the SPA continue in force beyond the term of the SPA until the end of the last associated Project Agreement entered into by the Participant(s) for the delivery of individual education facilities.
- 1.6 WEPCo will have the sole and exclusive right for the term of the SPA to nominate a subsidiary of the PSDP (which will be a special purpose vehicle that holds the majority of voting rights, or a wholly owned subsidiary of such a company) (**Project Co**) to deliver MIM Projects, provided that the relevant criteria in the SPA are met. Approved MIM Projects will be developed by WEPCo, but delivered by Project Co which will enter into a Project Agreement with the relevant Participant to deliver the relevant MIM Project.
- 1.7 Participants will be able to request that WEPCo, or a nominated wholly owned subsidiary of WEPCo, provides other **project services** such as the delivery of design and build capital projects for education or community facilities under the SPA, provided that the relevant criteria in the SPA are met. WEPCo and/or its subsidiaries shall enter into all required agreements for the delivery of capital projects and/or FM services directly with the relevant Participant, which in the case of education sector capital projects shall be substantially in the form of the Template Education Design and Build Development Agreement appended to the SPA.

2 NEW PROJECTS

- 2.1 WEPCo shall, if requested to do so by one or more Participants, develop proposals for the implementation and delivery of new projects by a Project Service Provider. For MIM Projects, the Project Service Provider will be the Project Co that will be created for such purpose and for other approved projects shall be WEPCo or a Subsidiary of WEPCo. The role of WEPCo will include the raising of finance, project development, project management and supply chain assembly and management of a new project up to contractual/financial close, during the construction period and operational period.

¹ Capitalised terms have the meaning provided for in the Strategic Partnering Agreement unless otherwise stated.
² Note those named as a "Contracting Authority" in the OJEU notice will be entitled to sign and enter into the SPA.

- 2.2 The obligations on WEPCo and the relevant Participant in relation to the identification, approval and delivery of a new project are set out in Schedule 5 (*Approval Process for New Projects*).
- 2.3 For an overview of Schedule 5 and a flow chart outlining the Approval Process for New Projects, please see **separate guidance**.
- 2.4 WEPCo is obliged to assist Participants in developing local delivery plans, which will form the basis of an annual Strategic Delivery Plan (**SDP**) developed between the Participants and WEPCo. The Participants' requirements for new projects will in most cases be initiated through the inclusion of such projects in the latest edition of the SDP.
- 2.5 WEPCo will assist Participants in developing proposals for the delivery of new projects, the preparation of an outline business case and the obtaining of all necessary approvals to progress any new project request by a Participant.
- 2.6 With each approved new project, WEPCo will (or will procure a Project Service Provider will) enter into a Project Agreement, a template form of which is appended to the SPA at Schedule 7 (*Template Project Agreements*). For an overview of the Template Project Agreement, please see **separate guidance**. For every MIM Project, the Project Service Provider will enter into a Shareholders' Agreement to establish the relevant Project Co.³
- 2.7 WEPCo must evidence value for money both at the beginning and continuously throughout the development and delivery of new projects in accordance with Schedules 3 (*Partnering Services*), 5 (*Approval Process for New Projects*) and 6 (*New Project Pricing Report*).
- 2.8 The Participants will develop with WEPCo the approach to supply chain assembly for the delivery of a new project, the market testing of design and construction, hard facilities management services and the funding of the new project to ensure value for money. WEPCo and the relevant Participant(s) will work together to ensure that the pricing of a new project provides the relevant Participant(s) with robust, transparent and auditable information as to the costs, fees and prices included within WEPCo's proposals.
- 2.9 WEPCo shall, for all projects, monitor and update (where applicable) the predicted capital, whole life cost and any increase or reduction in estimated costs, the final cost of design and construction and the actual cost of maintaining and repairing each project. WEPCo will be expected to demonstrate to Participants through a WEPCo Performance Report and Annual Review, lower costs and/or greater value for money over the term of the SPA.
- 2.10 Planning permission for approved projects to be delivered by WEPCo must be obtained by WEPCo prior to signing the relevant Project Agreement.

3 PARTNERING SERVICES

- 3.1 WEPCo may provide a range of Partnering Services to Participants.
- 3.2 These fall into three categories:
 - 3.2.1 Ongoing Partnering Services;
 - 3.2.2 Project Development Partnering Services; and
 - 3.2.3 Strategic Support Services.

³ This will be substantially in the form of the Template Project Co Shareholders' Agreement appended to the SPA.

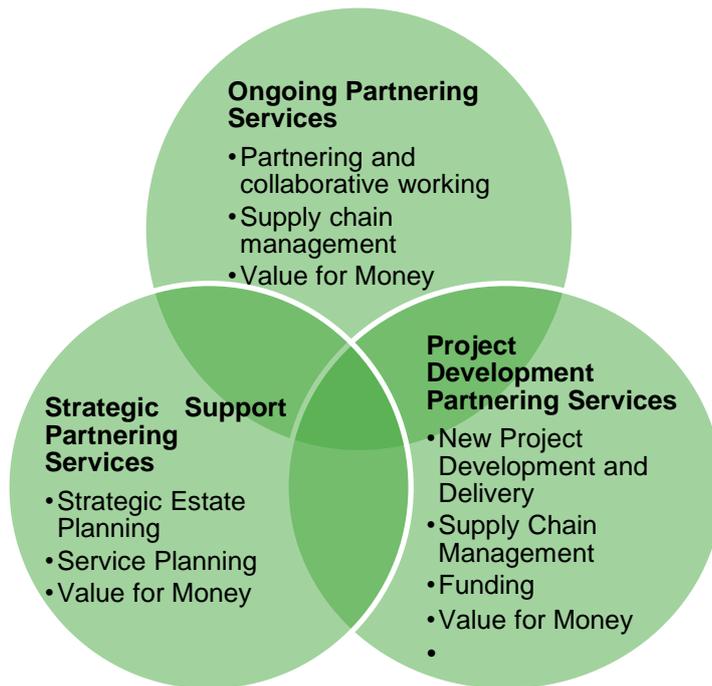


Figure 1 WEPCo Partnering Services

- 3.3 WEPCo shall provide **Ongoing Partnering Services** to the Participants that relate to the day to day operation of WEPCo, the fostering of partnering and collaborative working between the parties, supply chain management and the delivery of value for money.
- 3.4 WEPCo shall provide **Project Development Partnering Services** to implement and deliver projects identified in the SPA and all other 21st Century schools and colleges (Band B) MIM Programme Projects (**Qualifying Projects**) in accordance with the specification, KPIs (including community benefits) and rates set out in Schedule 3 (*Partnering Services*). The role of WEPCo is to develop proposals for a Qualifying Project to meet the Participant’s Requirements including affordability and other agreed approval criteria (services, operational, financial and value for money). The scope and specification of the services to be provided by WEPCo will be agreed between WEPCo and the relevant Participant on a project by project basis, together with the approval criteria.
- 3.5 The relevant Participant will remain as “sponsor” for business case approval purposes. The role of WEPCo will be to support the relevant Participant in preparing agreed outputs at each business case approval stage for the delivery of a Qualifying Project.
- 3.6 WEPCo shall also, where requested, provide **Strategic Support Partnering Services**, to support Participants in strategic estate planning and strategic services planning to plan education sector services and where requested, community services. These are discrete, consultancy support services that may be required by Participants. The Participants and WEPCo will jointly develop a Strategic Delivery Plan for the delivery of new accommodation requirements.
- 3.7 WEPCo must monitor the performance of each of the Partnering Services and Project Services at its own cost and expense, meet value for money requirements and demonstrate continuous improvement wherever practicable achieved through agreed KPIs, as developed in accordance with the SPA throughout the term.
- 3.8 For all Partnering Services, WEPCo must provide the Partnering Services in compliance of the WEP Objectives and all objectives set out in the SDP agreed between the Participants and WEPCo. All Partnering Services must meet the requirements for Value of Money set out in clause 13 and seek to obtain continuous improvement in providing the services.

Payment for Partnering Services

- 3.9 Clause 10 of the SPA governs what WEPCo is entitled to charge a Participant for the provision of Partnering Services.
- 3.10 WEPCo recovers Partnering Services Costs relating to Ongoing Partnering Services and Project Development Partnering Services in accordance with Schedule 4 (*Partnering Services Costs*) of the SPA. Partnering Services Costs are recovered either from the Participant on a “pay as delivered” basis, or as a lump sum at financial close of the relevant approved Project, or such costs are rolled into the financial model for the relevant approved Project and are repaid over the term of the relevant Project Agreement.
- 3.11 WEPCo recovers the costs incurred for the delivery of Strategic Support Partnering Services on a “pay as delivered” basis or as otherwise agreed with the relevant Participant procuring such services from WEPCo. The quantum of such costs will be calculated by reference to the rate card which will be included at Schedule 4 (*Partnering Services Costs*).

Subcontracting of Partnering Services

- 3.12 WEPCo is able to subcontract its obligations in respect of the whole or part provision of the Partnering Services to a Partnering Subcontractor but will remain responsible to the relevant Participants for the provision of the contracted out services.
- 3.13 WEPCo is responsible for ensuring the performance by the Supply Chain Members of their obligations under the relevant Supply Chain Agreements.
- 3.14 On the expiry or earlier termination of the SPA, the handover provisions set out in Schedule 20 (*Handover on Expiry or Termination*) will apply. Any staff engaged in the delivery of Partnering Services will transfer under TUPE regulations to the relevant Participant or third party successor provider of services.
- 3.15 For further detail on the scope of Partnering Services in Schedule 3 (*Partnering Services*) and Schedule 4 (*Partnering Services Costs*), please see **separate guidance**.

4 PROJECT SERVICES

- 4.1 WEPCo is responsible for providing **Project Services** to Participants. These are services required under a Project Agreement in relation to the design, construction, testing, commissioning and completion of premises (including any temporary works) and the installation of equipment, together with the provision of facilities maintenance (FM) services.
- 4.2 The SPA acknowledges that Participants may have existing providers in place to provide their accommodation requirements and associated services. WEPCo agrees to work with Participants to ensure the existing providers are treated fairly and that the individuals providing the existing services are, where possible, employed by the Project Service Provider.

5 EXCLUSIVITY

- 5.1 The Participants grant WEPCo the sole and exclusive right for the 10 year term of the SPA to provide:
 - 5.1.1 Ongoing Partnering Services
 - 5.1.2 Project Development Partnering Services in respect of projects identified in the SPA and 21st Century Schools and Colleges (Band B) MIM projects (**Qualifying Projects**)
 - 5.1.3 Project Services in respect of Qualifying Projects that become Approved Projects (as developed through Schedule 5 (*Approval Process for New Projects*)).

After 10 years exclusivity will not apply.

5.2 Participants may request WEPCo to deliver other services:

- 5.2.1 Project Services relating to Major Capital Projects in the education sector, save for MIM projects for a specified period;
- 5.2.2 Project Services relating to capital projects required for the provision of education sector services or community services;
- 5.2.3 Project Services in relation to the provision of FM Services required for the provision of education sector services or community services (not provided as part of any Qualifying Project);
- 5.2.4 Strategic Support Partnering Services;
- 5.2.5 Ongoing Partnering Services and/or Project Development Partnering Services after 10 years (where the term of the SPA has been extended);
- 5.2.6 Project Development Partnering Services in respect of potential New Projects which are not Qualifying Projects.

The above services are not subject to exclusivity.

5.3 The benefits of exclusivity include:

- 5.3.1 Participants will not have to embark on another regulated procurement for the delivery of Partnering Services or Project Services for the lifetime of the SPA.
- 5.3.2 Participants can be assured of the appropriate level of commitment from WEPCo to foster the development of a successful partnership and outcomes over the long term.
- 5.3.3 Participants can be assured regarding value for money and continuous improvement for the delivery of a pipeline of new projects.
- 5.3.4 Delivery of economies of scale over time through the growth of the WEPCo estate.

5.4 Exclusivity can be suspended if WEPCo fails the “Track Record Test” and will not apply until WEPCo passes a subsequent Track Record Test. This is an assessment of whether in the most recent WEPCo Performance Report shared with Participants on an annual basis, WEPCo has met specified KPIs (including those that relate to community benefits) as evidenced.

6 REPRESENTATIVES AND STRATEGIC PARTNERING BOARD (SPB)

- 6.1 Each Participant will appoint a representative to act on its behalf in relation to the SPA. The identity of the Participant’s Representative may change at any time following written notice to WEPCo and all other Participants. Each Participant Representative may also at any time, by written notice to WEPCo, authorise others to exercise the functions and powers of that Participant.
- 6.2 The SPB governs the relationship between WEPCo and the Participants. It will comprise of representatives of each Participant, WEPCo, Welsh Government and other stakeholder representatives as agreed by the Participants.
- 6.3 The SPB will meet at least every three months to review financial and operating issues and provide strategic input into the partnering arrangements including the exchange of ideas in relation to the Participants’ accommodation and service delivery requirements.

- 6.4 A quorum of the SPB is proposed to be five Participant's Representatives (one of whom must be a representative of the Welsh Government) and the WEPCo Representative. For any adjourned meeting, the quorum shall be one Participant's Representative (who must be a representative of the Welsh Government) and the WEPCo Representative. WEPCo and stakeholder representatives will not have a vote at SPB meetings. Decisions will be taken by majority vote. A decision that affects a Participant will only bind it if that Participant's representative has voted in favour of it.
- 6.5 The SPB will approve the annual Strategic Delivery Plan, ensure New Project proposals are consistent with the SDP, manage WEPCo's performance against agreed KPIs, approve any extension to the SPA term and approve any proposed disposal of interest in share capital resulting in a loss of control by WEPCo (or subsidiary).
- 6.6 WEPCo will be obliged to report on its KPIs which will be reviewed by the SPB annually. The SPB will assess whether the Track Record Test has been passed and if any significant performance failure has occurred. Any dispute shall be resolved under Schedule 21 (*Dispute Resolution Procedure*).

7 DEFAULT

Participant Default

- 7.1 Participant Event of Default includes:
 - 7.1.1 one or more Participants being in breach of clauses 9.1, 9.2 and 9.6 (exclusivity clause);
 - 7.1.2 one or more Participants failing to attend SPB meetings which has a material adverse effect on WEPCo or any Project Service Provider;
 - 7.1.3 one or more Participants being in breach of the SPA which delays the execution of any Project Agreement relating to an Approved Project by more than 40 Business Days;
 - 7.1.4 an expropriation, sequestration, nationalisation or requisition of any Facilities or assets and/or shares of WEPCo or its Holding Company or Project Service Provider by a Participant or any other Relevant Authority (where this occurs due to a Relevant Authority, all Participants will be deemed responsible for the Event of Default); and
 - 7.1.5 any non-payment by a Participant under the SPA exceeding £100,000 60 Business Days after demand.
- 7.2 Where a Participant Event of Default occurs, WEPCo may either:
 - 7.2.1 suspend their performance of the SPA in relation to the Participant in default until that Participant can demonstrate to WEPCo's reasonable satisfaction it is capable of performing their obligations; or
 - 7.2.2 notify the Participant of the Event of Default.

If the Participant Event of Default is capable of remedy and has not been remedied within 30 Business Days or is not capable of remedy with immediate effect, WEPCo may either serve notice on each Participant in default terminating the SPA in relation to them with immediate effect or simply notify the Participants in default of the effect their default has had. Any Participants in default will be liable to pay compensation to WEPCo in accordance with section 1 of Schedule 14 (*Compensation on Participant Event of Default and Termination*). If the SPA is terminated in its entirety by the default, compensation under section 2 of Schedule 14 (*Compensation on Participant Event of Default and Termination*) will be payable.

- 7.3 If a Participant is served a Participant Default Notice more than once in any 12 months, it will not receive Project Development Partnering Services or any Strategic Support Partnering Services unless paid monthly in arrears.

- 7.4 The Participants have several liability, other than where two or more Participants have suffered an Event of Default leading to a termination of the SPA, in which case, the loss of WEPCo will be split between the defaulting Participants.

WEPCo Default

- 7.5 The SPA provides for a long list of circumstances which constitute a WEPCo Default including amongst others, WEPCo breaching the SPA, WEPCo failing to provide the Partnering Services, WEPCo breaching health and safety laws; WEPCo failing to pay Participants under the SPA which exceeds £10,000 for 60 Business Days on demand; WEPCo or a Project Service Provider suffering an Insolvency Event; and WEPCo (or WEPCo Party) committing a Prohibited Act.
- 7.6 On a WEPCo Event of Default, each Participant can (acting through the Welsh Government) suspend the exclusivity granted to WEPCo which will include any New Projects that have not yet reached Stage 2 approval. The Participants can lift that suspension at any time and the suspension of exclusivity will be lifted on remedy of the default and where the PSDP shares in WEPCo are sold.
- 7.7 The SPA provides for an escalation of remedies following a WEPCo Event of Default, proportionate to the severity of the default, which may be exercised by the Participants (acting through Welsh Government). These include: suspension of exclusivity; requiring a remediation programme to be implemented; an improvement programme to satisfy Participants that the events will not recur; termination of a non-performing supply chain member; and ultimately termination of the SPA.
- 7.8 WEPCo will reimburse each Participant for all reasonable costs incurred by each Participant as a result of WEPCo's breach of the SPA.

8 WEPCO INDEMNITIES

- 8.1 As would be expected under a long term partnering agreement, the SPA includes provisions under which WEPCo indemnifies the Participants, and the Participants indemnify WEPCo, for certain losses. These are limited to Direct Losses, and exclude Indirect Losses (such as loss of profit and loss of business opportunity), and further Participants partially exclude their liability for their negligence (see below) and claims in tort.
- 8.2 The scope of the indemnity provided by WEPCo is slightly wider than the Participants' indemnities to WEPCo, as the Participants' indemnities are limited to Direct Losses sustained by WEPCo as a consequence of any negligent act or omission by that Participant (or a Participant Party relating to that Participant) relating to the performance or non-performance of the Participant's obligations under the SPA, or a breach of an express provision of the SPA by that Participant. The indemnities provided by WEPCo relate to any act or omission of WEPCo (not just its negligence or breach of an express obligation).
- 8.3 The indemnities cover death and/or personal injury, damage to assets of the other party and third parties. In each case (and subject to the overriding limitation on the scope of the Participants' indemnities described in above), each party is liable for Direct Losses sustained in consequence of any claim for death and/or personal injury of their own employees or persons engaged by them, notwithstanding any act or omission of the other party.
- 8.4 In respect of death or personal injury to third parties, and damage to property, each party indemnifies the other for Direct Losses they cause (save to the extent caused or contributed to by the Participant's own negligence (where WEPCo is indemnifying the Participant) or WEPCo's own acts or omissions (where the Participant is indemnifying WEPCo). Physical damage to property is typically an insured risk, and the indemnity given by the Participants to WEPCo excludes insured losses. Where damage to property has been caused (or contributed to) by the Participant's own negligence, and they are claiming under the WEPCo indemnity, the Participant is responsible for the deductibles under any policy of insurance, and any sums over the maximum amount required to be insured under the SPA insurance policies.

9 DISPUTE RESOLUTION

- 9.1 Disputes are dealt with in accordance with the resolution procedure set out in Schedule 22 (*Dispute Resolution Procedure*). If a Dispute occurs, the parties must consult in good faith. If that is unsuccessful, the Dispute must be escalated to senior personnel. If that is unsuccessful, the Dispute will be escalated to mediation and failing that to arbitration. The exception to this is where a party requires an order restraining another party from doing any act or compelling another to do any act or a judgement for a liquidated sum where there is no arguable defence.

10 INSURANCE

- 10.1 The insurances listed in Schedule 9 (*Insurances*) and any others required by law must be taken out by WEPCo, subject to insurance being available in the market to cover WEPCo in its role during the lifetime of the SPA. The insurance will cover any indemnity claims against WEPCo in relation to any death or bodily injury or third party property damage arising out of or in connection with the Partnering Services.
- 10.2 If a Project Service Provider notices a risk becoming an Uninsurable Risk under the relevant Project Agreement, the Participants and WEPCo will hold a SPB meeting within 7 Business Days and will use their reasonable endeavours to agree a position with regards to the risk within 20 Business Days of notice.

11 INTELLECTUAL PROPERTY RIGHTS

- 11.1 WEPCo grants a free, irrevocable, non-exclusive and transferable (but only to any assignee or transferee of any rights or benefits under the SPA or following termination of the SPA) licence to each Participant to use the Intellectual Property Rights which are vested in WEPCo and where possible, where vested in third parties. WEPCo will indemnify Participants where they receive a claim as a result of the Participant infringing third party Intellectual Property Rights (other than as a result of the Participant acting outside of the terms of the SPA).

12 ASSIGNMENT AND SUBCONTRACTING

- 12.1 WEPCo cannot assign or dispose of the SPA without the prior written consent of the Participants, other than where granting security rights in a form approved by the Participants prior to grant.
- 12.2 A Participant cannot assign or dispose of the SPA other than to a limited set of organisations set out in clauses 28.4.1 to 28.4.4, including the Welsh Ministers, an agency of the Welsh Ministers, Government or Local Authority, any other Further Education Corporation or Designated Institution or any person with the legal capacity or sufficient financial resources to perform the obligations of the Participant. Depending on the transferee, the obligations may need to be guaranteed by the Participant.

Bevan Brittan LLP

11 May 2020

WEP STRATEGIC PARTNERING DELIVERY MODEL

ROLE OF THE STRATEGIC PARTNERING BOARD (SPB)

1 INTRODUCTION⁴

- 1.1 The WEP Strategic Partnering Agreement (**SPA**) is the agreement entered into between the Local Authorities and Further Education Institutions (**Participants**)⁵ and WEPCo (being the joint venture company established between the Private Sector Delivery Partner (**PSDP**) and a subsidiary of the Development Bank of Wales).
- 1.2 The purpose of the SPA is to establish a long term partnership (initial term of 10 years, which may be extended by 5 years) between WEPCo and the Participants. The SPA provides for the creation of the Strategic Partnering Board (**SPB**); this paper summarises the role of the SPB in the context of the SPA.

2 THE SPA KEY PRINCIPLES

- 2.1 The SPA commits the Participants and WEPCo to work to the following nine (9) key principles, and the SPB is the guardian vehicle of these commitments.
- 2.2 The key principles of the SPA are:
 - 2.2.1 to develop close working relationships between WEPCo and the Participants at all levels;
 - 2.2.2 to focus on achieving the best value for money operational performance within agreed timescales;
 - 2.2.3 to set in place business and cultural processes to enable the Participants and WEPCo to establish and agree challenging time and performance objectives and to meet or better them;
 - 2.2.4 to recognise each other's needs, constraints, limitations, capabilities, roles and responsibilities to achieve mutually beneficial outcomes;
 - 2.2.5 to identify by regular monitoring, weaknesses and strengths in the relationship between and amongst the Participants and WEPCo and to work together to overcome the weaknesses and to build on the strengths;
 - 2.2.6 to commit to the early recognition and resolution of differences, conflicts and disputes between and amongst the Participants and WEPCo in a 'no surprises' environment;
 - 2.2.7 to appoint within each of the Participants and WEPCo co-ordinators at senior level who will support, defend and promote the long term strategic partnership between them and its principles of operation;
 - 2.2.8 to develop openness and trust in a transparent information and data sharing environment; and
 - 2.2.9 in accordance with the Equality Requirements to positively promote equal opportunities and the Ethical Employment Code by combating discrimination on the grounds of race, ethnicity, religion, nationality, gender, disability, age or sexuality and promoting good relations between all sections of the community in 'everything we do' including:

⁴ Capitalised terms have the meaning provided for in the Strategic Partnering Agreement unless otherwise stated.

⁵ Note those named as a "Contracting Authority" in the OJEU notice will be entitled to sign and enter D

- a) Delivering high quality Education Sector Services and (where relevant) Community Services for end users; and
- b) Working with the local community and partners in the public, private or voluntary sectors.

3 SPB MECHANICS

3.1 SPB Structure

The SPB will comprise of:

- 3.1.1 one representative from each of the Participants;
- 3.1.2 one representative of WEPCo, nominated by the board of directors of WEPCo;
- 3.1.3 one additional representative of Welsh Government (at Welsh Government's discretion); and
- 3.1.4 a reasonable number of Stakeholder Representatives interested in or affected by Education Sector Services and/or Community Services;

- 3.1.1 Participant Representatives are expected to be senior representatives of the Participant, with the appropriate authority to make decisions on behalf of the Participant. They should be experienced in holding a director or similar position and have the required skills to make the decisions required to be made by the SPB. Participants will need to consider any likely conflicts of interest and ensure that conflicts of interest do not prevent the chosen representative from fulfilling their role as representative as well as any other role they hold directly in the Participant organisation.
- 3.1.2 The identity of a Participant's Representative in the SPB may change at any time following written notice to WEPCo and all other Participants.
- 3.1.3 A Participant Representative may also give written notice to WEPCo authorising others to exercise the functions and powers of that Participant at SPB meetings.
- 3.1.4 A Chairman will be appointed on an annual basis from amongst the Participants' Representatives. Save where agreed to the contrary by the Participants, it is intended that the post of Chairman will rotate annually amongst the Participants' Representatives in turn. The Chairman will be non-voting in his capacity as Chairman.

3.2 SPB Meetings

- 3.2.1 The SPB will meet regularly at least every 3 months to provide strategic input into how the partnering established by the SPA is operating, and to review financial and operating (including performance) issues.
- 3.2.2 Agendas for SPB meetings will be circulated on behalf of the Chairman five (5) Business Days in advance (with supporting papers) and any party wishing to raise other agenda items will notify all other members of the SPB (with supporting papers) in writing no later than three (3) Business Days in advance.
- 3.2.3 The SPB must have a quorum of five (5) Participants' Representatives (one of whom must be a representative from Welsh Government) and a WEPCo Representative. If a quorum is not present at any meeting of the SPB within thirty (30) minutes of that meeting's start time, the SPA requires that the meeting is adjourned to the same time and place five (5) Business Days later. For any adjourned meeting, the quorum shall be one Participant's Representative (who must be a representative of the Welsh Government) and the WEPCo Representative. Telephone conference calls or video conferences shall be valid as a meeting of the SPB.
- 3.2.4 The Participants must arrange for a person to take minutes of all SPB meetings and circulate the same to all representatives and the Chairman within five (5) Business Days after the relevant meeting.

- 3.2.5 All members of the SPB are obliged to use reasonable endeavours to ensure their regular attendance at all meetings and each Participant will, unless unavoidable, ensure that its representative on the SPB is appropriately empowered to agree matters on its behalf.
- 3.2.6 Each Participant is required to use reasonable endeavours to ensure that its representative on the SPB conducts himself in accordance with the partnering principles contained in the SPA and in a manner intended to ensure that the SPB complies with its obligations and carries out its functions in a timely manner.
- 3.2.7 Decisions will be taken by a majority vote. WEPCo and Stakeholder Representatives will not have a vote at SPB meetings. A decision that affects a Participant will only bind it if that Participant's representative has voted in favour of it.

4 PARTNERING SERVICES

- 4.1 The SPB will serve as a forum for the open exchange of ideas, and will enable the Participants to discuss their forthcoming accommodation and service delivery requirements to ensure an integrated co-ordinated and practical approach to fulfilling such requirements.

4.2 The Strategic Delivery Plan

The Strategic Delivery Plan (**SDP**) will set out objectives based on Participants' local delivery plans and will be developed annually between the Participants and WEPCo. The SPB will be required to approve:

- 4.2.1 the initial SDP put forward in accordance with Section 1 of Schedule 11 (*Initial SDP*); and
- 4.2.2 any amendments made to the SDP in accordance with Section 2 of Schedule 11 (*Updated SDP*).

4.3 The Management System

The SPB shall be required to approve the following systems established by WEPCo:

- 4.3.1 a quality management system for the purpose of ensuring and demonstrating that all aspects of the Partnering Services and all other matters for which WEPCo is responsible under the SPA are carried out fully in conformity with the relevant provisions of SPA and WEPCo's quality management policies and objectives;
- 4.3.2 an appropriate system for implementing WEPCo's occupational health and safety (**OH&S**) policies and objectives to enable it to control its OH&S risks and improve its OH&S performance over time; and
- 4.3.3 an appropriate system for achieving and demonstrating sound environmental performance by controlling the impacts of WEPCo's activities, products and services on the environment, consistent with its environmental policy and objectives.

4.4 The Partnering Services Costs Rates

- 4.4.1 WEPCo is required to provide report of the Partnering Services rates and prices by reference to:

- 3.1.1 other relevant local and national trends;
- 3.1.2 the rates and prices actually paid by WEPCo for similar services (where WEPCo has used Good Industry Practice to secure best value in respect of those services);

and taking account of value for money objectives set out in the Key Performance Indicators and the outcomes of the Partnering Services Supply Chain Refresh.

- 4.4.2 The SPB shall decide whether to approve any proposal of an increase or decrease of, or no change to the rates.

5 MANAGING WEPCO PERFORMANCE

- 5.1 The SPB will act as the primary mechanism for managing WEPCo's performance.
- 5.2 WEPCo will be required to regularly monitor and report to the SPB on its performance (and its Partnering Subcontractors) under the SPA, of the Project Service Providers and the Supply Chain Members under Project Agreements.
- 5.3 Within twenty (20) Business Days of each Review Date, WEPCo will issue to the SPB the WEPCo Performance Report, which will detail a review of whether each of the Key Performance Indicators has been met.
- 5.4 In less than one (1) month of the Review Date in that year, the SPB will hold a formal Annual Review of the operation of the SPA and WEPCo's performance in the context of the targets and objectives in the SDP and the Key Performance Indicators. As part of this review, the SPB (excluding for such purposes WEPCo's representative) will review WEPCo's progress against the partnership objectives in the SPA and the WEPCo Performance Report and the SPB and WEPCo shall agree any key findings from such review together with the implications relating to WEPCo's future activities.
- 5.5 The SPB shall be entitled to require information and/or clarification from WEPCo in relation to the WEPCo Performance Report including as to whether or not the Track Record Test has been passed and, whether any Significant Performance Failure has occurred.

6 APPROVAL PROCESS OF NEW PROJECTS

- 6.1 In respect of New Projects, the SPB will work with WEPCo and Participants to:
- 6.1.1 identify, analyse and discuss the Participants' collective and individual accommodation requirements;
 - 6.1.2 assist in the development of local delivery plans and review their applicability to the provision of Education Sector Services and Community Services in the Region;
 - 6.1.3 develop further the SDP, in particular to further refine the proposals contained in the SDP;
 - 6.1.4 decide the basis upon which New Projects are prioritised;
 - 6.1.5 identify and appraise available options for meeting the Participants' accommodation requirements and recommend (on the basis of best available value for money) which New Projects to progress;
 - 6.1.6 advise how best to bundle accommodation requirements within a New Project to ensure that the New Project is Affordable, offers value for money and provides a solution with an appropriate level of flexibility;
 - 6.1.7 take into consideration the views of relevant stakeholders in relation to the SDP and actual or potential New Projects;
 - 6.1.8 develop the Participants' requirements in relation to New Projects (which will be developed further during the Stage 2 Approval process) to enable it to form the basis for the agreement of the relevant Project Agreement;
 - 6.1.9 analyse and discuss the range of potential funding options for New Projects including the feasibility of third party funding such as sponsorship when considering and developing a New Project;

- 6.1.10 assist in the preparation of outline business cases and obtaining all necessary approvals; and
- 6.1.11 for any New Project in respect of which such Participant(s) has/have indicated an intention to submit a New Project Request, agree:
 - a) the appropriate Comparator for purposes of determining any adjustments to the Project Development Fee Cap pursuant to paragraph 2 of Schedule 4 (Partnering Services Costs) in respect of such Comparator; and
 - b) each part of the Project Development Fee Cap for each stage.
- 6.2 Where the potential Relevant Participant(s) and WEPCo are unable to agree the matters referred to in paragraph 6.1.11 above within a period of three (3) months, the SPB shall determine such matters.
- 6.3 The SPB should be provided with copies of both the Stage 1 and Stage 2 Submissions and will provide a forum for discussion of whether the submissions meet the Approval Criteria. Approval of the New Projects is ultimately decided by the Relevant Participant(s).

7 EXTENDING THE SPA TERM

- 7.1 The term of the SPA may be extended for an additional five (5) years after the Initial ten year term. The SPB will meet twelve (12) months before the Initial Expiry Date to review:
 - 7.1.1 the performance of the Parties under the SPA and, in particular, the performance of WEPCo in delivering the Partnering Services to the performance standards set out in Clause **Error! Reference source not found. (SERVICES OBLIGATIONS)**;
 - 7.1.2 the Education Sector Services and Community Services needs of the population within the Region; and
 - 7.1.3 whether it would be beneficial to the provision of all or any of the Education Sector Services and/or Community Services in the Region to extend this Agreement for a further five (5) year period from the Initial Expiry Date.
- 7.2 It will then be decided by WEPCo and one or more of the Participants whether to extend the term of the SPA by five (5) years from the Initial Expiry Date.

8 DISPOSAL OF PROPERTIES AND/OR SHARES

- 8.1 SPB approval will be required in respect of any action, which would result in a loss of control (direct or indirect) by WEPCo of any Subsidiary of WEPCo, which is a Project Service Provider. The SPB is obliged to act reasonably and without undue delay, taking into account any proposals put forward. If the SPB does not approve the proposed action, WEPCo must use all reasonable endeavours to procure that its Subsidiary and/or the relevant Project Service Provider shall not proceed with that proposed action.
- 8.2 It will be deemed to constitute a material breach of the SPA by WEPCo if:
 - 8.2.1 any Project Service Provider takes any action under its Project Agreement, which under the terms of such agreement, requires the SPB's consent without such consent having first been obtained, or
 - 8.2.2 WEPCo or any Subsidiary of WEPCo takes any action, which requires the SPB's consent or agreement under the SPA without such consent or agreement having first been obtained.

9 INSURANCE

- 9.1 Where a Project Service Provider for a MIM Project has notified a Project Agreement Counterparty of a risk becoming an Uninsurable Risk (pursuant to the provisions of the relevant Project Agreement),

the Participants and WEPCo must ensure that a meeting of the SPB is held as soon as is reasonably practicable (and in any event within seven (7) Business Days of receipt by the Project Agreement Counterparty of such notice).

- 9.2 At that meeting the SPB will consider the situation and the parties will work together to use all their respective reasonable endeavours to obtain an agreed position from the SPB in relation to the risk becoming an Uninsurable Risk within twenty (20) Business Days of the Project Service Provider notifying the Project Agreement Counterparty as described above.

10 CONCLUSION

The SPB will be the central forum in which the Participants can work together with WEPCo, Welsh Government and Stakeholder Representatives to ensure that the key principles of the SPA are met. The SPB's role will be to approve the SDP; ensure any New Project proposals are consistent with the SDP; monitor WEPCo's performance against agreed KPIs; approve any extension to the SPA term; and approve any proposed disposal of interest in share capital resulting in a loss of control by WEPCo (or subsidiary).

WEP STRATEGIC PARTNERING DELIVERY MODEL

APPROVAL PROCESS FOR NEW PROJECTS

1 INTRODUCTION

- 1.1 The WEP Strategic Partnering Agreement (**SPA**) is the agreement entered into between the Local Authorities and Further Education Institutions (the **Participants**) and WEPCo (being the joint venture company established between the Private Sector Delivery Partner and a subsidiary of the Development Bank of Wales).
- 1.2 Schedule 5 of the SPA sets out the procedure by which WEPCo and the Participants will work together to agree which New Projects will be taken forward and approved for development by WEPCo and on what basis. Schedule 5 sets out a two stage Approval Process for such New Projects. The approval process (as discussed in more detail below) shall only apply in relation to Qualifying Projects regardless of whether the period of ten (10) years from the Commencement Date has expired.
- 1.3 The Parties may agree to utilise this process (amended as appropriate) in respect of other Project Services under Clause **Error! Reference source not found.** but are not obliged to do so.
- 1.4 A flow diagram outlining the Approval Process for New Projects is appended to this guidance note at Appendix A.
- 1.5 Capitalised terms in this guidance note shall have the meaning given to them in the SPA unless otherwise defined in this guidance note.

2 OBLIGATIONS OF THE PARTIES

How are New Projects identified at the outset?

- 2.1 WEPCo will work with Participants to develop local delivery plans (addressing Participants' requirements) which will form part of the annual Strategic Delivery Plan (**SDP**). WEPCo will then review the applicability of the SDP to the provision of education services in the Participant's Region to decide which New Projects should progress. The SPB shall ensure that WEPCo's proposals for New Projects are consistent with delivery of the latest SDP.

How far will WEPCo's role extend in developing New Projects and obtaining approval?

- 2.2 Paragraphs 2.1 and 2.2 of Schedule 5 lists WEPCo's general obligations in developing New Projects. WEPCo has a full set of obligations, including:
 - 2.2.1 identifying Participants' requirements for future New Projects;
 - 2.2.2 prioritising New Projects and advising on best timeframes for New Projects;
 - 2.2.3 engaging with stakeholders and advising on the preferred funding options;
 - 2.2.4 preparing outline business cases;
 - 2.2.5 obtaining all necessary approvals;
 - 2.2.6 agreeing an appropriate Comparator for determining adjustments to the Project Development Fee Cap; and
 - 2.2.7 agreeing each part of the Project Development Fee Estimate..
- 2.3 WEPCo shall (pursuant to Paragraph 2), without entitlement to specific or additional payment, work with the Participants and other members of the Strategic Partnering Board (**SPB**) to (including but not

limited to) analyse and discuss the range of potential funding options for New Projects, as well as develop the Participants' requirements in relation to New Projects (as more explicitly set out in Paragraphs 2.2.1 to 2.2.11).

What are the Participants expected to do by way of the Approval Process for New Projects?

- 2.4 Paragraph 2.3 of Schedule 5 sets out the Participants' obligations, which mainly includes obligations of co-operation with WEPCo, including providing necessary information; identifying its needs and funding opportunities (including benchmarks); and providing assistance in obtaining necessary Consents.
- 2.5 Each Participant will co-operate with WEPCo in its performance of its obligations (as set out in Paragraphs 2.2.1 to 2.2.11) in relation to any New Project or any potential New Project being developed by WEPCo. Where the potential Participant and WEPCo are unable to agree the matters referred to in paragraph 2.2.11 within a period of three (3) months, the SPB shall determine such matters.

3 NEW PROJECT REQUEST

- 3.1 Any Participant wishing to procure a New Project (**Relevant Participant**) shall first submit a New Project Request to WEPCo to produce a Stage 1 Submission (Paragraph 3.1). This New Project Request will need to set out matters, including but not limited to, the Affordability Cap, Specific Requirements, a clear detailed Project Brief and any requirements in relation to a New Project that must be satisfied as part of a Stage 1 Submission and/or Stage 2 Submission (as set out more explicitly in Paragraphs 3.1.1 to 3.1.3).
- 3.2 WEPCo shall be entitled (pursuant to paragraph 3.2) to raise any queries and request clarification from the Participant in relation to the New Project Request to enable it to fully assess the request and provide a meaningful response.
- 3.3 WEPCo shall then (in accordance with Paragraph 3.3) confirm in writing to the Participant, within twenty (20) Business Days of receipt of a New Project Request, whether it will submit a Stage 1 Submission to the Participant. If WEPCo confirms that it does not intend to do so, or fails to give the necessary confirmation, then the Participant shall be entitled to procure such New Project outside the terms of the SPA and shall not be in breach of the exclusivity provisions as set out in Clause 9 of the SPA (Exclusive Nature of this Agreement).
- 3.4 It is important to note that where the reason for WEPCo not proceeding is the Affordability Cap being unrealistically low, the parties shall (pursuant to Clause 3.3.1) work together in good faith to seek to agree an alternative Project Brief and/or Affordability Cap which will form the basis of a revised New Project.
- 3.5 If the parties fail to agree such terms within six (6) months of WEPCo's original confirmation, the Participant shall be entitled to procure the New Project outside the terms of the SPA and shall not be or be deemed to be in breach of the Clause **Error! Reference source not found.** exclusivity provisions. If the New Project is a Qualifying Project and they commence to procure such New Project prior to the expiry of ten (10) years from the Commencement Date at a substantially greater cost than the Affordability Cap, the Clause 9 exclusivity provisions will still apply.

4 STAGE 1 SUBMISSION AND APPROVAL

- 4.1 Upon WEPCo's confirmation of the New Project Request, WEPCo will (pursuant to Paragraph 4.1) produce outline proposals for New Projects, which develop and are consistent with the SDP where so requested. This is known as the Stage 1 Submission.
- 4.2 All Stage 1 Submissions will be produced within three (3) months (or such longer period up to a maximum of six (6) months where necessary) from the New Project Request. A Stage 1 Submission shall (as set out in Paragraph 4.2) be produced in accordance with the relevant Partnering Services

Method Statement (to be incorporated into the SPA) and contain as a minimum (more expressly set out in Paragraphs 4.2.1 to 4.2.13):

- 4.2.1 a value for money assessment in respect of the New Project Request;
 - 4.2.2 a concept design (to RIBA Stage 2) of the New Project;
 - 4.2.3 a desktop study meeting the requirements of the Partnering Services Method Statements, site investigation studies and environmental impacts (as appropriate and as set out in Clause 4.2.3 more explicitly);
 - 4.2.4 confirmation as to whether the New Project requires the transfer of properties by the Participant to WEPCo, to a Project Service Provider, or to a wholly owned Subsidiary of WEPCo;
 - 4.2.5 the identity of the contractual structure and proposed corporate structure;
 - 4.2.6 a schedule of all material amendments required to the New Project Specific Project Agreement and template Project Agreement for MIM Projects taking into account the Approval Criteria;
 - 4.2.7 the identity of the Participant and/or other parties who will become Project Agreement Counterparties;
 - 4.2.8 an explanation as to how the New Project fits into the service delivery strategy as set out in the latest SDP;
 - 4.2.9 the effect (if any) on any employees of the Participant or relevant third party service providers;
 - 4.2.10 a planning brief;
 - 4.2.11 a maximum time period for submission of a Stage 2 Submission on the assumption that the New Tender Project achieves Stage 1 Approval;
 - 4.2.12 the proposed Project Development Fee Estimate; and
 - 4.2.13 a BIM Execution Plan.
- 4.3 The Stage 1 Submission must also be accompanied by a copy of the most recent WEPCo Performance Report and confirmation as to whether or not the Track Record Test has been passed at the date of submission of the Stage 1 Submission.
- 4.4 In developing a Stage 1 Submission, WEPCo shall (pursuant to Paragraph 4.3) liaise with the Participant and relevant end users as necessary to ensure the best available value for money is achieved through the appropriate consideration of all viable options and informed choices by WEPCo, stakeholders and the Relevant Participant(s). WEPCo shall also be obliged to enter into the Project BIM Agreement for the New Project and comply with its obligations thereunder. The Participant shall also (pursuant to Paragraph 4.4) without prejudice to the requirements of Schedule 6 of the SPA, provide WEPCo with such information as to its requirements and other inputs as WEPCo may reasonably require.
- 4.5 As part of its preparation for each Stage 1 Submission, WEPCo shall, save in respect of Pathfinder Projects, carry out a desktop study of the relevant site or sites and report to the Participant of such studies (in accordance with Paragraph 4.5).
- 4.6 Following receipt of a Stage 1 Submission by the Participant, (pursuant to Paragraph 4.6), the Participant shall have a period of two (2) months from the date of receipt of the Stage 1 Submission

in which to notify WEPCo that it approves or rejects the Stage 1 Submission. If approved, this then becomes a Stage 1 Approved Project (Paragraph 4.6).

- 4.7 WEPCo's costs in relation to the preparation of a Stage 1 Submission that has been submitted in accordance with Paragraph 4 of Schedule 5 shall be borne by WEPCo unless in certain circumstances e.g. where the New Project subsequently becomes an Approved Project and the relevant costs are included as part of the Project Development Fee for such Approved Project (as more explicitly set out in Paragraphs 4.8.1 – 4.8.3).
- 4.8 It should be noted that if a Stage 1 Submission does not become a Stage 1 Approved Project, then in certain limited circumstances (as set out in detail in Paragraphs 4.9.1 – 4.9.3 including but not limited to where the New Project in question is not a Qualifying Project, then the Participant shall be entitled to procure the New Project outside the terms of the SPA and shall not be deemed to be in breach of the exclusivity provisions as set out in Clause 9 of the SPA, unless (in the case of Paragraph 4.9.1(a)) they seek to commence procurement of such New Project during any period when exclusivity in respect of the Participant has been reinstated pursuant to Clause **Error! Reference source not found.**, Clause **Error! Reference source not found.** or Clause **Error! Reference source not found.**
- 4.9 Finally, in relation to the Stage 1 Submission, where in respect of a New Project demolition of an existing facility is anticipated within the scope of a New Project and an Asbestos Management survey has not been carried out by the Participant and included within the New Project Request, WEPCo, shall then procure an Asbestos Management Survey with the support and guidance of the Participant, in accordance with the provisions as set out in Paragraphs 4.10.1 to 4.10.5.

5 STAGE 2 SUBMISSION AND APPROVAL

- 5.1 Once the Stage 1 Submission becomes a Stage 1 Approved Project, WEPCo, will (pursuant to Paragraph 5.1) when requested to do so in writing by the Participant, provide further Project Development Partnering Services to proceed regularly and diligently to develop a Stage 1 Approved Project into a detailed submission. This is known as a Stage 2 Submission. This shall then be presented to the Participant as soon as reasonably practicable and in any case within the maximum period specified in the Stage 1 Submission.
- 5.2 WEPCo shall, in developing a Stage 2 Submission (pursuant to Paragraph 5.2) continue to liaise with the Participant and relevant end users (Paragraph 5.2.1) and WEPCo shall be obliged to comply with its BIM protocol obligations under the Project BIM Agreement and submit a BIM Execution plan to the Participant within one month of commencing Stage 2.
- 5.3 As part of the Stage 2 process, the Participant shall provide WEPCo with any such information as to its/their requirements (including the Specific Requirements) and other inputs as WEPCo may reasonably require and shall assist WEPCo in the review of any draft designs and proposals in relation to the Stage 2 Submission (Paragraph 5.3.1) and generally co-operate with WEPCo in relation to any Stage 2 Submission (Paragraph 5.3.2).
- 5.4 WEPCo shall produce each Stage 2 Submission in accordance with the relevant Partnering Services Method Statement and shall procure that the Stage 2 Submission shall address all issues that have a potential impact on risk and/or price in respect of the proposed New Project and shall include as a minimum (including but not limited to and as set out in more detail in Paragraphs 5.4.1 to 5.4.18):
- 5.4.1 a value for money assessment in respect of the option given Stage 1 Approval;
 - 5.4.2 terms for the transfer of properties agreed between WEPCo and the relevant Participants or third parties;
 - 5.4.3 a mark-up of the Project Specific Project Agreement with Project Co's proposals;
 - 5.4.4 detailed design work (to RIBA Stage 4) and submission of relevant building warrant applications;

- 5.4.5 requirements for planning approvals and all associated costs;
 - 5.4.6 an explanation as to why the Stage 2 Submission meets the Approval Criteria (as set out below);
 - 5.4.7 a timetable setting out the stages and timescales for the period between achieving Stage 2 Approval and the execution of the Project Agreement in relation to that New Project;
 - 5.4.8 commitment letters from any proposed tenants or sub-tenants of the Facilities;
 - 5.4.9 details of the competency assessments undertaken and the results of the same, in respect of the potential 'Principal' Contractor for purposes of the CDM Regulations;
 - 5.4.10 the Corporate Structure of the Project Service Provider;
 - 5.4.11 a draft Project Co Shareholders' Agreement relating to any New Project which is a MIM Project;
 - 5.4.12 fully developed sub-contracts for each of the Contractor and (in the case of MIM Projects) the Service Provider and any relevant [Key Sub-Contractors]⁶;
 - 5.4.13 details of the proposed security package; and
 - 5.4.14 commitment letters from the senior funders confirming acceptance of the documents submitted by WEPCo (in the case of MIM Projects).
- 5.5 The Approval Criteria consists of the criteria against which any New Project is judged in determining whether it achieves Stage 2 Approval. The criteria are set out in Paragraphs 5.5.1 to 5.5.10 in more detail, but include (and are not limited to) a requirement that the cost of the New Project is within the Affordability Cap; that it has been demonstrated that the New Project provides value for money; and that the New Project meets the Specific Requirements.
- 5.6 After the above has been complied with, WEPCo shall then submit its Stage 2 Submission to the Participants, copied to SPB (Paragraph 5.6). It is then expected that the SPB will provide a forum for discussion of such Stage 2 Submission. If, acting reasonably, the Participant finds that any material aspects of the Stage 2 Submission are unsatisfactory to them, the Participant shall notify WEPCo of the same and offer reasonable assistance to WEPCo to address such deficiencies.
- 5.7 Within sixty (60) Business Days of the later of submission to the Participant of a Stage 2 Submission and the date on which WEPCo provides them with all reasonable further information that has been requested and provided, the Participant shall give written notice of whether they reject or approve the Stage 2 Submission (as per Paragraph 5.7). If approved, this becomes a Stage 2 Approved Project.
- 5.8 Alternatively, the Participant may give notice that they reject the New Project on the grounds set out in Paragraph 5.7.2. One of the grounds is that there has been a change to the Affordability Cap since the New Project Request which has rendered the New Project not Affordable. If WEPCo has not been notified of the Participant decision then they shall be deemed to have rejected the New Project (Paragraph 5.8). In certain limited circumstances, where the Participant has rejected the New Proposal, WEPCo may be entitled to recover its Incurred Project Development Fee and procure the New Project outside the terms of the SPA (Paragraph 5.10).
- 5.9 Where a New Project has been rejected by the Relevant Participant on the grounds that it did not meet the Approval Criteria (Paragraph 5.7.2(b)), WEPCo shall be entitled, should it wish to do so, to refer the matter for consideration under the Dispute Resolution Procedure within ten (10) Business Days after receiving notice of the Rejection by the Participant (Paragraph 5.11).

⁶ Where applicable.

- 5.10 Where a New Project becomes an Approved Project, WEPCo shall (pursuant to Paragraph 5.14) carry out further work to develop appropriate Project Agreements to implement the Approved Project on the terms of the Stage 2 Submission. The Participant shall (as set out in Paragraph 5.15) notify WEPCo in writing as soon as they become aware of any matter which may adversely affect the viability of any New Project.⁷
- 5.11 The Participant shall then provide all reasonable assistance to WEPCo in relation to the procurement by WEPCo of all relevant Consents and the entering into of the relevant Project Agreement (Paragraph 5.16) and WEPCo shall (pursuant to Paragraph 5.18) novate all of its past, present and future rights, obligations and liabilities under a Project BIM Agreement to the Project Service Provider on or prior to the date of execution of the Project Agreement for the Approved Project.

6 CHANGES TO THE RELEVANT PARTICIPANT REQUIREMENTS

- 6.1 If there are any material variations to the Specific Requirements, Affordability Cap or Approval Criteria, in relation to a New Project by the Relevant Participant after a Stage 1 Submission has been submitted, then (pursuant to the provisions of Paragraph 6.1), WEPCo and the Relevant Participant shall negotiate in good faith as to the implications on the Stage 1 Submission and/or Stage 2 Submission (as appropriate) and shall seek to agree the changes to accommodate such variations.
- 6.2 The Participant may, (pursuant to Paragraph 6.2) at any time, give notice in writing to WEPCo that they propose to cancel a New Project without completing the Stage 1 Submission and Stage 2 Submission process (Paragraphs **Error! Reference source not found. to Error! Reference source not found.**). This is known as a Cancellation Notice.
- 6.3 Where the Participant issues a Cancellation Notice to WEPCo, the Participant shall (pursuant to Paragraph 6.2) pay WEPCo the Incurred Project Development Fee in respect of the cancelled New Project. The relevant date for calculation being the date of the Cancellation Notice.
- 6.4 It is important to note that, unless the period of ten (10) years after the Commencement Date has expired then, to the extent the New Project in question is a Qualifying Project, the Participant shall not be entitled to procure the Required Facilities and/or the provision of the Project Services outside the terms of this Agreement without recommencing this New Project Approval Process.

7 SUSPENSION OF EXCLUSIVITY

- 7.1 Where the Participant exercises any right to suspend exclusivity in accordance with Clause 9.7, Clause 23.3 or 23.10.1 of the SPA, while WEPCo is preparing a Stage 1 Submission or a Stage 2 Submission in respect of any New Project, then (pursuant to Paragraph 7) the Participant may notify WEPCo at any time while such suspension subsists to cease work on producing the relevant Stage 1 Submission or Stage 2 Submission.
- 7.2 In such circumstances, WEPCo shall then cease work and the Participant shall pay WEPCo the Incurred Project Development Fee in respect of the relevant New Project with the relevant date for calculation being the date of the notice from the Participant.

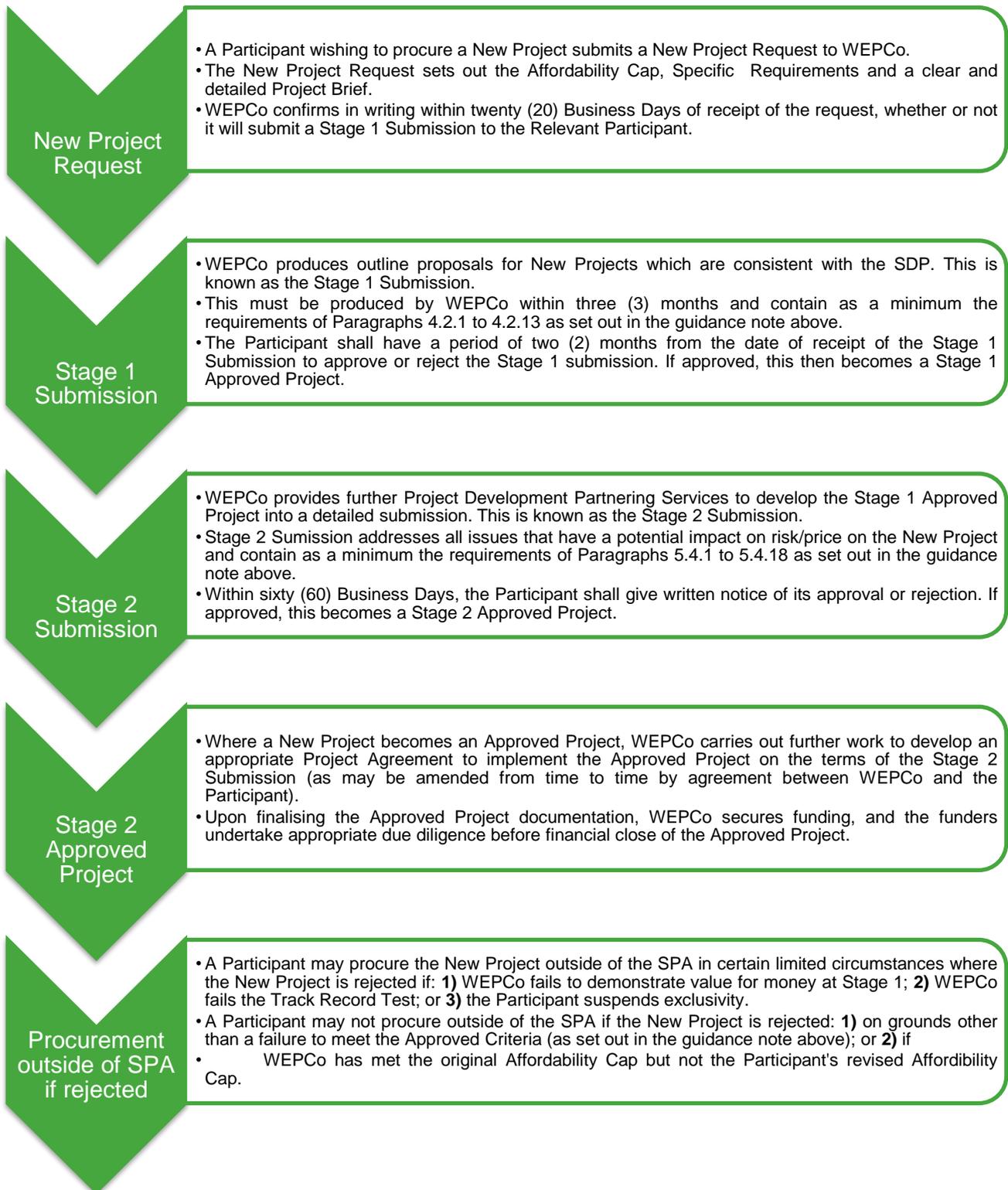
8 SURVEYS

- 8.1 Where WEPCo recommends that surveys, studies and/or investigations (other than desktop studies) are required for the purposes of a Stage 1 Submission, WEPCo will procure such surveys, studies and/or investigations on the terms and at prices agreed with the Participant.
- 8.2 The cost of the surveys, studies and/or investigations will be payable by the Participant to WEPCo within twenty five (25) Business Days of receipt of a valid invoice. This cost will not form part of the Project Development Fee unless the Participant and WEPCo agree to the contrary.

⁷ The provisions of Paragraph 5.15 shall not apply to any Relevant Participant which is a Local Planning Authority exercising its functions as such.

APPENDIX A

APPROVAL PROCESS FOR NEW PROJECTS



WEP STRATEGIC PARTNERING DELIVERY MODEL

FREQUENTLY ASKED QUESTIONS AND ANSWERS

Strategic Partnering Agreement

1 PARTNERING SERVICES AND EXCLUSIVITY

1.1 Do we have to use WEPCo to deliver our MIM Band B scheme?⁸

Once a Participant has entered into the SPA, it gives WEPCo the exclusive right to deliver 21st Century Schools and Colleges (Band B) MIM Programme projects for a period of ten years from the commencement date of the Strategic Partnering Agreement (SPA). However, these MIM Band B projects must be approved and meet the relevant criteria set out and agreed with the relevant Participant through Schedule 5 (*New Project Approval Process*). Exclusivity can be suspended by Participants in limited circumstances – please see further question 1.6 below.

1.2 If we do not have a MIM Band B scheme, why should we sign up? What else could we use WEPCo for? Can we use WEPCo to deliver facilities outside of education, e.g. libraries, leisure centres, office accommodation?

Signing up to the SPA will give Participants the flexibility to use WEPCo in the future to provide Partnering Services or Project Services for capital projects for education or associated community facilities. Participants may request WEPCo to deliver:

Project Development Partnering Services in respect of potential new projects which are not MIM Projects

The role of WEPCo is to develop proposals for a new project to meet the Participant's requirements including affordability and other agreed approval criteria (services, operational, financial and value for money). The scope and specification of the services to be provided by WEPCo will be agreed between WEPCo and the relevant Participant on a project by project basis, together with the approval criteria. The relevant Participant will remain as "sponsor" for business case approval purposes. The role of WEPCo will be to support the relevant Participant in preparing agreed outputs at each business case approval stage for the delivery of the new project.

Strategic Support Partnering Services

Strategic Support Partnering Services are to support Participants in strategic estate planning and strategic services planning to plan education sector services and where requested, community services. These are discrete, consultancy support services that may be required by Participants on an *ad-hoc basis* on terms and conditions appropriate for the particular circumstances.

Project Services

Project Services means services required to be provided in relation to the design, construction, testing, commissioning and completion of premises (including any temporary works) and the installation of equipment; and/or the provision of hard facilities maintenance services.

Participants may request WEPCo to deliver:

- (a) Project Services relating to major capital projects in the education sector (not just MIM Projects);
- (b) Project Services relating to capital projects required for the provision of education sector services or community services. Associated community facilities may include libraries, leisure and

⁸ Capitalised terms have the meaning provided for in the Strategic Partnering Agreement unless otherwise stated.

children's and other educational community based services strategically related to MIM or other capital projects delivered through WEPCo;

- (c) Project Services in relation to the provision of hard facilities maintenance services required for the provision of education sector services or community services.

1.3 What partnering services may WEPCo provide?

WEPCo may provide a range of Partnering Services to Participants.

These fall into three categories:

- 1.3.1 *Ongoing Partnering Services* (day to day operational services, partnering and collaborative working, supply chain assembly and overall management, value for money);
- 1.3.2 *Project Development Partnering Services* (working up new projects for delivery, supply chain assembly, funding and value for money); and
- 1.3.3 Strategic Support Services (strategic estate planning, strategic service planning and value for money).

Please see **SPA Summary** for further details.

WEPCo shall provide Project Development Partnering Services to implement Qualifying Projects in accordance with the specification, KPIs (including community benefits) and rates set out in Schedule 3 (*Partnering Services*).

Participants may request WEPCo to deliver Project Development Partnering Services in respect of potential new projects which are not MIM Projects. Recipient Participants and WEPCo agree the scope of services to be provided. Participants can also request WEPCo provide Strategic Support Services on an ad-hoc basis on terms and conditions appropriate for the particular circumstances.

1.4 How do we request services from WEPCo?

WEPCo will provide the Ongoing Partnering Services on a continuous basis (without formal request to do so by the Participant).

Participants can request that WEPCo provides Project Development Partnering Services, to develop proposals for a new project in accordance with the process set out in Schedule 5 (*Approval Process for New Projects*) of the SPA.

Participants can request WEPCo provides, on an ad hoc basis, Strategic Support Partnering Services on terms and conditions agreed in advance between the Participant and WEPCo.

1.5 How is WEPCo paid for the services it provides?

WEPCo's Ongoing Partnering Services are recovered through the OPS Relevant Proportion payable as part of the Project Development Fee charged by WEPCo for New Projects.

WEPCo charges a Project Development Fee for the provision of Project Development Partnering Services. Please see further question 3.7 below.

For Strategic Support Partnering Services, WEPCo is paid by the relevant Participant within 30 days of a valid invoice, the cost being calculated at rates and prices quoted by WEPCo in accordance with Section 4 of Schedule 3 (*Partnering Services*) of the SPA, and updates as agreed in advance by the Participant.

Please see **SPA Summary** for further details.

1.6 If WEPCo is performing poorly are we still bound by exclusivity?

WEPCo is at risk of having its rights of exclusivity suspended for poor performance. This is not subjectively determined. The SPA sets out what constitutes a “WEPCo Event of Default” that is sufficiently serious to trigger the suspension of exclusivity and the process that must be followed by Participants to suspend exclusivity. If this is the case, each Participant can suspend the exclusivity granted to WEPCo which will include any New Projects that have not yet reached stage 2 approval under Schedule 5 (*Approval Process for New Projects*) of the SPA. The Participants can lift that suspension at any time and the suspension of exclusivity will be lifted on remedy of the default (or where the private sector delivery partner’s shares in WEPCo are sold).

1.7 How will our requests be prioritised by WEPCo? How will projects be prioritised for delivery by WEPCo, if there are competing demands on the resources and capital of the WEPCo?

One of the objectives of the Strategic Partnering Board (SPB), on which representatives from each Participant, WEPCo and Welsh Government sit is to give guidance on and approve the order in which New Projects should be progressed and on what basis. WEPCo is then obliged to prioritise New Projects on a basis consistent with the decisions of the SPB. As the Participant representatives sit on the SPB, they will have a direct say on which New Projects are prioritised over others, following discussions between all SPB representatives.

1.8 What are the expected timescales for signing the SPA?

Completion of the procurement process is set for September 2020. We will be guiding each Participant through the process of signing all documents, including the SPA, in preparation for completion and we expect this to take place in June and July, to allow plenty of time before completion.

2 ROLE AND INVOLVEMENT AS A PARTICIPANT

Strategic Partnering Board

2.1 We do not have a scheme in the pipeline to be delivered by WEPCo – will we still have to attend the SPB meetings?

The SPB governs the relationship between WEPCo and the Participants. It will comprise of representatives of each Participant, WEPCo, Welsh Government and other stakeholder representatives as agreed by the Participants.

Each Participant that has entered into the SPA is obliged to appoint a representative to the SPB under clause 14 of the SPA to act on its behalf in relation to the SPA. The identity of the Participant’s Representative may change at any time, provided written notice is given to WEPCo and the other Participants.

The SPB will meet at least every three months to review financial and operating issues and provide strategic input into the partnering arrangements including the exchange of ideas in relation to the Participants’ accommodation and service delivery requirements.

As part of its role, the SPB will approve the Strategic Delivery Plan and prioritisation of New Projects. It is a benefit for each Participant to attend SPB meetings and take SPB decisions even if it does not currently have a scheme in the pipeline. Where permitted by a Participant’s own governance framework, a Participant’s Representative can delegate responsibility to any other person to attend the SPB and vote on behalf of the delegating Participant’s Representative by written notice to WEPCo. A quorum of the SPB is proposed to be five Participant’s Representatives (one of whom must be a representative of the Welsh Government) and the WEPCo Representative (with adjourned meetings as a result of a lack of quorum in the initial meeting having a quorum of one Participant Representative (being the Welsh Government representative) and the one WEPCo Representative).

2.2 Do we have to attend the SPB meetings in person?

SPB meetings can be held by telephone conference call or video conference or a combination of both, providing all participants are able to speak to and hear each other and a quorum is always present.

2.3 Who would be the right representative on the SPB?

Representatives are expected to be senior representatives of the Participant, with the appropriate authority to make decisions on behalf of the Participant. They should be experienced in holding a director or similar position and have the required skills to make the decisions required to be made by the SPB. Participants will need to consider any likely conflicts of interest and ensure that conflicts of interest do not prevent the chosen representative from fulfilling their role as representative as well as any other role they hold directly in the Participant organisation.

2.4 Does a decision of the SPB bind us if we have not voted in favour of that decision?

SPB decisions are taken by majority vote (of Participant Representatives and the Welsh Government Representative) and so if a majority of the SPB voting representatives approve a decision, it will be passed. However decisions of the SPB which affect a Participant in a way which result in expenditure or liability being incurred by the Participant, or have an adverse impact on the manner in which the Participant discharges a statutory function, will only bind that Participant where it has voted in favour of the decision. If the Participant has not voted in favour of a decision which affects it in this way, it will not be binding on it.

Investment and financing

2.5 Can we take up shares or invest in the WEPCo?

No, it is not open to Participants to take shares or invest in the WEPCo.

2.6 Can we make a capital payment or contribution on our MIM project(s) to reduce the revenue commitment?

Legally it is possible for a capital contribution to be made under a Project Agreement but this is a policy matter and would be subject to approval by Welsh Government. The quantum and timing of the capital contribution would also be limited by accounting treatment rules to ensure it does not bring a project on balance sheet.

2.7 How much profit will the private sector make?

This will be governed by the WEPCo Shareholders' Agreement and the SPA. Under the SPA (Schedule 4, Appendix 1) the equity returns for projects and project management fees are capped, and these caps will be bid back by bidders.

In competition, bidders will be tested on the daily rates for delivery of Partnering Services and Internal Rate of Return (IRR).

Obligations and liabilities

2.8 Do we have any ongoing liabilities or commitments as a Participant if we decide not to procure any works or services from WEPCo?

As a Participant you will be bound by the terms of the SPA, and will have committed to attending the Strategic Partnering Board. You will also be subject to the freedom of information obligations set out in clause 50 and the further assurance provision (to do all things and execute all further documents necessary to give full effect to the SPA). However, save in the circumstances set out in question 2.10 below, there is no joint liability of the Participants (and only then does this apply where two or more Participants have both breached the terms of the SPA), which means that no act or omission of any Participant shall bind any other Participant.

2.9 How does the default of one Participant affect the others?

There are only limited grounds which constitute a Participant Event of Default under the SPA. If a Participant Event of Default occurs, WEPCo may serve notice on the Participant(s) responsible for the Participant Event of Default suspending or terminating the SPA insofar as it relates to such Participant(s). The SPA will remain in place and effective as between the WEPCo and the non-defaulting Participants.

2.10 If WEPCo is in default, can each Participant decide whether they want to terminate or continue with WEPCo?

If there is a WEPCo Event of Default, the Participants may or may not have the right to terminate the SPA (depending on the nature of the default, and whether or not WEPCo has the opportunity to remedy its breach). If there is a WEPCo Event of Default there are a number of potential consequences, and each Participant (acting through Welsh Government) may be able to elect to suspend WEPCo's exclusivity, or require WEPCo to replace a non-performing Supply Chain Member, or serve a SPA Material Default Notice or a Default Termination Notice to terminate the SPA. Where a right of termination has arisen, Participants can each decide whether to do so or continue with WEPCo.

2.11 What happens in a conflict situation between the Participants?

The SPA governs the relationship between the Participants and WEPCo. The role of the SPB and decision making is set out in response to question 2.1 above.

Where Participants need to act together to request WEPCo to deliver, for example, a batch of projects, we would recommend the procuring Participants enter into a co-operation agreement governing that joint request and any disputes that arise in relation to it, including how WEPCo's costs will be apportioned between the Participants where such costs relate to some or all of the projects.

2.12 If WEPCo gets into financial difficulties, are we liable for their debts?

No, WEPCo is a separate legal entity and is responsible for its own debts and liabilities.

2.13 What are our potential liabilities if we default under the Strategic Partnering Agreement?

If a Participant commits a Participant Event of Default, WEPCo can either:

- suspend performance of services to that Participant until that Participant can demonstrate to WEPCo's reasonable satisfaction it is capable of performing their obligations; or
- notify the Participant of the Event of Default. If the default is capable of remedy and hasn't been remedied within 30 Business Days of notice or is not capable of remedy, WEPCo may either serve notice on each Participant in default terminating the SPA in relation to them with immediate effect or simply notify the Participants in default of the effect their default has had. Any Participants in default will be liable to pay compensation to WEPCo in accordance with schedule 14 section 1. If the SPA is terminated in its entirety by the default, additional compensation under schedule 14 section 2 will also be payable.

If a Participant is served a Participant Default Notice more than once in any 12 months, it will not receive Project Development Partnering Services or any Strategic Support Partnering Services unless paid monthly in arrears.

The Participants have several liability, other than where two or more Participants have suffered an Event of Default leading to a termination of the SPA, in which case, the losses of WEPCo will be split between the defaulting Participants.

2.14 What happens to Projects if WEPCo is in default under the SPA (or vice versa)?

Depending on the severity of the WEPCo Event of Default, in the worst case scenario, Participants may suspend WEPCo's exclusivity and during that period serve an SPA Material Default Notice which allows the Participants to terminate the SPA immediately.

Please see **SPA Summary** for further details.

3 DELIVERING PROJECTS THROUGH WEPCO

3.1 What business case approval will we need to deliver our project?

WEPCo will assist each Participant in recommending potential New Projects. Each Participant will then need to obtain approval in accordance with its governance procedures prior to it requesting WEPCo to produce a stage 1 submission in relation to a New Project. Once that approval has been obtained, WEPCo will then prepare the stage 1 and stage 2 submissions and as part of that process, will assist the Participant in obtaining an outline business case and full business case approval, which will be required to enable the New Project to progress to Approved Project status.

Please see **separate guidance published by Welsh Government** in respect of business case approvals. This is published on the E Portal under Welsh Government Guidance.

3.2 What is the process to develop project proposals?

Schedule 5 (*Approval Process for New Projects*) of the SPA outlines the approval process for New Projects.

Please see **SPA Summary** for further details and **separate guidance note**.

A Participant can request WEPCo prepare a proposal for a New Project. WEPCo will then prepare a stage 1 submission and if successful, a stage 2 submission, before the New Project becomes an Approved Project and is developed.

3.3 What do we need to fund and what will Welsh Government fund? What do we expect WEPCo to do - will WEPCo support site identification?

Welsh Government will fund the capital cost and 81% of the Participant's unitary charge in relation to MIM Projects delivered under the WEP Strategic Partnering Delivery Model. Each Participant will need to pay the remaining 19% of the unitary charge.

Welsh Government will pay Bevan Brittan LLP's legal fees in advising the Participants on the pathfinder projects. Please see separate note on the scope of Bevan Brittan's services published on the E Portal.

WEPCo will analyse and discuss with Participants, the individual accommodation requirements of each Participant. It will assist in developing local delivery plans and identify options for meeting the Participants' accommodation requirements and recommend New Projects to progress, including developing the Participant's requirements for each New Project, discussing the range of funding options for that New Project and assisting Participants in preparing outline business cases and obtaining the necessary approvals.

3.4 When does statutory consultation fit into the new project approval process?

Under the SPA, WEPCo must undertake widespread consultation, as agreed with the relevant Participants, within the local community throughout the New Project Approval Process. The Participant procuring the New Project and WEPCo will need to agree a time within the stage 1 and 2 submission preparatory framework in which consultation will take place, and its results then fed into the proposal for the New Project.

3.5 What do we need to do at "stage zero" to get our project ready to submit to WEPCo? Do we need to develop our BIM requirements?

Please see **separate guidance published by Welsh Government**.

WEPCo will work with a Participant to recommend New Projects and subsequently develop the Participant's requirements for each project. This includes preparing an outline business case. WEPCo will also, as part of the stage 1 submission, provide a detailed Project execution plan which includes a BIM Execution Plan.

3.6 How is WEPCo paid for the work it undertakes to progress our project to the point it is ready for contract signature?

WEPCo will be paid for this work as payment for Project Development Partnering Services in accordance with Schedule 4 (*Partnering Services Costs*) of the SPA.

Please see **SPA Summary** for further details.

3.7 How can we be assured our project is value for money?

WEPCo is obliged to evidence that its proposals for New Projects deliver value for money and continuous improvement in value for money.

WEPCo's specific obligations are set out in Schedule 5 (*Approval Process for New Projects*), Schedule 6 (*New Project Pricing Report*) and section 5B of Schedule 3 (*Partnering Services*). Please see **SPA Summary** for further details.

3.8 How are we involved in selection of our project's contractor and FM service provider?

Participants will have a key role in the selection of a contractor and FM service provider. Whilst WEPCo will lead on the procurement and selection of the project's contractor and FM service provider, as the procuring Participant, you will have the opportunity to feed into the tender evaluation and award criteria, attend meetings relating to the procurement process and discuss with WEPCo, the choosing of the preferred tenderer for construction and FM services. WEPCo is obliged to increase opportunities for local employment and training and so will need to look to local employment and labour for the delivery of these services.

Bidders will be tested on their approach to supply chain assembly during the procurement to select the PSDP. This includes the preparation of detailed methodologies that will be incorporated into the SPA.

3.9 Can WEPCo access professional team / construction / FM suppliers on our existing frameworks or panels?

WEPCo will separately procure the construction and FM service providers for individual projects, WEPCo may be able to access existing frameworks or panels, but this will need to be assessed on a case by case basis, and is dependent on being permissible under the terms of that existing framework or panel. This will be jointly considered with the relevant Participant on a project specific basis.

3.10 How can WEPCo ensure that our project delivers wider community benefits, e.g. use of local labour?

One of the WEPCo Objectives is to increase opportunities for local employment and training. WEPCo is also obliged, as part of the specification of services it will provide, to ensure it includes local communities in the development of New Projects and associated community improvement initiatives and ensure the enhancement of user satisfaction by developing and designing facilities that present a focal point for the community. WEPCo will be required to meet specified KPIs, including those linked to community benefits. This will be robustly tested throughout the procurement to select the PSDP.

3.11 Can community groups use the school facilities delivered by WEPCo? Will this allow revenue to be generated that we can keep?

Yes. One of the obligations of WEPCo in developing New Projects is to consider out-of-hours community use including having a reception and social areas for community use for use outside of

normal hours and associated security. WEPCo is also obliged to ensure that it includes local communities in the development of New Projects and associated community improvement initiatives and ensure the enhancement of user satisfaction by developing and designing facilities that present a focal point for the community. It is permitted for schools to retain revenue from community use out of hours.

3.12 How will WEPCo ensure new facilities are sustainable, energy efficient and net carbon zero/carbon neutral?

Ensuring WEPCo delivers facilities that are environmentally friendly is built into how WEPCo will develop and deliver New Projects under the SPA. This is a WEP Objective. WEPCo will also be obliged in obtaining stage 2 approval of all New Projects, to agree with Participants and adopt appropriate standards for development, which includes BREEAM. It will therefore be important that Participants discuss and agree with WEPCo the environmental standards they wish to achieve in developing the new facilities, such as ensuring the facilities are developed using sustainable materials and developed to be run as energy efficient and net carbon zero/carbon neutral on completion.

3.13 How will WEPCo ensure new facilities are secured by design to minimise vandalism and malicious damage?

WEPCo is obliged to consider security in developing plans for New Projects. The standards for development of the New Project are agreed between the Participants and WEPCo and so Participants will be able to request particular specifications that it would like the development to meet. The terms of the Project Agreement will govern construction and maintenance standards.

3.14 How will we negotiate the terms of the Project Agreement, including agreeing changes to the terms?

A template of the Project Agreement is included in Schedule 7 (*MIM Projects*) to the SPA, along with other template documentation, including a template D&B Development Agreement.

The Project Agreement includes a number of MIM education sector specifics including:

- Optional drafting suitable for use for Schools or College projects
- Optional drafting suitable for batched Schools projects
- Optional drafting suitable for “Post Completion Works”
- “ICT Handover” principles adopted
- Notification of Examination Periods
- Unavailability of Existing Facilities/Disruption Events
- No handover during term time
- Late completion remedies
- Malicious Damage
- Local Authority College specific drafting.

There is a standardised approach to allow the project specific tailoring of the template Project Agreement. Part of Bevan Brittan’s role will be to develop and tailor appropriately with you the template Project Agreement for submission to Welsh Government for approval.

Please see **separate guidance from Welsh Government and separate guidance on the Project Agreement.**

Bevan Brittan LLP

11 May 2020

WEP STRATEGIC PARTNERING SERVICES

OVERVIEW OF INDIVIDUAL PROJECT DESIGN DEVELOPMENT, COSTS AND APPOINTMENT OF SUPPLY CHAIN

1. OVERVIEW OF CONTROL OF DESIGN DEVELOPMENT, COSTS FOR A NEW PROJECT

- 1.1 As a signatory to the Strategic Partnering Agreement (**SPA**), the Council will have control over the development of the design for any new project delivered by WEPCo. The SPA incorporates a New Project Approval Process for all new projects. This governs the arrangements between the Council and WEPCo, for WEPCo to develop proposals for the delivery of a new project (including design) to meet the Council's requirements.
- 1.2 The attached guidance paper at Appendix 1 sets out in detail the New Projects Approval Process, setting out the way in which the Council will be involved in the development of proposals for individual new projects by WEPCo and control throughout the process.
- 1.3 We have identified below an overview of the New Projects Approval Process and the ways in which the Council will be involved and have control of design development throughout, certainty of costs, how WEPCo will be required to demonstrate value for money and that the proposals must meet the Council's requirements (including design and affordability requirements). There are various "gateposts" at which the Council will have control over both the design and costs:
- 1.4 Following a request for WEPCo to develop (as Project Development Partnering Services) proposals for the delivery of a new project (a **New Project Request**), the Council will set out matters such as the Affordability Cap, Specific Requirements (all technical and project specific requirements), and a clear detailed Project Brief for any New Project. The Affordability Cap will be informed by the Council's business case process with Welsh Government. The Affordability Cap is not a focus on input construction costs, but the long term payment for the delivery of the new project, that takes into account the whole life costs of the facility.
- 1.5 WEPCo will assess the New Project Request, and decide whether it will submit a Stage 1 Submission to the Council. If WEPCo were to choose not to proceed on the premise that the Affordability Cap is unrealistically low, then WEPCo would work with the Council in good faith to agree an alternative Project Brief and/or Affordability Cap for a revised New Project.
- 1.6 Based on the Council's Brief, WEPCo will then produce a **Stage 1 Submission**, which is an outline proposal for the New Project, containing amongst other things, a concept design (to RIBA Stage 2) of the New Project, as well as a value for money assessment, and the proposed Project Development Fee Estimate. During this stage, WEPCo will liaise with the Council to ensure the best available value for money is achieved through the appropriate consideration of all viable options and informed choices by WEPCo, stakeholders and the Council.
- 1.7 It is up to the Council to then approve or reject the Stage 1 Submission. If a Stage 1 Submission does not become a Stage 1 Approved Project, then in certain limited circumstances (as set out in detail in Paragraphs 4.9.1 – 4.9.3 of the SPA), the Council would be entitled to procure the New Project outside the terms of the SPA, without being in breach of the exclusivity provisions of the SPA (unless they seek to commence procurement of the New Project during any period when exclusivity has been reinstated).
- 1.8 If approved, this becomes a **Stage 1 Approved Project**.
- 1.9 The Council would then request that WEPCo provide further services to develop a Stage 1 Approved Project into a detailed submission, as a **Stage 2 Submission**. Again at this stage, WEPCo would liaise with the Council and relevant end users. During this time, the Council would provide WEPCo with information as to its design requirements, and assist WEPCo in the review of further draft designs and proposals for the delivery of the new project.
- 1.10 During development of the Stage 2 Submission, WEPCo must give consideration to agreed approval criteria against which the Stage 2 Submission will be assessed ("Approval Criteria"). The Approval

Criteria, includes (a) a requirement that the cost of the New Project is within the Affordability Cap; (b) that it has been demonstrated that the New Project provides value for money; and (c) that the New Project meets the Specific Requirements set out by the Council at the outset of the New Project Request.

- 1.11 WEPCo would then submit to the Council the Stage 2 Submission, which would contain further value for money assessment, detailed design work (to RIBA Stage 4), and an explanation as to why the Stage 2 Submission meets the Approval Criteria.
- 1.12 The Council would be entitled to reject the Stage 2 Submission if there has been a change to the Affordability Cap since the New Project Request, which has rendered the New Project not Affordable. Similarly, should the Council find that any material aspects of the Stage 2 Submission are unsatisfactory, it can notify WEPCo and offer reasonable assistance to WEPCo to address the deficiencies.
- 1.13 The Council may reject the New Project on the grounds set out in Paragraph 5.7.2 of the SPA. One of the grounds is that there has been a change to the Affordability Cap since the New Project Request, which has rendered the New Project not Affordable. In certain limited circumstances, where the New Proposal has been rejected, WEPCo may be entitled to recover its Incurred Project Development Fee and procure the New Project outside the terms of the SPA.
- 1.14 Where a New Project has been rejected by the Relevant Participant on the grounds that it did not meet the Approval Criteria, WEPCo would be entitled, should it wish to do so, to refer the matter for consideration under the Dispute Resolution Procedure within ten (10) Business Days after receiving notice of the Rejection by the Participant.
- 1.15 If the Council approves the Submission, this would become a **Stage 2 Approved Project**.
- 1.16 To conclude, WEPCo's role is to develop proposals for the delivery of a new project, this includes developing the design specifically to meet the Council's brief. The Council will be fully involved throughout the process to assess whether the design meets its requirements.
- 1.17 The Council will set the Affordability Cap for the new project from the outset. The Council will have continual opportunities to review the costs build-up. Throughout the process, there is an underlying requirement that the proposals for a new project represent value for money.
- 1.18 Following approval of the New Project, the Council will enter into a form of Project Agreement with a subsidiary of the Private Sector Delivery Partner (which will be a special purpose vehicle (**Project Co**)) for the delivery of the New Project, based on the template form of MIM Project Agreement, appended as a Schedule to the SPA. The payment (unitary charge) by the Council under the MIM Project Agreement entered into by the Council will be fixed and whilst the template MIM Project Agreement has a fixed risk profile, a few issues may increase cost but these are clear risk items often within the Council's knowledge or control (e.g. breach leading to delay or cost).
- 1.19 The certification of the works (and design) is an independent process undertaken by a jointly appointed Independent Tester who will certify the works based on set out agreed criteria. There are rights for the Council to inspect the works and an opportunity for the Council to open up the works in certain circumstances, however, there is risk to the Council in doing so, if no breach in performance in the delivery of the works is found. On completion of the new facility, there are regular "checks" based on the payment mechanism, to ensure the Availability of each area on a daily basis.

2. OVERVIEW OF CONTROL FOR THE APPOINTMENT OF A SUPPLY CHAIN TO DELIVER A NEW PROJECT

- 2.1 For each New Project, WEPCo will need to establish its own supply chain. This has been a deliberate approach for at least two reasons. First, to do otherwise would have required a more substantial and lengthy procurement process where bidders' ability to design and price different sample projects would have been needed. Secondly, the nature of the nationwide programme is such that it is likely to suit smaller regionally based contractors and professionals. It means the contracts include processes for this selection process to occur.

- 2.2 WEPCo will not have a tied supply chain for the delivery of construction and hard FM (Facilities Maintenance) services; these will be competitively tendered through an agreed methodology with the Council.
- 2.3 In Schedule 3, Paragraph 1.3.1 of the SPA, the requirement is for WEPCo to put in place procedures for supply chain assembly for New Projects (such as any project in Cardiff). In selecting and appointing a supply chain WEPCo is to follow the Tender Process. Any appointment must be “commensurate with the Council’s values, goals and vision having regard to a number of areas including, but not limited to, health and safety, commitment to delivery of community benefits, quality and sustainability.” It is for you to stipulate those values, goals and vision.
- 2.4 The Tender Process is set out in Schedule 6 of the SPA and will occur at Stage 2 of the Approval Process. Whilst the process and decision is a responsibility of WEPCo it allows for your involvement at all stages: approval of the scope; media for advertising; evaluation criteria and award criteria; Tender requirements; and then ongoing involvement with input into the questionnaire; the opportunity to attend meetings; review and approval of the Tender Evaluation Report.
- 2.5 The above is a brief summary of some of the procedures in place to ensure that the right supply chain is appointed. It should be recognised that the main subcontractors are likely to face a PFI style risk profile that may be difficult for them, but second tier Key Sub-Contractors roles ought to suit local providers especially if the Council uses its rights to stipulate its requirements and goals.
- 2.6 The Council’s involvement in the selection of the supply chain, and in setting the criteria against which it will be appointed is to drive value for money and to ensure costs controls.
- 2.7 The Council may require WEPCo to carry out the Tender Process in respect of any single New Project (which of itself may include a number of batched facilities) or batch of New Projects. The Council will need to approve where there is any grouping or groupings of facilities management services or any division of them into separate parts, in order to optimise the opportunity for the Council to obtain best value for money. WEPCo could ensure go to market for facilities management services not just in respect of the proposed Council’s new facility, but also across a number of facilities, thereby driving a better price for those contractors who are bidding for it.

3. OBLIGATIONS FOR PROPOSALS TO BE VALUE FOR MONEY AND CONTINUOUS IMPROVEMENT

- 3.1 One of the benefits of entering into the SPA is that the Council can be assured regarding value for money and continuous improvement for the delivery of a pipeline of new projects. The SPA sets out the high-level principles that underpin WEPCo’s values, and the establishment of a framework that promotes excellence and value for money.
- 3.2 Under the terms of the SPA, WEPCo must monitor the performance of each of the Partnering Services and Project Services at its own cost and expense, meet value for money requirements and demonstrate continuous improvement wherever practicable. This is achieved through agreed KPIs, as developed in accordance with the SPA throughout the term.
- 3.3 For all projects, WEPCo will monitor and update (where applicable) the predicted capital, whole life cost and any increase or reduction in estimated costs, the final cost of design and construction and the actual cost of maintaining and repairing each project.
- 3.4 WEPCo must evidence value for money both at the beginning and continuously throughout the development and delivery of new projects in accordance with Schedules 3 (*Partnering Services*), 5 (*Approval Process for New Projects*) and 6 (*New Project Pricing Report*). In particular, value for money will be demonstrated to the Council via WEPCo Performance Reports and Annual Reviews, over the term of the SPA.

Appendix 1

WEP STRATEGIC PARTNERING DELIVERY MODEL

APPROVAL PROCESS FOR NEW PROJECTS

1 INTRODUCTION

- 1.1 The WEP Strategic Partnering Agreement (**SPA**) is the agreement entered into between the Local Authorities and Further Education Institutions (the **Participants**) and WEPCo (being the joint venture company established between the Private Sector Delivery Partner and a subsidiary of the Development Bank of Wales).
- 1.2 Schedule 5 of the SPA sets out the procedure by which WEPCo and the Participants will work together to agree which New Projects will be taken forward and approved for development by WEPCo and on what basis. Schedule 5 sets out a two stage Approval Process for such New Projects. The approval process (as discussed in more detail below) shall only apply in relation to Qualifying Projects regardless of whether the period of ten (10) years from the Commencement Date has expired.
- 1.3 The Parties may agree to utilise this process (amended as appropriate) in respect of other Project Services under Clause **Error! Reference source not found.** but are not obliged to do so.
- 1.4 A flow diagram outlining the Approval Process for New Projects is appended to this guidance note at Appendix A.
- 1.5 Capitalised terms in this guidance note shall have the meaning given to them in the SPA unless otherwise defined in this guidance note.

2 OBLIGATIONS OF THE PARTIES

How are New Projects identified at the outset?

- 2.1 WEPCo will work with Participants to develop local delivery plans (addressing Participants' requirements) which will form part of the annual Strategic Delivery Plan (**SDP**). WEPCo will then review the applicability of the SDP to the provision of education services in the Participant's Region to decide which New Projects should progress. The SPB shall ensure that WEPCo's proposals for New Projects are consistent with delivery of the latest SDP.

How far will WEPCo's role extend in developing New Projects and obtaining approval?

- 2.2 Paragraphs 2.1 and 2.2 of Schedule 5 lists WEPCo's general obligations in developing New Projects. WEPCo has a full set of obligations, including:
 - 2.2.1 identifying Participants' requirements for future New Projects;
 - 2.2.2 prioritising New Projects and advising on best timeframes for New Projects;
 - 2.2.3 engaging with stakeholders and advising on the preferred funding options;
 - 2.2.4 preparing outline business cases;
 - 2.2.5 obtaining all necessary approvals;
 - 2.2.6 agreeing an appropriate Comparator for determining adjustments to the Project Development Fee Cap; and
 - 2.2.7 agreeing each part of the Project Development Fee Estimate..

- 2.3 WEPCo shall (pursuant to Paragraph 2), without entitlement to specific or additional payment, work with the Participants and other members of the Strategic Partnering Board (**SPB**) to (including but not limited to) analyse and discuss the range of potential funding options for New Projects, as well as develop the Participants' requirements in relation to New Projects (as more explicitly set out in Paragraphs 2.2.1 to 2.2.11).

What are the Participants expected to do by way of the Approval Process for New Projects?

- 2.4 Paragraph 2.3 of Schedule 5 sets out the Participants' obligations, which mainly includes obligations of co-operation with WEPCo, including providing necessary information; identifying its needs and funding opportunities (including benchmarks); and providing assistance in obtaining necessary Consents.
- 2.5 Each Participant will co-operate with WEPCo in its performance of its obligations (as set out in Paragraphs 2.2.1 to 2.2.11) in relation to any New Project or any potential New Project being developed by WEPCo. Where the potential Participant and WEPCo are unable to agree the matters referred to in paragraph 2.2.11 within a period of three (3) months, the SPB shall determine such matters.

3 NEW PROJECT REQUEST

- 3.1 Any Participant wishing to procure a New Project (**Relevant Participant**) shall first submit a New Project Request to WEPCo to produce a Stage 1 Submission (Paragraph 3.1). This New Project Request will need to set out matters, including but not limited to, the Affordability Cap, Specific Requirements, a clear detailed Project Brief and any requirements in relation to a New Project that must be satisfied as part of a Stage 1 Submission and/or Stage 2 Submission (as set out more explicitly in Paragraphs 3.1.1 to 3.1.3).
- 3.2 WEPCo shall be entitled (pursuant to paragraph 3.2) to raise any queries and request clarification from the Participant in relation to the New Project Request to enable it to fully assess the request and provide a meaningful response.
- 3.3 WEPCo shall then (in accordance with Paragraph 3.3) confirm in writing to the Participant, within twenty (20) Business Days of receipt of a New Project Request, whether it will submit a Stage 1 Submission to the Participant. If WEPCo confirms that it does not intend to do so, or fails to give the necessary confirmation, then the Participant shall be entitled to procure such New Project outside the terms of the SPA and shall not be in breach of the exclusivity provisions as set out in Clause 9 of the SPA (Exclusive Nature of this Agreement).
- 3.4 It is important to note that where the reason for WEPCo not proceeding is the Affordability Cap being unrealistically low, the parties shall (pursuant to Clause 3.3.1) work together in good faith to seek to agree an alternative Project Brief and/or Affordability Cap which will form the basis of a revised New Project.
- 3.5 If the parties fail to agree such terms within six (6) months of WEPCo's original confirmation, the Participant shall be entitled to procure the New Project outside the terms of the SPA and shall not be or be deemed to be in breach of the Clause **Error! Reference source not found.** exclusivity provisions. If the New Project is a Qualifying Project and they commence to procure such New Project prior to the expiry of ten (10) years from the Commencement Date at a substantially greater cost than the Affordability Cap, the Clause 9 exclusivity provisions will still apply.

4 STAGE 1 SUBMISSION AND APPROVAL

- 4.1 Upon WEPCo's confirmation of the New Project Request, WEPCo will (pursuant to Paragraph 4.1) produce outline proposals for New Projects, which develop and are consistent with the SDP where so requested. This is known as the Stage 1 Submission.
- 4.2 All Stage 1 Submissions will be produced within three (3) months (or such longer period up to a maximum of six (6) months where necessary) from the New Project Request. A Stage 1 Submission

shall (as set out in Paragraph 4.2) be produced in accordance with the relevant Partnering Services Method Statement (to be incorporated into the SPA) and contain as a minimum (more expressly set out in Paragraphs 4.2.1 to 4.2.13):

- 4.2.1 a value for money assessment in respect of the New Project Request;
 - 4.2.2 a concept design (to RIBA Stage 2) of the New Project;
 - 4.2.3 a desktop study meeting the requirements of the Partnering Services Method Statements, site investigation studies and environmental impacts (as appropriate and as set out in Clause 4.2.3 more explicitly);
 - 4.2.4 confirmation as to whether the New Project requires the transfer of properties by the Participant to WEPCo, to a Project Service Provider, or to a wholly owned Subsidiary of WEPCo;
 - 4.2.5 the identity of the contractual structure and proposed corporate structure;
 - 4.2.6 a schedule of all material amendments required to the New Project Specific Project Agreement and template Project Agreement for MIM Projects taking into account the Approval Criteria;
 - 4.2.7 the identity of the Participant and/or other parties who will become Project Agreement Counterparties;
 - 4.2.8 an explanation as to how the New Project fits into the service delivery strategy as set out in the latest SDP;
 - 4.2.9 the effect (if any) on any employees of the Participant or relevant third party service providers;
 - 4.2.10 a planning brief;
 - 4.2.11 a maximum time period for submission of a Stage 2 Submission on the assumption that the New Tender Project achieves Stage 1 Approval;
 - 4.2.12 the proposed Project Development Fee Estimate; and
 - 4.2.13 a BIM Execution Plan.
- 4.3 The Stage 1 Submission must also be accompanied by a copy of the most recent WEPCo Performance Report and confirmation as to whether or not the Track Record Test has been passed at the date of submission of the Stage 1 Submission.
- 4.4 In developing a Stage 1 Submission, WEPCo shall (pursuant to Paragraph 4.3) liaise with the Participant and relevant end users as necessary to ensure the best available value for money is achieved through the appropriate consideration of all viable options and informed choices by WEPCo, stakeholders and the Relevant Participant(s). WEPCo shall also be obliged to enter into the Project BIM Agreement for the New Project and comply with its obligations thereunder. The Participant shall also (pursuant to Paragraph 4.4) without prejudice to the requirements of Schedule 6 of the SPA, provide WEPCo with such information as to its requirements and other inputs as WEPCo may reasonably require.
- 4.5 As part of its preparation for each Stage 1 Submission, WEPCo shall, save in respect of Pathfinder Projects, carry out a desktop study of the relevant site or sites and report to the Participant of such studies (in accordance with Paragraph 4.5).
- 4.6 Following receipt of a Stage 1 Submission by the Participant, (pursuant to Paragraph 4.6), the Participant shall have a period of two (2) months from the date of receipt of the Stage 1 Submission

in which to notify WEPCo that it approves or rejects the Stage 1 Submission. If approved, this then becomes a Stage 1 Approved Project (Paragraph 4.6).

- 4.7 WEPCo's costs in relation to the preparation of a Stage 1 Submission that has been submitted in accordance with Paragraph 4 of Schedule 5 shall be borne by WEPCo unless in certain circumstances e.g. where the New Project subsequently becomes an Approved Project and the relevant costs are included as part of the Project Development Fee for such Approved Project (as more explicitly set out in Paragraphs 4.8.1 – 4.8.3).
- 4.8 It should be noted that if a Stage 1 Submission does not become a Stage 1 Approved Project, then in certain limited circumstances (as set out in detail in Paragraphs 4.9.1 – 4.9.3 including but not limited to where the New Project in question is not a Qualifying Project, then the Participant shall be entitled to procure the New Project outside the terms of the SPA and shall not be deemed to be in breach of the exclusivity provisions as set out in Clause 9 of the SPA, unless (in the case of Paragraph 4.9.1(a)) they seek to commence procurement of such New Project during any period when exclusivity in respect of the Participant has been reinstated pursuant to Clause **Error! Reference source not found.**, Clause **Error! Reference source not found.** or Clause **Error! Reference source not found.**
- 4.9 Finally, in relation to the Stage 1 Submission, where in respect of a New Project demolition of an existing facility is anticipated within the scope of a New Project and an Asbestos Management survey has not been carried out by the Participant and included within the New Project Request, WEPCo, shall then procure an Asbestos Management Survey with the support and guidance of the Participant, in accordance with the provisions as set out in Paragraphs 4.10.1 to 4.10.5.

5 STAGE 2 SUBMISSION AND APPROVAL

- 5.1 Once the Stage 1 Submission becomes a Stage 1 Approved Project, WEPCo, will (pursuant to Paragraph 5.1) when requested to do so in writing by the Participant, provide further Project Development Partnering Services to proceed regularly and diligently to develop a Stage 1 Approved Project into a detailed submission. This is known as a Stage 2 Submission. This shall then be presented to the Participant as soon as reasonably practicable and in any case within the maximum period specified in the Stage 1 Submission.
- 5.2 WEPCo shall, in developing a Stage 2 Submission (pursuant to Paragraph 5.2) continue to liaise with the Participant and relevant end users (Paragraph 5.2.1) and WEPCo shall be obliged to comply with its BIM protocol obligations under the Project BIM Agreement and submit a BIM Execution plan to the Participant within one month of commencing Stage 2.
- 5.3 As part of the Stage 2 process, the Participant shall provide WEPCo with any such information as to its/their requirements (including the Specific Requirements) and other inputs as WEPCo may reasonably require and shall assist WEPCo in the review of any draft designs and proposals in relation to the Stage 2 Submission (Paragraph 5.3.1) and generally co-operate with WEPCo in relation to any Stage 2 Submission (Paragraph 5.3.2).
- 5.4 WEPCo shall produce each Stage 2 Submission in accordance with the relevant Partnering Services Method Statement and shall procure that the Stage 2 Submission shall address all issues that have a potential impact on risk and/or price in respect of the proposed New Project and shall include as a minimum (including but not limited to and as set out in more detail in Paragraphs 5.4.1 to 5.4.18):
- 5.4.1 a value for money assessment in respect of the option given Stage 1 Approval;
 - 5.4.2 terms for the transfer of properties agreed between WEPCo and the relevant Participants or third parties;
 - 5.4.3 a mark-up of the Project Specific Project Agreement with Project Co's proposals;
 - 5.4.4 detailed design work (to RIBA Stage 4) and submission of relevant building warrant applications;

- 5.4.5 requirements for planning approvals and all associated costs;
 - 5.4.6 an explanation as to why the Stage 2 Submission meets the Approval Criteria (as set out below);
 - 5.4.7 a timetable setting out the stages and timescales for the period between achieving Stage 2 Approval and the execution of the Project Agreement in relation to that New Project;
 - 5.4.8 commitment letters from any proposed tenants or sub-tenants of the Facilities;
 - 5.4.9 details of the competency assessments undertaken and the results of the same, in respect of the potential 'Principal' Contractor for purposes of the CDM Regulations;
 - 5.4.10 the Corporate Structure of the Project Service Provider;
 - 5.4.11 a draft Project Co Shareholders' Agreement relating to any New Project which is a MIM Project;
 - 5.4.12 fully developed sub-contracts for each of the Contractor and (in the case of MIM Projects) the Service Provider and any relevant [Key Sub-Contractors]⁹;
 - 5.4.13 details of the proposed security package; and
 - 5.4.14 commitment letters from the senior funders confirming acceptance of the documents submitted by WEPCo (in the case of MIM Projects).
- 5.5 The Approval Criteria consists of the criteria against which any New Project is judged in determining whether it achieves Stage 2 Approval. The criteria are set out in Paragraphs 5.5.1 to 5.5.10 in more detail, but include (and are not limited to) a requirement that the cost of the New Project is within the Affordability Cap; that it has been demonstrated that the New Project provides value for money; and that the New Project meets the Specific Requirements.
- 5.6 After the above has been complied with, WEPCo shall then submit its Stage 2 Submission to the Participants, copied to SPB (Paragraph 5.6). It is then expected that the SPB will provide a forum for discussion of such Stage 2 Submission. If, acting reasonably, the Participant finds that any material aspects of the Stage 2 Submission are unsatisfactory to them, the Participant shall notify WEPCo of the same and offer reasonable assistance to WEPCo to address such deficiencies.
- 5.7 Within sixty (60) Business Days of the later of submission to the Participant of a Stage 2 Submission and the date on which WEPCo provides them with all reasonable further information that has been requested and provided, the Participant shall give written notice of whether they reject or approve the Stage 2 Submission (as per Paragraph 5.7). If approved, this becomes a Stage 2 Approved Project.
- 5.8 Alternatively, the Participant may give notice that they reject the New Project on the grounds set out in Paragraph 5.7.2. One of the grounds is that there has been a change to the Affordability Cap since the New Project Request which has rendered the New Project not Affordable. If WEPCo has not been notified of the Participant decision then they shall be deemed to have rejected the New Project (Paragraph 5.8). In certain limited circumstances, where the Participant has rejected the New Proposal, WEPCo may be entitled to recover its Incurred Project Development Fee and procure the New Project outside the terms of the SPA (Paragraph 5.10).
- 5.9 Where a New Project has been rejected by the Relevant Participant on the grounds that it did not meet the Approval Criteria (Paragraph 5.7.2(b)), WEPCo shall be entitled, should it wish to do so, to refer the matter for consideration under the Dispute Resolution Procedure within ten (10) Business Days after receiving notice of the Rejection by the Participant (Paragraph 5.11).

⁹ Where applicable.

- 5.10 Where a New Project becomes an Approved Project, WEPCo shall (pursuant to Paragraph 5.14) carry out further work to develop appropriate Project Agreements to implement the Approved Project on the terms of the Stage 2 Submission. The Participant shall (as set out in Paragraph 5.15) notify WEPCo in writing as soon as they become aware of any matter which may adversely affect the viability of any New Project.¹⁰
- 5.11 The Participant shall then provide all reasonable assistance to WEPCo in relation to the procurement by WEPCo of all relevant Consents and the entering into of the relevant Project Agreement (Paragraph 5.16) and WEPCo shall (pursuant to Paragraph 5.18) novate all of its past, present and future rights, obligations and liabilities under a Project BIM Agreement to the Project Service Provider on or prior to the date of execution of the Project Agreement for the Approved Project.

6 CHANGES TO THE RELEVANT PARTICIPANT REQUIREMENTS

- 6.1 If there are any material variations to the Specific Requirements, Affordability Cap or Approval Criteria, in relation to a New Project by the Relevant Participant after a Stage 1 Submission has been submitted, then (pursuant to the provisions of Paragraph 6.1), WEPCo and the Relevant Participant shall negotiate in good faith as to the implications on the Stage 1 Submission and/or Stage 2 Submission (as appropriate) and shall seek to agree the changes to accommodate such variations.
- 6.2 The Participant may, (pursuant to Paragraph 6.2) at any time, give notice in writing to WEPCo that they propose to cancel a New Project without completing the Stage 1 Submission and Stage 2 Submission process (Paragraphs **Error! Reference source not found. to Error! Reference source not found.**). This is known as a Cancellation Notice.
- 6.3 Where the Participant issues a Cancellation Notice to WEPCo, the Participant shall (pursuant to Paragraph 6.2) pay WEPCo the Incurred Project Development Fee in respect of the cancelled New Project. The relevant date for calculation being the date of the Cancellation Notice.
- 6.4 It is important to note that, unless the period of ten (10) years after the Commencement Date has expired then, to the extent the New Project in question is a Qualifying Project, the Participant shall not be entitled to procure the Required Facilities and/or the provision of the Project Services outside the terms of this Agreement without recommencing this New Project Approval Process.

7 SUSPENSION OF EXCLUSIVITY

- 7.1 Where the Participant exercises any right to suspend exclusivity in accordance with Clause 9.7, Clause 23.3 or 23.10.1 of the SPA, while WEPCo is preparing a Stage 1 Submission or a Stage 2 Submission in respect of any New Project, then (pursuant to Paragraph 7) the Participant may notify WEPCo at any time while such suspension subsists to cease work on producing the relevant Stage 1 Submission or Stage 2 Submission.
- 7.2 In such circumstances, WEPCo shall then cease work and the Participant shall pay WEPCo the Incurred Project Development Fee in respect of the relevant New Project with the relevant date for calculation being the date of the notice from the Participant.

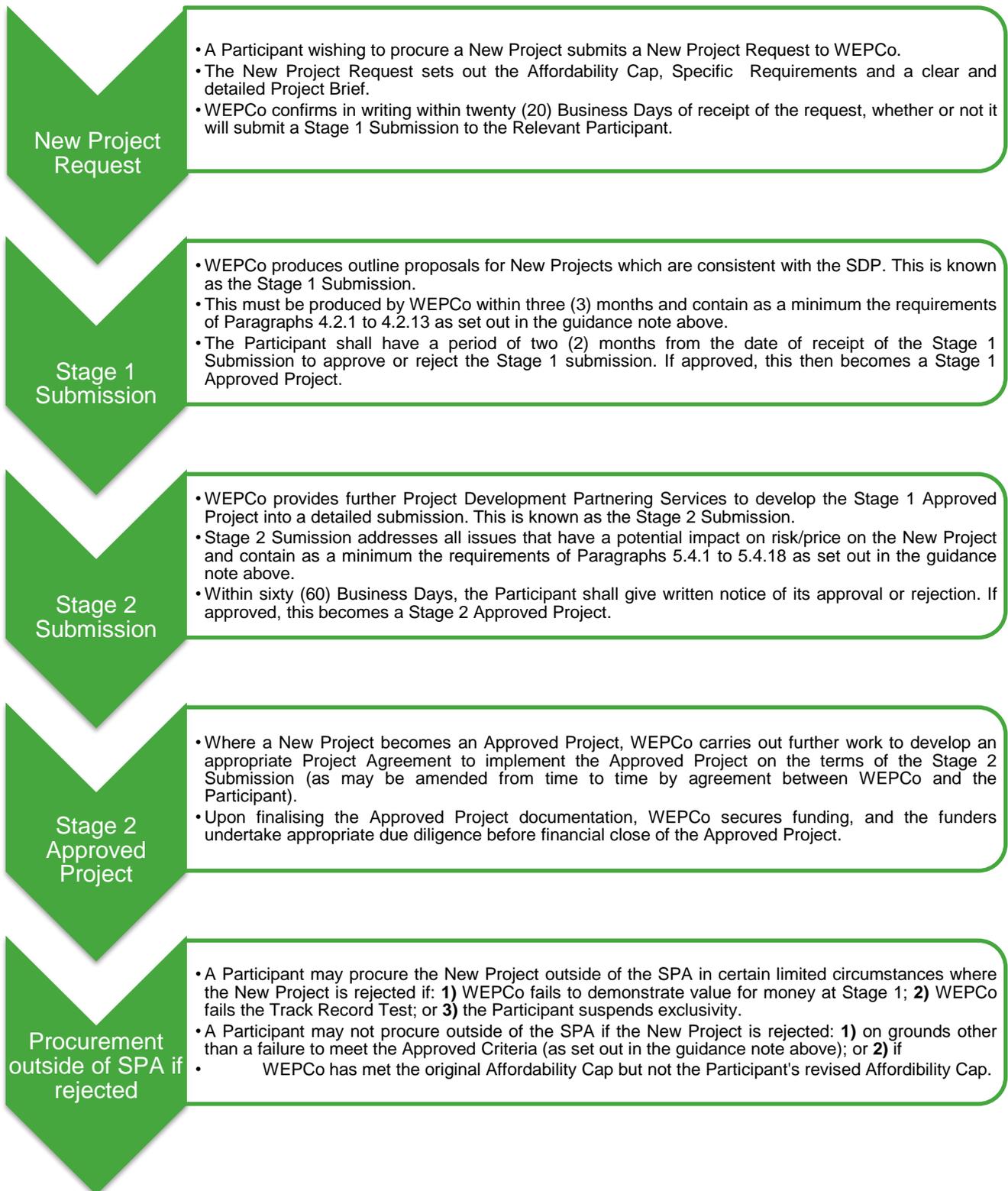
8 SURVEYS

- 8.1 Where WEPCo recommends that surveys, studies and/or investigations (other than desktop studies) are required for the purposes of a Stage 1 Submission, WEPCo will procure such surveys, studies and/or investigations on the terms and at prices agreed with the Participant.
- 8.2 The cost of the surveys, studies and/or investigations will be payable by the Participant to WEPCo within twenty five (25) Business Days of receipt of a valid invoice. This cost will not form part of the Project Development Fee unless the Participant and WEPCo agree to the contrary.

¹⁰ The provisions of Paragraph 5.15 shall not apply to any Relevant Participant which is a Local Planning Authority exercising its functions as such.

APPENDIX A

APPROVAL PROCESS FOR NEW PROJECTS



**CARDIFF COUNCIL
CYNGOR CAERDYDD****CABINET MEETING: 16 JULY 2020**

OUTTURN 2019/20**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR
CHRIS WEAVER)****AGENDA ITEM: 4**

Reason for this Report

1. This report serves to inform the Cabinet of the Council's financial position in respect of the year ending 31 March 2020.

Background

2. The report compares the outturn for the financial year ending 31 March 2020 with the budget for the year, for both revenue and capital expenditure. The report also provides a summary Treasury Management Statement in respect of investments and borrowing. All figures are subject to external audit.
3. It should be noted that since the finalisation of the outturn position, the financial impact arising from the Council's response to the COVID 19 crisis has emerged. The figures contained within this report are largely unaffected by the crisis, due to the full lockdown not being implemented until close to the end of the financial year. However, within certain directorates additional expenditure will have been incurred and losses of income experienced. Certain assumptions have been made regarding the extent to which these costs and income losses can be recovered via the Welsh Government Hardship Fund for local authorities and these assumptions are reflected within the figures and directorate positions reported, where relevant. Work is ongoing to establish the full financial impact of the crisis, both short and medium term, and this has, and will be, reported to Cabinet and Council via other reports.
4. A balanced revenue position for 2019/20 has been delivered, reflecting the fact that the Council has maintained its spending within its overall net budget of £623.589 million in 2019/20, after contributions to and from earmarked reserves. Favourable variances within the Summary Revenue Account (SRA), including additional grant income in relation to teachers' pensions and in-year savings against the Council Tax Reduction Scheme (CTRS) contingency budget, have offset a net directorate overspend and enabled contributions to be made to a number of reserves. These contributions to reserves will support the financial resilience of the Council in the medium

term and include allocations to the Strategic Budget Reserve and the Employee Changes Reserve.

5. During the year, the Council's monitoring process identified financial pressures in a number of directorates, most notably Social Services and Planning, Transport & Environment. This reflected a range of factors including increased demographic and cost pressures, shortfalls in income and the failure to fully achieve the savings targets set as part of the 2019/20 budget. This is reflected in the overall directorate outturn position which shows an overspend of £8.629 million, an increase of £489,000 compared to the monitoring position reported at Month 9. The overall position on directorate budgets includes overspends of £4.514 million in Social Services and £3.325 million in Planning, Transport & Environment. Overspends were also recorded in other directorates, such as Education & Lifelong Learning and Governance & Legal Services, although they were partly offset by underspends within Housing & Communities and Performance & Partnerships. The directorate overspends were also partially offset by the £3.000 million general contingency budget which was maintained as part of the 2019/20 budget in order to reflect the quantum, risk and planning status of the proposed savings in 2019/20. The overall position also includes an overspend of £21,000 on Discretionary Rate Relief. Both this, and the directorate overspends, were offset by savings in other areas including Council Tax collection, Capital Financing and the Summary Revenue Account.

Issues

6. An overall summary of the position shows:
 - As set out in paragraph 4, a balanced position has been achieved in 2019/20, following transfers to earmarked reserves.
 - Overall, schools increased their individual reserves by £158,000 (net). In addition, the deficit position in respect of the Mutual Supply Fund, which offsets school balances, has reduced by £297,000 to £499,000. When this is taken into account, the overall net increase in school balances is £455,000.
 - The Housing Revenue Account (HRA) showed a balanced position. As a consequence, the balance on the HRA Revenue Balance remains unchanged and is available for spending on HRA related issues only.
 - The Council spent £164.417 million on capital expenditure compared to a budget of £224.740 million, which primarily relates to slippage of schemes in to 2020/21.

Revenue

7. Appendix 1 shows the financial summary for the year, while Appendix 2 provides further details in respect of variations against budget by directorates.

8. The final position in relation to achievement against 2019/20 savings targets is set out in Appendix 3 to this report. This appendix reflects an overall shortfall of £8.194 million against the £19.157 million directorate savings targets for 2019/20. Compared to the position at Month 9, this represents an increased shortfall of £1.751 million against the 2019/20 savings targets. The shortfalls are reflected in the directorate monitoring positions, although, where possible, they have been offset by savings against other budget headings. The £3.0 million General Contingency Budget, which was allocated to reflect the risk and planning status of the proposed savings in 2019/20, also partly offsets these shortfalls.
9. The overall level of unachieved savings presents a significant challenge going forward, particularly given the requirement to achieve further savings in 2020/21 and in future years. Whilst some of these savings have been impacted by delays, and will therefore be achieved during 2020/21, there is a likelihood that some will remain unachievable. However, as part of the 2020/21 budget process, a number of significant budgetary realignments were implemented, with the aim of eradicating some structural budget challenges within particular directorates. Therefore, it is anticipated that whilst there will still be a requirement to deliver against some of these unachieved savings proposals, the overall level of unachieved savings carried forward into 2020/21 will be lower than the total shortfall recorded in 2019/20.
10. The Summary Revenue Account (SRA) consolidates the overall revenue position for the Council and includes various adjustments to the Council's accounts. These adjustments include the revenue impact of changes to the Council's bad debt provisions, the revenue effect of balance sheet adjustments and any prior year revenue items that have impacted on the overall revenue position of the Council. It also consolidates the final position in relation to contingency budgets and any adjustments, commitments and transfers to and from earmarked reserves and provisions arising from these. Favourable variances within the SRA, including previously reported items such as the release of £2.967 million of base budget following the receipt of additional grant funding in relation to teachers' pensions, have enabled a number of contributions to be made to earmarked reserves. These contributions will continue to support and enhance the financial resilience of the Council over the medium term.
11. The transfers to earmarked reserves, facilitated by the favourable SRA position, include £2.798 million to the Employee Changes Reserve to assist the Council in managing financial resilience and the impact of budgetary challenges over the medium term period, such as pay awards. In addition, £853,000 has been transferred to the Strategic Budget Reserve, again in conjunction with improving financial resilience going forward, particularly in light of the current COVID 19 crisis. Other notable contributions include £754,000 to the School Formula Funding Reserve, which was facilitated by the receipt of additional grant funding in relation to teachers' pay. Furthermore, £350,000 was transferred to the City Wide Management & Initiatives Reserve in connection with bus routes, reflecting a two-year commitment made in the 2019/20 budget. Contributions to provisions were also reflected in the SRA, the most significant of which was a contribution

of £681,000 to the Council's Bad Debt Provision. Other notable transactions within the SRA include a previously reported £586,000 VAT refund, in relation to a successful appeal for a cultural exemption in connection with Cardiff Castle. An overall underspend against insurance budgets, amounting to £780,000, is also reflected within the SRA.

12. In total, the redundancy costs incurred during the year amounted to £2.64 million. This included £1.106 million in respect of school-based staff, £184,000 which was funded via the Housing Revenue Account and £88,000 funded by grant income. In line with the Code of Practice on Local Authority Accounting, these figures include provision in the 2019/20 accounts for payments relating to redundancy costs that will be paid in 2020/21 as a result of budget savings agreed in 2019/20. In line with the planned funding model, £463,547 was transferred from the Employee Changes Reserve to the voluntary redundancy budget in order to fund the increased level of costs in 2019/20. This reserve is held in order to support staff costs associated with organisational change including the future impact of voluntary redundancy on the Council's budget. In addition, pension costs charged to the Council in respect of the Local Government Pension Scheme arising as a result of voluntary redundancy in 2019/20 totalled £1.981million. These will be initially funded via the Pension Fund and will be repaid to the fund over a five-year period.
13. A surplus of £3.810 million was reported in relation to Council Tax collection, representing a significant increase compared to the £121,000 surplus position projected at Month 9. The surplus is mainly due to a lower than budgeted contribution to the Council Tax Bad Debt Provision, as compared with the assumptions reflected in the Council Tax Base Report approved in December 2018. The reason for this variation is due to a change in approach to calculating the bad debt provision, to ensure that the calculation reflects anticipated collection rates. The overall surplus represents a variance of less than 1.5% of the estimated gross debit. The Council's budget also includes an amount of £400,000 to support requests for discretionary rate relief. In 2019/20 this showed an overspend of £21,000, reflecting an increase in the level of demand for such relief.
14. School balances currently stand at £5.317 million surplus, which is a total increase in balances of £455,000 compared to 2018/19. This overall balance contains a net deficit balance totalling £499,000 in relation to the Mutual Supply Fund (MSF). This figure represents the cumulative MSF liability incurred over a number of financial years, which has reduced further this year following the implementation of a second clawback against schools within the fund. This deficit balance has been offset against overall net school balances pending further recovery during 2020/21. Excluding the MSF liability from the net balances means that individual school balances total £5.816 million and have increased by £158,000.
15. The table below sets out the balances held by individual schools as at 31 March 2020 –

2019/20	£m	% of Delegated Budget
Primary	4.704	3.65
Secondary	0.607	0.55
Special	0.505	3.66
Total – Individual Schools	5.816	2.30

16. Despite the overall increase in the aggregate level of balances held, the individual school picture shows a mixed trend, with 58% of the schools across the phases reducing their balances and 42% increasing their balances. The number of primary schools holding balances in excess of the School Funding (Wales) Regulations guideline of £50,000 has reduced from 46 to 45, whilst seven secondary / special schools hold balances in excess of the recommended level of £100,000. During 2019/20, the Council directed a number of schools to spend their balances, where their school balance had exceeded local thresholds for at least three consecutive years. This action may partly explain the overall reduction in the level of balances. In addition, the Council directed a number of schools to use their balances in 2018/19 and will consider clawing back the remaining excess surplus during 2020/21, for those schools that still hold a balance in excess of locally agreed thresholds. Going forward, the Council will continue to review individual school balances that are in excess of the Welsh Government recommended limits, and locally agreed thresholds, and consider if there is a need for further directions to spend or to claim back any excess surplus.
17. It should be noted that there are 18 schools in Cardiff with negative balances amounting to £1.539 million. This represents an increase compared to the 12 schools that were in deficit at the end of the 2018/19 financial year, although a number of these deficits are very small. Also, the total level of deficit has decreased. The schools with more significant and longstanding deficits have financial recovery plans agreed with the Council. Of the total deficit figure, the majority relates to four schools in the secondary sector. However, some significant reductions in individual deficits were achieved in 2019/20 and work will continue in partnership with the individual school governing bodies to ensure that these deficits are managed downwards over a period of time.
18. In line with standard accounting practice, a number of budgeted and anticipated contributions to and from reserves have been reflected in the 2019/20 accounts. The overall position, excluding school balances and the Housing Revenue Account, reflects a net increase of £510,000. Significant net contributions to earmarked reserves include £4.725 million to the Treasury Management Reserve to assist the Council with strengthening financial resilience and mitigating risks in respect of capital expenditure and treasury management activities. Other significant net contributions include £2.239 million to the Employee Changes Reserves, which will assist with financial resilience over the medium term, and £1.532 million to the Red Dragon Centre Reserve, which will be held in line with the financial model for the indoor arena scheme. It should be noted that two new earmarked reserves were created during 2019/20. These were the aforementioned Treasury Management and Red Dragon Centre reserves.

19. Significant net drawdowns from reserves include £1.647 million from the Strategic Budget Reserve, which is primarily due to a budgeted contribution of £2.5 million, agreed as part of the Council's overall budget for 2019/20, offset by the £853,000 outlined in paragraph 11. Other significant net drawdowns include £1.301 million from the Cardiff Enterprise Zone Reserve, £1.073 million from the Welfare Reform Reserve and £732,000 from the School Organisation Plan Reserve.
20. Following transfers to earmarked reserves and provisions the revenue outturn shows a balanced position. The table below sets out the movement in the accounts that make up that figure.

	£000
Net service position – Deficit	8,629
Contingency	(3,000)
Capital Financing	(447)
Summary Revenue Account	(1,393)
Discretionary Relief	21
Council Tax collected in excess of budget	(3,810)
Net Revenue outturn – Balanced Position	0

21. A balanced position is reported in relation to the net revenue outturn for 2019/20 and, therefore, there is no consequential impact on the Council Fund Balance. The balance at 31 March 2020, therefore, remains in line with the previous financial year and stands at £14.255 million.
22. The Section 151 Officer has reviewed the Council Fund Balance and considers the balance prudent given the unbudgeted risks that the Council faces, however that position will be reviewed throughout 2020/21, in light of the COVID 19 crisis, and as part of the 2021/22 budget preparation. The financial risks facing the Council were set out in the 2020/21 Budget Report.

Civil Parking Enforcement

23. Civil Parking Enforcement (CPE) manages parking, parking enforcement and moving traffic offences throughout the city. The income from these activities is used to support the operational costs and enforcement service. Any surplus or deficit is transferred to the Parking Reserve.
24. The following table provides a summary of the budget and outturn position.

2018/19 Outturn £000		2019/20 Budget £000	2019/20 Outturn £000	2019/20 Variance £000
5,059	On street car parking fees	5,266	5,024	(242)
1,088	Off street car parking fees	1,426	1,186	(240)
368	Residents parking permits	355	386	31
2,385	Penalty charge notices	2,300	2,229	(71)

5,039	Moving Traffic Offences (MTO's)	4,254	5,082	828
290	Camera Car	389	366	(23)
212	Traffic Enforcement Centre (TEC)	200	200	0
7	Other income	0	14	14
14,448	Total Income	14,190	14,487	297
913	TRO, operational costs, parking a/c	845	659	(186)
5,843	Enforcement service	6,118	6,064	(54)
6,756	Total Expenditure	6,963	6,723	(240)
7,692	CPE Net Surplus/(Deficit)	7,227	7,764	537

25. The position for 2019/20 showed a net trading surplus of £7.764 million. This was £537,000 above the original target reflecting significant increased income from Moving Traffic Offences (MTOs) following the introduction of further phases. Income from off-street car parking fees was lower due to a delay in introducing the proposed revised tariffs and stay limits in the district car parks and the wider impact of the February storms and, in particular, COVID-19 affected off-street parking fees.
26. Total income generated was £14.487 million. This included £5.024 million from on-street and £1.186 million from off-street parking fees with a further £386,000 from Residents Parking Permits. Enforcement generated £2.229 million from Penalty Charge Notices, £5.082 million from MTOs, £366,000 from the Camera Car and a further £200,000 from the successful recovery of unpaid fines by the Traffic Enforcement Centre (TEC). A further £14,000 was generated from various activities.
27. Total expenditure was £6.723 million and was £240,000 below budget. This reflected a reduction in the loan repayment in respect of set-up costs associated with the MTOs and the funding of replacement equipment repayments to preserve the balance in the Parking reserve.

Parking Reserve

28. Section 55 of the Road Traffic Regulations Act 1984 governs the use of the reserve. This specifies that the surplus may be used to fund operational costs including subsidising the enforcement service, supporting public passenger transport services, transport planning and road safety, maintaining off-street car parks and highway and environmental maintenance and improvements.
29. The following table illustrates the movements in the Parking Reserve and the balance carried forward.

2018/19 £000		2019/20 £000
701	Parking Reserve Opening Balance	1,491
7,692	Contributions from CPE	7,764
8,393		9,255
	Contributions to revenue:	
5,085	Budgeted contribution	5,385
416	Active travel	719
344	Highway improvements	246
870	Additional drawdown to support schemes	300
163	Clean air and environmental improvements	444
24	Provision of public transport	46
6,902	Total Contributions to revenue	7,140
1,491	Parking Reserve Balance	2,115

30. When the 2018/19 trading surplus of £7.694 million is applied to the brought forward figure of £1.491 million the balance in the Parking Reserve is increased to £9.255 million. Eligible expenditure totalling £7.140 million was drawn down from the reserve leaving a balance of £2.115 million at the 31 March 2020.
31. The drawdown included a budgeted sum of £5.385 million to support a range of Council services including ongoing support and improvements to transport, parking, highways and environmental services. It also included regular funding of £719,000 for the promotion of Active Travel initiatives including assessment of the transportation impact on the Local Development Plan, providing bus corridor improvements and supporting increased cycling in the city. It funded highways improvements of £246,000, including residential parking and delivering sustainable access to schools. Further funding of £300,000 supported a range of highway and transport related schemes. Funding of £444,000 supported a range of clean air and environmental improvements as well as funding staff resources to address public spaces protection orders and developing the conversion to electric vehicles. A further £46,000 supported public transport improvements.

Housing Revenue Account

32. The Housing Revenue Account (HRA) shows a balanced position; a £510,000 improvement on the position reported at Month 9, with movements across budget headings. The overall position as set out in Appendix 4 includes a number of variances.
33. A £390,000 underspend on capital charges is due to lower than budgeted capital financing costs. Some delays to the capital programme were experienced in the final weeks of the year as a result of COVID 19. The Housing Repairs Account shows an overspend position of £373,000, mainly in relation to void property repairs, offset by underspends on general responsive repairs. An unbudgeted contribution to the Housing Repairs and

Building Maintenance Services earmarked reserve of £384,000 is also included within the position.

34. Other variances within the HRA include a £172,000 overspend in relation to the contribution to the Bad Debt Provision based on end of years arrears and write-off levels and a £108,000 overspend in relation to support services. A £184,000 supplies and services underspend includes insurance and IT cost savings. Other general underspends include £97,000 on other premises costs, £51,000 on employee costs and £46,000 on transport costs.
35. A net surplus of £269,000 was also reported in relation to income. Whilst rent and service charges were £997,000 below budget, this deficit was offset by additional grant funding of £249,000 from the Supporting People Grant and £968,000 Affordable Housing Grant income above budget with a further £49,000 other additional income.

Cardiff Harbour Authority

36. Welsh Government support for Cardiff Harbour Authority has been subject to three-year funding agreements, the last of which finished in March 2017. The Welsh Government advised that they would like an opportunity to review arrangements and wished to extend the previous business period by twelve months, up until 31st March 2018. Due to the delay in undertaking the review, single year budgets of £5.400 million for 2018/19 and £5.223 million for 2019/20 were agreed between the two parties. The budget for 2019/20 represented a reduction of £177,000 or 3.3% on 2018/19.
37. Due to a potential underspend on dredging, £260,000 of budget was moved in-year from fixed costs to asset renewal, as agreed with the Welsh Government in November 2019. Subsequently, as a result of damages incurred during Storm Dennis in February 2020, an additional asset renewal allocation of £102,500 was agreed for specific schemes.
38. The outturn position reflects an annual draw down of £5.276 million, resulting in a variance of £50,000.

Budget Category	Budget £'000	Outturn £'000	Variance £'000
Expenditure	5,811	5,703	(108)
Income	(993)	(906)	87
Fixed Costs	4,818	4,797	(21)
Asset Renewal	508	479	29
Total	5,326	5,276	(50)

39. The Fixed Cost budget showed an underspend of £21,000, which included reductions in facilities management costs and overheads, although these were offset by an increase on litter collection & waste disposal and a reduction in car parking income. The under spend of £29,000 against the Asset Renewal budget reflects partial completion of the lock panel works.

40. In accordance with the Agreement, any underspend against the Fixed Cost budget is to be shared equally between both organisations. However, it was agreed that, for 2019-20, the full underspend on fixed costs of £21,000 could be allocated to the Project & Contingency Fund, which is used to support projects and provides a contingency if the approved budget is exceeded. The Fund receives contributions from a combination of receipts from the sale and disposal of land and a share of past year underspends on the Fixed Cost budget. The balance at 1 April 2019 was £42,000 and this has increased by £21,000 as detailed above. This leaves a net balance at 31 March 2020 of £63,000 and this is line with the amendments to the Deed of Variation, as agreed in April 2019.

Capital Outturn 2019/20

41. Expenditure of £164.417 million was incurred across a range of services with £41.521 million of this in relation to Public Housing (HRA).
42. The delivery of capital projects is complex and influenced by a number of external and internal factors. Whilst some slippage is unavoidable as a result of the receipt of external grants later in the year, directorates are regularly reminded of the need to set achievable expenditure profiles and to identify potential slippage of projects at an early stage.
43. The paragraphs below summarise the outturn position of the Capital Programme for both the General Fund and Public Housing, with further detail on schemes to be provided in Appendices 5 and 6.

General Fund Expenditure and Funding

44. Expenditure was £122.896 million, with a variance of £54.459 million against the approved programme. This is represented by a net overspend of £2.403 together with slippage of £56.862 million. The main areas of slippage are highlighted in Appendix 5 and in many cases are due to the receipt of late external grant awards in 2019/20 displacing the Council's own funding which is to be used in later years. The main items of expenditure during the year are set out in the table below:

Schemes	Detail	£m
Community and Neighbourhood Regeneration	Disabled adaptation grants, allowing people to live independently in their homes; environmental improvements; community hubs; land for travellers site expansion; domestic abuse multi agency hub; and completion of a regeneration scheme for Maelfa Centre in Llanedeyrn.	8.9
Education & Lifelong Learning	Completion of the Band A Investment Programme and development of Band B; investment in the condition and suitability of school buildings; schemes for Welsh medium expansion; reducing infant class sizes and Schools ICT.	17.2
Highways & Transportation	Road and footpath reconstruction and resurfacing; public transport and road safety improvements; cycling strategy implementation and expansion of cycle hire and moving traffic offences schemes; investment in	16.4

Schemes	Detail	£m
	active travel and safe routes in communities; design works for city centre air quality measures.	
Leisure Facilities & Parks	Investment in leisure sites retained by the Council as well as sites operated by GLL; athletics track and parks play equipment replacement; Roath Park House refurbishment, Parc Cefn Onn and other infrastructure improvements.	2.7
Acquisition of Red Dragon Centre in Cardiff Bay	Purchase to support a business case for the development of a new arena for the city.	58.4
Solar Farm	Development of a solar farm at former landfill site	5.0
Capital Cardiff Region - City Deal	Grant from Cardiff Council towards development of a Housing Viability Gap Fund for the region.	5.0
Other	Modernising ICT to improve business process; harbour asset renewal; Waste Recycling and collection improvements; Thornhill Crematorium improvements; creation of new burial site; property asset renewal works including enhancement to former Virgin Active site at Ocean Park.	9.3
Total		122.9

45. The expenditure was funded from a number of sources as shown in the table below and included external grants and contributions, proceeds from the sale of assets and by borrowing. Borrowing and any associated interest costs must ultimately be repaid from the existing and future income of the Council.

General Fund - Funding Source for 2019/20 Capital Expenditure	Amount £000	Percentage of Funding (%)
WG General Capital Supported Borrowing	8,566	6.97
WG General Capital Grant	8,106	6.60
WG and other external grants	31,587	25.70
Additional Unsupported Borrowing	2,351	1.91
Invest to Save Unsupported Borrowing	67,124	54.62
Revenue & Reserves	735	0.60
Capital Receipts	3,163	2.57
External Contributions	1,264	1.03
Total	122,896	100.00

46. The Council received a base allocation of General Capital Funding from Welsh Government of £16.672 million in 2019/20. This was made up of capital financing support within the revenue budget settlement to undertake £8.566 million of supported borrowing and a cash grant of £8.106 million.
47. In addition to the above, the Council has undertaken unsupported borrowing which has to be fully met through the revenue budget in future years. In 2019/20, the Council used unsupported borrowing of £69.475 million to support General Fund expenditure. Of this, £2.351 million of borrowing was required to balance Capital Programme commitments and £67.124 million

was for 'Invest to Save' borrowing, repayable from Directorate revenue budgets. The latter includes 21st Century School building investment, the acquisition of the Red Dragon Centre as well as other schemes predicated on receiving income or making savings such installation of solar panels on the former Lamby Way landfill site. The timing and availability of external grants remained uncertain, with some approvals received late during the year, making long term planning difficult.

General Fund Capital Receipts

48. The Capital Programme approved by Council in February 2018 set a target for non earmarked General Fund Capital receipts of £40 million after making a deduction for eligible revenue costs of disposal. £5.5 million was received in 2018/19 primarily from the disposal of the former Howard Gardens Bowling green site and an estimate of £3 million was assumed receivable when setting the budget for 2019/20. The cash receipts received during 2019/20 and available towards this target are shown in the following table:

	£000
General Fund – Non Earmarked	
8 Library Street	277
Cae Glas Retail Parade	322
Land adjacent to 26 Heol Urban	120
Other sales of land / release of covenants	293
Total	1,012

49. During the year, sites with a net value of £2.626 million were also appropriated to the Housing Revenue Account for the development of Council housing. This included land at Sanatorium Road and the sites of the former household waste recycling centre on Waungron Road, Star Centre, and Llanrumney High School, most of which have previously been committed towards specific capital projects. The planned appropriation of the Michaelston High School site was been delayed to 2020/21.
50. Of the appropriations in 2019/20, £375,000 is available in addition to the £1.012 million above towards the General Fund target. This is lower than £3 million assumed for this year, with timing of completion difficult to predict. This makes a total of £6.887 million received since 2018/19 against the overall receipts target set in 2018/19.
51. Other significant earmarked capital receipts received from the sale of land and buildings are in relation to investment property and currently proposed to be ring-fenced and used for reinvestment as part of the Investment Property Strategy approved by Cabinet.

	£000
General Fund - Earmarked for Specific Capital Schemes	
Land at Callaghan Square	3,047
3-4 Wharton Street	1,152
Boston Buildings	542
Unit 10 Lamby Way	240
Land north of Vere Street	96
Total	5,077

52. Updates on the property strategy, disposals and the plan to ensure the target for receipts is achieved, will be included in the Annual Property Plan for 2020/21 to be considered by Cabinet.

Public Housing (HRA) Expenditure and Funding

53. Expenditure in 2019/20 on Public Housing schemes was £41.521 million. Investment was made in estate regeneration, housing stock remodelling, addressing high rise cladding, the fabric of dwellings, disabled adaptations and in the development of new Council Housing as well as acquisition of existing housing to meet new build targets.

54. The table below shows how capital expenditure was paid for:-

Public Housing - Funding Source for 2019/20 Capital Expenditure	Amount £000	Percentage of Funding (%)
Major Repairs Allowance (WG grant)	9,500	22.89
Additional Unsupported Borrowing	21,169	50.98
WG and other external grants	1,589	3.83
Revenue & Reserves	6,400	15.41
Capital Receipts	2,335	5.62
External Contributions	528	1.27
Total	41,521	100.00

Public Housing Capital Receipts

55. Capital Receipts of £0.370 million were generated from the sale of Council dwellings still eligible under the now ceased Right to Buy scheme. A further £1.378 million has been generated from the sale of various freeholds, retained equity held from previous Council and developer home ownership support schemes as well as share of land sale proceeds from the Cardiff Living scheme.

Treasury Management

56. The Council's Treasury Management activities were undertaken in accordance with the strategy approved at Council in February 2019. During the year, periodic reports on Treasury Management were submitted and reviewed by the Council's Audit Committee as well as at Cabinet and Council meetings.

Investments

57. At 31 March 2020, investments arising from temporary cash balances stood at £127.6 million. The balance of investments is at a point in time and will fluctuate daily depending on the timing of receipts and payments in the Council's bank account e.g. payments to suppliers, receipt of grants and capital receipts. The organisations with whom the Council invests were set out in the Council's Investment Strategy for 2019/20 and where possible, investments were diversified across organisations.

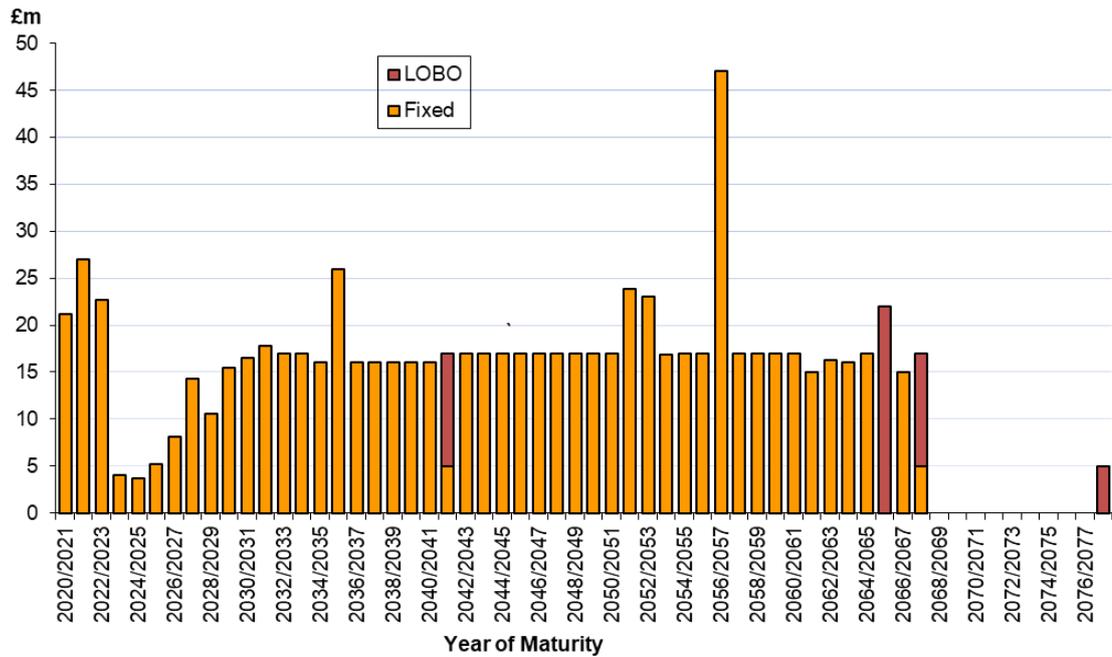
58. The overall level of interest receivable from treasury investments after allowing for interest on balances held on behalf of others totalled £725,000 with the average rate achieved for during 2019/20 being 0.85%, which compares favourably against the 7 day LIBID rate of 0.53% and the 3 Month LIBID rate of 0.63%.

Borrowing

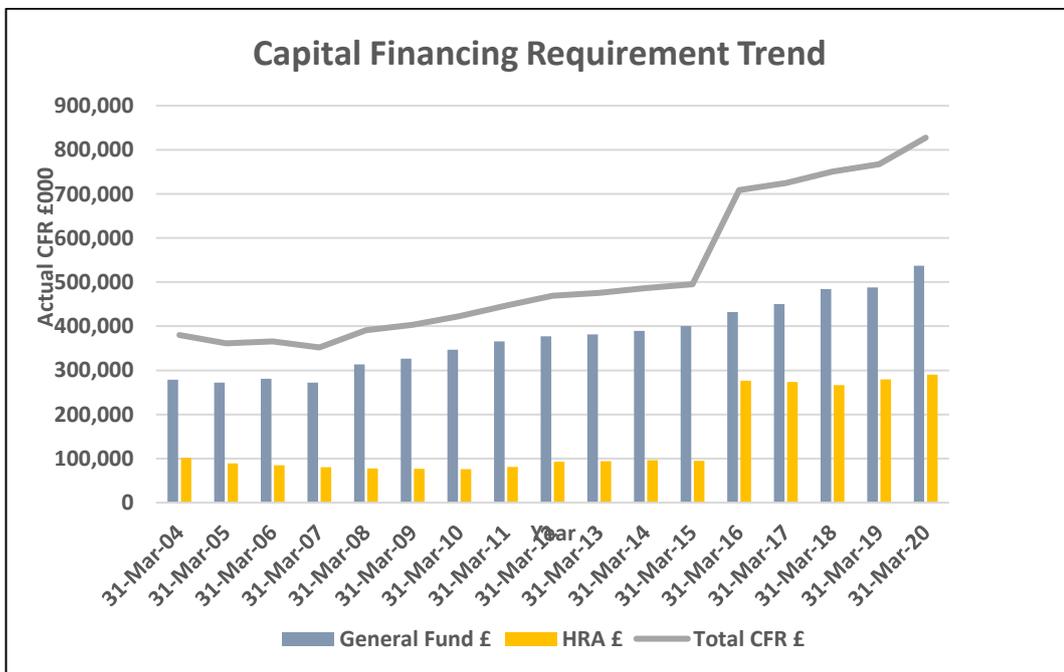
59. At the 31 March 2019 the Council's total external borrowing was £722 million. This was predominantly made up of fixed interest rate borrowing from the Public Works Loan Board (PWLB) payable on maturity.

31 March 2019			31 March 2020	
£m	Rate (%)		£m	Rate (%)
660.9		Public Works Loan Board	698.9	
51.0		Market (Lender Option Borrower Option)	51.0	
4.5		Welsh Government	16.1	
0.0		Local Authority	58.3	
5.5		Other	4.5	
721.9	4.53	Total External Debt	828.8	4.11

60. The average rate on the Council's borrowing reduced during the year, from 4.53% to 4.11% as a result of additional external borrowing during the year at a lower rate. Total interest payable was £32.769 million, of which £12.274 million was charged to the Housing Revenue Account (HRA). All borrowing is in the name of the Council and a single pool of debt is maintained rather than having separate loans for the HRA.
61. The maturity profile of borrowing at 31 March 2020 is shown in the following chart.



62. The Council’s Capital Financing Requirement (CFR) i.e. capital expenditure incurred but not yet paid for is estimated £827 million at 31 March 2020, £537 million for the General Fund and £290 million for the Housing Revenue Account. The trend in the CFR since 2004 is shown in the following chart, with the increase in 2015/16 including the subsidy exit payment of £187 million made by the Housing Revenue Account.



63. Whilst borrowing rates remained higher than investment rates in 2019/20, the Council was internal borrowed which involves using temporary cash balances in the short term rather than undertaking external borrowing. In addition to the short term financial benefits, this reduced exposure to credit

risk. During 2019/20 the Council repaid £4.206 million of maturing loans. New external loans were undertaken as follows:

- Short term borrowing of £58.250 million to pay for expenditure on the acquisition of the Red Dragon Centre. Borrowing is generally not taken specifically for assets, but until a long term strategy is in place for this site, borrowing was undertaken to try and match known short term cash flows, where possible in this case over a one to three year period. Refinancing will need to be considered as certainty in respect of the site and linked arena proposals are developed
- PWLB borrowing of £40 million was undertaken during the year, with the Majority at the end of March. This was to reduce the internal borrowing requirement by locking into reduced long term rates given current uncertainty in financial markets; to strengthen liquidity of the Council particularly around concerns in relation to the COVID 19 position and also to utilise the recent reduction in PWLB rates towards HRA capital expenditure.
- A loan of £10 million received from Welsh Government for the proposed Housing SME fund of the Cardiff Capital Region City Deal. The Council in this case agreed to be the recipient of the repayable loan, subject to the development of final proposals for how the fund would operate and also the Council's liability would be mitigated. Subject to the outcome of this the Council retains the option to return this loan. A further £2.810 million of repayable Town Centre regeneration funding was also received in the year from Welsh Government.

64. Subject to audit, the outcome of the above transactions, coupled with the performance of expenditure during the year on capital programme, the Council's total external borrowing (£828 million) is in line with the borrowing requirement as defined by the Capital Refinancing Requirement (£827 million) at 31 March 2020.

Reasons for Recommendations

65. The report is for information and serves to complete the financial monitoring processes for 2019/20.

Legal Implications

66. The report is submitted for information as part of the Authority's financial monitoring process. The Council's constitution provides that it is a Council responsibility to set the budget and policy framework and to approve any changes thereto or departures there from. It is a Cabinet responsibility to receive financial forecasts including the medium term financial strategy and the monitoring of financial information and indicators.

Generic advice

67. In considering the matters set out in this report regard should be had, amongst other things, to:

- (a) The Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
- (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief, and
- (c) The Well - Being of Future Generations (Wales) Act 2015

Well Being of Future Generations (Wales) Act 2015

- 68. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
- 69. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well - being goals. The well - being objectives are set out in Cardiff's Corporate Plan 2019-22:<http://cmsprd.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Documents/Corporate%20Plan%202018-21.pdf>
- 70. When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that the decision makers should consider how any proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
- 71. The well-being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions

- Involve people from all sections of the community in the decisions which affect them
72. In regards to any decision going forward, the decision makers must be satisfied that any proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Financial Implications

73. The final revenue outturn position indicates that the Council has maintained its spending within its overall net budget of £623.589 million in 2019/20, with a balanced position reported after contributions to and from reserves. This is in line with the overall position reported at Month 9. However, contained within this balanced budget position are significant overspends for the Social Services and Planning, Transport & Environment directorates, in particular. Whilst a number of significant budgetary realignments were undertaken as part of the 2020/21 budget, with the aim of eradicating structural issues within certain directorate budgets, including historically unachieved savings targets, there remains a risk that overspends may emerge in 2020/21. It is, therefore, of critical importance that directorates demonstrate strict financial control in order to avoid future overspends wherever possible. The importance of this has heightened even further in light of the ongoing COVID 19 crisis and associated financial challenges being experienced by the Council.
74. Overall, excluding school balances and the HRA, the earmarked reserves held by the Council increased by £510,000 in 2019/20. This included contributions to the Employee Changes and Strategic Budget Reserves that will benefit the Council in the medium term and will serve to improve the Council's overall financial resilience. The Council Fund Balance at 31 March 2020 is £14.255 million. The Section 151 Officer has reviewed this and considers the balance prudent given the unbudgeted risks that the Council faces, albeit that position will be reviewed as part of the 2020/21 budget preparation and in light of the ongoing COVID 19 crisis.
75. The Capital Programme Outturn for 2019/20 highlights that £62.726 million of slippage into 2019/20 was incurred, including that in relation to public housing. This represents increased slippage in comparison to figures reported during the year. Directorates are regularly reminded of the need to set achievable profiles and identify slippage accurately at an early stage. Whilst unavoidable in some instances, the resources that need to be in place before a scheme can progress needs to be considered at an early stage.
76. General Fund Capital expenditure in 2019/20 required £69.475 million of unsupported borrowing, of which £67.124 million related to funding required to be repaid by savings against revenue budgets or income generation. As highlighted regularly in a variety of reports, consideration needs to be given to the medium and long-term impact of additional borrowing on the Council's

revenue budget. Accordingly, local affordability and other indicators will be continually reviewed and monitored to ensure investment is prioritised and the impact of increased levels of debt is sustainable and affordable.

RECOMMENDATIONS

The Cabinet is recommended to:

- (1) Approve the report and the actions taken in respect of the Council's accounts for 2019/20.
- (2) Note that this report will form an Appendix to the Financial Statements report to be considered at a Council meeting in the autumn of 2020.

SENIOR RESPONSIBLE OFFICER	CHRISTOPHER LEE
	Corporate Director Resources
	10 July 2020

The following Appendices are attached:

- Appendix 1 - Revenue 2019/20
- Appendix 2 - Directorate Variances
- Appendix 3 - Budget Savings 2019/20
- Appendix 4 - Housing Revenue Account 2019/20
- Appendix 5 - Capital Scheme Updates
- Appendix 6 - Capital Programme 2019/20

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Appendix 1

REVENUE OUTTURN POSITION 2019/2020

Directorate	CASH LIMIT BUDGETS			FINAL OUTTURN			VARIANCES		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Corporate Management	26,438	(101)	26,337	26,403	(113)	26,290	(35)	(12)	(47)
Economic Development	45,325	(41,290)	4,035	50,436	(46,011)	4,425	5,111	(4,721)	390
Education & Lifelong Learning	333,512	(61,386)	272,126	362,597	(89,785)	272,812	29,085	(28,399)	686
People & Communities									
- Communities & Housing	246,003	(200,858)	45,145	228,470	(184,054)	44,416	(17,533)	16,804	(729)
- Performance & Partnerships	8,100	(5,338)	2,762	8,169	(5,553)	2,616	69	(215)	(146)
- Social Services	200,152	(27,425)	172,727	206,790	(29,549)	177,241	6,638	(2,124)	4,514
Planning, Transport & Environment	101,614	(63,912)	37,702	105,394	(64,367)	41,027	3,780	(455)	3,325
Resources									
- Governance & Legal Services	6,673	(1,180)	5,493	8,812	(2,676)	6,136	2,139	(1,496)	643
- Resources	31,535	(14,873)	16,662	32,261	(15,606)	16,655	726	(733)	(7)
Capital Financing	40,026	(4,790)	35,236	40,403	(5,614)	34,789	377	(824)	(447)
General Contingency	3,000	0	3,000	0	0	0	(3,000)	0	(3,000)
Summary Revenue Account	2,892	(928)	1,964	2,647	(2,076)	571	(245)	(1,148)	(1,393)
Discretionary Rate Relief	400	0	400	421	0	421	21	0	21
Sub-Total	1,045,670	(422,081)	623,589	1,072,803	(445,404)	627,399	27,133	(23,323)	3,810
Council Tax Collection	0	0	0	0	(3,810)	(3,810)	0	(3,810)	(3,810)
Total	1,045,670	(422,081)	623,589	1,072,803	(449,214)	623,589	27,133	(27,133)	0

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The main variances against directorate revenue budgets were as follows:

Capital Financing (£447,000)**(£469,000) Month 9**

1. The capital financing budget supports the Council's Capital Programme and treasury management activities. This includes external interest payable, prudent provision for the repayment of any debt in line with current Council policy, as well as interest earned on temporary investments. The budget is impacted by a number of external and internal variables such as interest rates, the level of investment balances, share of interest chargeable to the Housing Revenue Account, the need and timing of external borrowing, as well as performance in achieving capital expenditure projections. Following a review of all these factors, the final position for the year was a net surplus of £447,000, which represented a slight reduction compared to Month 9. This underspend was the result of £111,000 lower external interest payable than originally assumed and an additional £466,000 in relation to interest receivable, including for temporary investment balances as well as other changes.
2. Included within the position was additional expenditure of £130,000 relating to the prudent provision for the repayment of debt chargeable. This arose due to the fact that the final capital outturn, for the previous year, was not known when setting the budget and this had a direct impact upon the level of repayment required in the following financial year. Within the same budget heading was reduced expenditure totalling £4.725 million, which was the result of Council, in February 2020, approving a change in the Minimum Revenue Provision Policy. This amount was negated within the outturn position by a transfer to the Treasury Management Reserve, for use in strengthening financial resilience and mitigating risks in respect of capital expenditure and treasury management activities.

Corporate Management (£47,000)**(£70,000) Month 9**

3. An underspend of £47,000 was reported in relation to Corporate Management, reflecting a reduction compared to the position reported at Month 9. The overall underspend was primarily due to savings in relation to past service pension contributions and insurance commission, partly offset by additional costs relating to bank charges, credit card commission and audit fees. All 2019/20 savings proposals were achieved in full.

Economic Development +£390,000**+£513,000 Month 9**

4. The final position for the directorate reflected an overspend of £390,000, which represented an improvement on the overspend position reported at Month 9. This change related to various positive and negative changes, but particularly an improvement in Facilities Management, due to additional income within Building Services. The main variances within the overall

position included overspends within Facilities Management, Culture, Venues & Events and Youth Foods, partly offset by underspends within Business, Investment & Workshops and Parks. In terms of 2019/20 savings proposals, £2.610 million was achieved against the £3.153 million target. The shortfall of £543,000 predominantly related to the proposal to secure a private tenant for the New Theatre, where the impact of COVID 19 meant that it was not possible to conclude this before the end of the financial year. This particular saving shortfall came to £404,000, with a further £122,000 not achieved in relation to the proposal to rationalise staff and generate more income at Cardiff Castle.

5. The overspend within Facilities Management totalled £335,000. This overspend was largely due to additional expenditure in relation to FM Buildings which primarily related to utility costs, security costs, cleaning and unachieved energy savings from prior years. The tight control of expenditure in relation to repairs and maintenance partly offset these overspends. Other overspends within the division included Building Support, due to unbudgeted employee costs, additional licensing costs, income shortfalls and additional supplies and services costs. The Pest Control function also recorded an overspend, largely due to a shortfall in income generation. Partly offsetting these overspends, was an overall surplus in relation to the Building Services trading account, due to better than anticipated income levels and savings in overhead costs. In addition, there was a surplus against the Accommodation Account, which was the result of rental income within core buildings from externally funded occupiers, and additional income generated from cleaning, security and caretaking.
6. In addition to the Facilities Management overspend, there was a £263,000 deficit in relation to Culture, Venues & Events. The position changed significantly at outturn, compared to previously reported positions, for various reasons, including the impacts of COVID 19 towards the end of the financial year. This resulted in reduced income generation in relation to venues and functions, in particular. However, despite the aforementioned savings shortfall against the New Theatre, this venue, along with St David's Hall, reported an overall improvement and delivered a net surplus. This was due to an overall trading surplus on performance and activities at both venues, as well as additional income generation relating to St David's Hall bar. Although these trading activities delivered a surplus, the position for Venues reflected a loss, where income generation was below target, partly due to the enforced closure of certain venues, such as Cardiff Castle, during March. Overspends also occurred in relation to Commercial Activities and Tourism, although an element of mitigation was achieved by virtue of there being an underspend against the Events budget, due to staff vacancies and income above target. The Leisure, Play & Sport division also recorded an overspend, of £44,000, for similar reasons, where venues were closed during March and income generation decreased as a result of this.
7. Other overspends within the directorate included £68,000 against Major Projects, due to additional premises costs associated with the International Sports Village and other project-related costs, and City Centre Management, where a £74,000 overspend was recorded. This overspend was due to an income shortfall in relation to city centre infrastructure and an overspend in

relation to Christmas lights. Youth Foods, County Hall Functions & Events also reported an overspend, totalling £137,000, largely due to income shortfalls within the Youth Foods operation. Underspends within the directorate, which partly offset these overspends, included £304,000 in relation to Business, Investment & Workshops, where additional workshops rental income, vacancy savings, supplies and services savings, and additional bus shelter advertising income were achieved. An underspend of £176,000 was also achieved against the Parks budget, due to increased recharge income, reduced support service costs, in-year staffing savings and additional grounds maintenance income. The Property & Office Rationalisation division achieved an overall underspend of £35,000, due largely to a saving against the Office Rationalisation budget, in-year staffing savings and additional internal recharge income. This was partly offset by additional costs relating to certain premises and an overspend against the budget for disposal costs. Other divisions reported minor variances and Construction & Design achieved a balanced position.

Education & Lifelong Learning +£686,000

+£493,000 Month 9

8. The final position for Education & Lifelong Learning reflected an overspend of £686,000, which represented an increase of £193,000 on the figure reported at Month 9. The change between months was due to a significant deterioration in the financial performance of the traded services within the directorate, particularly School Catering. This deterioration was partly offset by reduced expenditure in relation to Out of Area Placements and the introduction of an underspend against capital financing budgets. The overall overspend was due to a projected overspend against the budget for Out of Area Placements, coupled with additional School Transport expenditure, non-achievement of savings proposals and deficit positions against the traded services within the Services to Schools division. Partly offsetting these overspends were various staffing vacancies across the directorate, in-year savings against capital financing budgets and managed underspends in relation to centrally-held school maintenance budgets. In terms of 2019/20 savings proposals, a shortfall totalling £703,000 was identified. This related to the service-wide staffing restructure, School Transport savings and the proposal to generate income through the provision of additional learning needs (ALN) training.
9. The largest overspend in the directorate totalled £880,000 and related to the Services to Schools division. This overspend was a combination of savings shortfalls and deficits against the School Catering, Music Service and Outdoor Pursuits Centre trading accounts. The School Catering deficit amounted to £432,000 and was due to reduced income generation and some significant deficits in individual school settings, as well as additional employee and system implementation costs. The total deficit for the Music Service was £199,000 and was again due to a significant income shortfall, despite the receipt of unbudgeted grant income via the WLGA. The Outdoor Pursuits Centre deficit totalled £54,000 and was also due to an income shortfall following the loss of a key client during the year. The overall overspend for this division included the cost of successful school transport appeals, although an in-year saving against ICT budgets helped to offset this.

10. The other significant overspends within the directorate related to Out of Area Placements and School Transport, where overspends of £471,000 and £209,000 were recorded, respectively. Although the overspend against the Out of Area Placement budget decreased compared to the Month 9 figure, a number of new additional placements were agreed towards the end of the year, of which the full year effect will impact upon the 2020/21 budget monitoring position. Although the overspend specifically against the School Transport budget was £209,000, there was significant additional transport expenditure across the directorate. The majority of this expenditure related to additional transport provision beyond the scope of the policy, the aforementioned costs associated with successful transport appeals, additional routes for pupils with ALN and unachieved savings proposals.
11. Partly offsetting the overspends outlined in the previous paragraphs were underspends of £575,000 against the School Organisational Plan (SOP) budget and £357,000 against the Achievement budget. The SOP underspend was the result of an in-year saving against capital financing budgets connected with the School Asset Renewal Programme and managed underspends against the revenue funded budget for school repairs. The Achievement underspend was the product of vacancy savings across the division, additional fixed penalty notice income and a reduced requirement for non-maintained nursery provision. Other variances included an overspend of £73,000 against Non-Delegated School budgets, which was due to additional transport and premises costs, partly offset by in-year savings against capital financing budgets held in connection with the repayment of invest to save schemes. The Senior Management budget recorded an underspend of £46,000, which largely related to the Assistant Director post, which was vacant for a proportion of the year. Other divisions reported smaller variances or balanced positions, including EOTAS, where additional grant funding offset the underachievement of one to one tuition income.

People & Communities

Housing & Communities (£729,000)

(£469,000) Month 9

12. An underspend of £729,000 was reported for the Housing & Communities directorate, representing an improvement of £260,000 on the position reported at Month 9. This improvement was largely the result additional grant funding and staffing vacancies within the Independent Living Service. Overall, a number of divisions reported underspends, including Homelessness & Hostels and the Independent Living Service, partly offset by an overspend within Advice & Benefits. All savings proposals for 2019/20 were achieved in full. This included full achievement of two proposals each totalling £250,000, in relation to the delivery of community wellbeing hubs and a realignment of funding for homelessness service delivery.
13. The most significant variance was an underspend of £493,000 in relation to Homelessness & Hostels. This underspend was largely the result of in-year employee savings, particularly in relation to the Housing Options Centre,

where recruitment to the new structure was delayed. The overall underspend was supported by in-year grant allocations from a number of sources and utility savings. In addition, the Independent Living Service recorded an underspend of £257,000, primarily because of in-year employee savings. In previous years there were savings arising from increased capital allocations within the Joint Equipment Service, however the savings that did arise during 2019/20 were required to offset overspends within the pooled budget account. Other underspends included £80,000 against Hubs & Community Services, which was the result of additional grant income and supplies and services underspends across the division, partly offset by income shortfalls in relation to hubs. The Partnership & Delivery division recorded an underspend of £70,000, due to additional grant income, and Housing Strategy & Service Development achieved an underspend of £42,000 following in-year employee savings.

14. Overspends within the directorate included £39,000 within Business, Performance & Support, mainly due to the non-achievement of a prior year savings target, in relation to commercialisation, and records management storage charges, partly offset by employee savings. An overspend of £171,000 was reported within Advice & Benefits and was largely due to a deficit in relation to Cardiff Works, which emerged towards the end of the year. This deficit was due to a significant decrease in income in the latter part of the year and increased salary costs. Within this division, the Central Advice Hub also recorded an overspend, due to increased facilities management costs and income shortfalls. All other divisions reported minor underspends or balanced positions. Included within the overall position was a drawdown of £798,000 from the specific contingency budget set aside to meet increased costs in relation to the Council Tax Reduction Scheme. This reflected a reduction of £137,000 on the figure reported at Month 9, in line with the number of applications received and level of support required.

Performance & Partnerships (£146,000)

Balanced Month 9

15. The Performance & Partnerships division recorded a final underspend of £146,000, compared with the balanced position reported at Month 9. The change in position is largely explained by improvements within Media & Communications, Policy & Partnerships and Bilingual Cardiff. The main variances included within the position were underspends in relation to Cabinet Office & Performance Management, Media & Communications and Policy & Partnerships, partly offset by an overspend in relation to Bilingual Cardiff. The main underspends, which totalled £58,000, £93,000 and £35,000, respectively, were due to in-year employee savings and additional income. The Bilingual Cardiff overspend, which totalled £35,000, was due to the cost of external translation, although expenditure on this decreased significantly between Month 9 and the end of the year. The other divisions recorded largely offsetting variances and all 2019/20 savings proposals were achieved in full.

Social Services +£4,514,000

+£4,984,000 Month 9

16. The final position for the directorate reflected an overspend of £4.514 million, which represented an improvement of £470,000 on the position reported at Month 9. This change reflected the utilisation of additional grant funding within Adult Services, some of which related to winter pressures, although this was partly offset by additional residential placement costs for children. The overall position was comprised of an overspend totalling £4.517 million in relation to Children's Services and a £3,000 underspend in relation to Adult Services. Savings proposals of £6.0 million were included in Social Services budgets for 2019/20, most of which were predicated on a reduction in activity levels. However, the pattern of activity for the year reflected the fact that numbers either stabilised or, in some cases, increased. As a consequence, an overall shortfall of £5.0 million was reported against these savings targets, contributing largely to the overall position. Also of significance was the fact that a disproportionate element of the growth in respect of Children's Services was in high cost residential placements, leading to a further increase in costs. A significant overspend was therefore recorded even after taking into account the drawdown of the £2.0 million contingency for additional placements, agreed as part of the 2019/20 budget process. Further detail on the individual positions for both services are provided in the paragraphs that follow.

Adult Services – (£3,000)

+£725,000 Month 9

17. The final position for the Adult Services division reflected an underspend of £3,000, in contrast to the position reported earlier in the year. This was largely due to the utilisation of additional grant funding towards the end of the year. This grant enabled the significant overspend on Older People Commissioned Services to be partly offset. This particular service still reported an overspend of £2.333 million, mainly arising from savings shortfalls where proposals predicated on reducing numbers were not achieved. It was anticipated that savings proposals in relation to reablement, encouraging independence and cost effective commissioning would facilitate sustainable reductions in activity levels and costs. However, with activity levels increasing or remaining static, costs did not reduce by a level sufficient to meet the savings targets. As an exemplification of this challenge, the activity levels for domiciliary care increased by approximately 4.0%, rather than reduced. This, coupled with ongoing increases in unit costs in domiciliary and nursing care, meant that expenditure levels were significantly in excess of the approved budgets. The overspend within this area was partly mitigated by various underspends in other areas, notably on staffing budgets, where staff turnover and offsetting grant funding provided significant savings.
18. Aside from Older People Commissioned Services, the other commissioned services achieved underspends. In Learning Disabilities, an underspend of £162,000 was reported as a result of a reduction in the number of care home placements and a shift from domiciliary care to direct payments during 2018. An underspend, of £345,000, was also reported in relation to Mental Health Services, as a result of the continuing trend for reductions in the number of residential placements and, in line with previous years, an underspend on budgets allocated to the service for additional commitments in relation to Deprivation of Liberty Safeguards (DOLs). An underspend of £40,000 was evident in relation to budgets for Physical Disabilities, which is a reflection of

activity levels remaining relatively stable or declining in the case of residential care.

19. Internal Services reported a net underspend of £1.789 million. This is mainly due to anticipated savings of £1.140 million in Assessment & Care Management and £742,000 in Day Care & Reablement Services. In both services, there were significant staffing savings evident, as a result of high turnover, but also the utilisation of grant funding to offset staff costs in a range of areas. In addition, Internal Support & Management underspent by £26,000, again as a result of staff savings and the utilisation of grant funding. There was a partly offsetting overspend of £119,000 in relation to Internal Learning Disability Support Living & Day Care, where additional staff costs meant that historic savings targets remained unachieved.

Children's Services +£4,517,000

+£4,259,000 Month 9

20. The Children's Services division reported a final overspend of £4.517 million, after taking into account the drawdown of the £2.0 million specific contingency budget set aside to meet increased costs in relation to placements for looked after children. The ongoing pressure in relation to external placements for looked after children continued to underpin the overspend in this area, with a significantly higher proportion of expensive residential placements evident in 2019/20. This was after allowing for the significant growth, including a realignment, of £6.696 million allocated to the service as part of the 2019/20 budget.
21. The final overspend in relation to external placements totalled £3.395 million and was evidenced by the number of looked after children increasing from 886 in December 2018 to 954 at the end of March 2020, representing a 7.7% increase. Included within this was a significant, disproportionate, increase (37%) in the number of high cost residential placements, where an additional 22 placements led to a £3.6 million expenditure increase. Placement budgets were reduced as part of the 2019/20 savings proposals and this compounded the issue. External fostering budgets were also reduced to reflect savings proposals and, although numbers reduced slightly, an overspend was evident. Internal Adoption & Fostering also reported an overspend, totalling £651,000, again reflecting the growth in looked after children, with the number of internal fostering and kinship placements higher than the 2018/19 average. Adoption fees also continued to significantly increase, again placing additional pressure upon the budget.
22. The other main expenditure pressure incurred within the division was in relation to the cost of agency staff. This particularly impacted the Localities and Intake & Assessment divisions, where overspends totalling £658,000 and £911,000 were reported, respectively. The level of agency cost incurred was significantly higher than in previous years, although this has been addressed as part of the 2020/21 budgetary realignment. The most significant underspend within the directorate related to Restorative & Leaving Care, where a total underspend of £1.026 million was recorded. This was mainly due to in-year staffing savings and the impact of the utilisation of additional grant income. An in-year saving of £224,000 was also evident in relation to guardianship orders, however this was offset by an overspend of

£225,000 against the budgets for Management, Support, Safeguarding & Youth Offending, mainly due to additional agency costs.

Planning, Transport & Environment +£3,325,000

+£2,435,000 Month 9

23. The final position for the directorate reflected an overspend totalling £3.325 million, representing an increase of £890,000 compared to the position reported at Month 9. This change was caused by increased overspends within a number of divisions, most notably Recycling & Neighbourhood Services, where additional agency costs, Materials Recycling Facility (MRF) operational costs and reduced environmental enforcement income were experienced. As well as this, income reduced in Planning & Building Control, due to delays in major planning applications being received, and Bereavement & Registration, where the number of ceremonies that took place during the final quarter was lower than in comparison to previous years. The overall position was largely the result of a significant overspend in relation to Recycling & Neighbourhood Services, although other large overspends were incurred in relation to Fleet Services, Planning & Building Control, Energy Management and Bereavement & Registration. Some mitigation was achieved through underspends within Transport Planning, Policy & Strategy and Highways Infrastructure. Other divisions reported smaller variances or balanced positions. The final position in terms of savings achievement was an overall shortfall of £1.891 million, with significant shortfalls being experienced in Recycling & Neighbourhood Services and Fleet Services. These unachieved proposals were aimed at rationalisation of costs and the generation of additional income within these services.
24. The final overspend within the Recycling & Neighbourhood Services division totalled £2.117 million and reflected a number of significant pressures and the aforementioned savings shortfalls, which totalled £544,000. These pressures were partly offset by contributions from earmarked reserves and the £350,000 MRF contingency, as originally reported at Month 4. These contributions funded the increased costs of processing waste and recycling material. Significant pressures included income shortfalls and additional operating costs within Trade Waste Collections, Domestic Collections and the MRF. As well as these overspends, there were income shortfalls in relation to the Waste Transfer Stations, Environment Enforcement and landfill gas royalties. These pressures were partly mitigated by a saving against the overall treatment of waste, funding provided for planned ward changes and the bottles and jars rollout for collections, which are being reviewed.
25. Other overspends across the directorate included an adverse variance of £711,000 in relation to Fleet Services. This overspend was mainly the result of significant savings shortfalls, relating to both the current financial year and previous years, coupled with a shortfall against income targets. Some mitigations were evident and assisted with preventing the overspend from increasing further. These mitigations included the re-profiling of a loan repayment schedule and the use of earmarked reserves. The Energy Management division also reported an overspend, of £345,000, which was because of a shortfall in income generated at Radyr Weir. Contributing

factors included operational issues, partly as a result of the February storms, a shortfall in renewable energy income and an unachieved staff recharge saving. The Planning & Building Control overspend totalled £389,000 and was due to planning income shortfalls, which were exacerbated by the aforementioned delay in receiving several major applications. The Bereavement & Registration Services overspend came to £197,000, for the reasons already given, although this was partly offset by a surplus against Registration Services. The Shared Regulatory Service also recorded an overspend, of £42,000, due to a licensing income shortfall and the requirement to contribute towards increased operating costs.

26. The most significant underspend within the directorate, which totalled £317,000, related to Transport, Planning, Policy & Strategy. This was the result of increased income in the Design & Delivery service and the use of earmarked reserves to offset unachieved staff restructuring savings and income shortfalls. The underspend in Highways was £197,000 and comprised savings on street lighting energy, a range of expenditure reducing measures and lower staff costs, as well as the use of earmarked reserves. Partly offsetting these savings were reduced cost recovery from SWTRA, lower income from SUD's and vehicle clamping, unachieved savings proposals and additional salt purchases for winter maintenance. The balanced positions reported included Civil Parking Enforcement, where additional income generated was transferred to the Parking Reserve.

Resources

Governance & Legal Services +£643,000

+£273,000 Month 9

27. The outturn position for this directorate reflected a significantly increased overspend, of £643,000, compared to the position previously reported. This increase related to Legal Services and a further increase in the cost of external legal fees, a reduction in the level of income generated and revised staffing costs. The overall position was the result of a Legal Services overspend, which totalled £621,000, and was due to the aforementioned cost of external legal fees, partly offset by in-year savings against employee budgets due to vacancies. The level of fees incurred is linked to the number and complexity of safeguarding cases. Whilst there is a degree of correlation between staffing vacancies and external legal fees incurred, the in-year saving did not prove sufficient to offset the external cost. In addition to the staffing savings, additional income was achieved, although this was offset by additional supplies and services expenditure. Other variances within the directorate included an overspend of £50,000 against the Member Services budget, due to overspends against various budget headings, and underspends within Democratic Services and against the Monitoring Officer budget. These underspends totalled £22,000 and £6,000, respectively, and were due to in-year employee-related savings. The 2019/20 savings proposals, which amounted to £372,000, were achieved in full.

Resources (£7,000)

(£19,000) Month 9

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28. The final position for the Resources directorate reflected an underspend of £7,000. Whilst this underspend was broadly in line with the position reported at Month 9, there were offsetting changes between the two reporting periods against a number of divisions. The overall position was predominantly the result of underspends within Finance, Commissioning & Procurement and Human Resources, offset by overspends within the Digital Services division and Health & Safety. A shortfall of £44,000 was recorded against the directorate's £2.381 million savings target for 2019/20. These shortfalls related to the generation of additional income within Health & Safety and recharge income relating to the Council's trading company for procurement and commercial services.
29. The largest underspend within Resources related to Human Resources and totalled £146,000. This underspend was largely due to savings against HR systems and additional recharge income and employee savings in relation to Organisational Development, combined with reduced external training expenditure within Cardiff Academy. The Commissioning & Procurement underspend amounted to £126,000 and was predominantly due to in-year staffing savings, due to a number of vacancies, partly offset by income shortfalls and a supplies and services overspend. The Finance underspend came to £109,000 and was due to additional income within the Capital Ambition Delivery Team and in-year employee savings within a number of services, partly offset by additional supplies and services costs and income shortfalls within Revenues.
30. The final overspend within the Digital Services Division totalled £346,000 and mainly related to an overspend against Enterprise Architecture, which was the product of income shortfalls and an overspend in relation to licence costs, partly offset by in-year employee savings. Customer Services also incurred an overspend, largely due to additional employee costs incurred in order to meet income targets. Other variances within the division included an underspend for Emergency Management, due to in-year employee savings, and a minor overspend for ICT, where staffing savings and additional income offset increased costs of systems and services. In addition to the Digital Services overspend, an overspend of £25,000 was reported for Health & Safety, due primarily to additional supplies and services costs.

DIRECTORATE BUDGET SAVINGS PROPOSALS 2019/20

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
1	Corporate Management	Reduction of funding available to react to opportunities to fund City wide events Further reduction of funding available to react to opportunities to fund City wide events. The current budget in respect of this area is £274,000.	126	126	0	This savings target was achieved in full.
2	Corporate Management	Reduction in Past Service Contributions A review of past service contributions to be made in respect of ex-employees has identified that there will be a £40,000 reduction in costs for the year 2019/20. The current budget in respect of this area is £865,000.	40	40	0	This savings target was achieved in full.
Corporate Management Total			166	166	0	
3	Economic Development	Review of Venues & Catering Staffing Resource Deletion of two 0.5 FTE posts through voluntary redundancy. The current staffing budget for Retail Catering is £155,000.	19	19	0	A 0.5 FTE post was deleted with the balance of the savings target achieved via a flexible retirement.
4	Economic Development	Closure of Public Conveniences in Caedelyn Park The public conveniences in Caedelyn park are unused and in poor condition with no electrical supply, sinks or hand driers. Toilets will continue to be provided in the changing room block when there are pitch bookings. The public conveniences premises budget within Parks is £59,000.	6	6	0	This savings target was achieved in full.
5	Economic Development	Review of Facilities Management Staffing Resource A restructure of Facilities Management will result in the deletion of six posts within the service through voluntary redundancy. These posts are part of the Building Maintenance unit which currently has a staffing budget of £2.235 million.	157	157	0	The savings target was achieved in full through voluntary redundancy and flexible retirement.
6	Economic Development	Corporate Landlord - Review of Security Costs Saving will be achieved through the increased use of digital technologies in enhanced security plans for some Council sites. The current staffing budget for the Security and Portering service within Facilities Management is £972,000 with related income targets of £1.066 million.	80	71	9	This saving was partly achieved, with posts deleted, although a delay in implementing the new arrangement at Brindley Road has led to the shortfall.
7	Economic Development	Corporate Landlord Model - Reduced Operational Cost of the Estate Reduced utility and operational costs through the closure of St Mellons Enterprise Centre and St Mellons Youth Centre, with youth provision transferring to St Mellons Hub. The Facilities Management budget for these premises is currently £87,000.	63	63	0	This saving was achieved in full.
8	Economic Development	Revised and restructured model for Economic Development Restructure within Economic Development which will allow the deletion of a vacant post. This proposal relates to Economic Development Management and Support Services with a current staffing budget of £813,000.	56	56	0	The post was deleted and the savings target was achieved in full.
9	Economic Development	Corporate Landlord Model - Cleaning of operational buildings Redesign of the programme for the cleaning of Council operational buildings to align with a reduced budget. The current staffing budget for the Cleaning Service within Facilities Management is £5.092 million. The related income targets are currently set at £5.589 million.	53	53	0	The post was deleted and the savings target was achieved in full.
10	Economic Development	Revised and restructured model for the Tourism service and reduction in Tourism budget Deletion of a vacant post in the Tourism team along with a reduction in the budget for tourism initiatives. The current net budget for Tourism Development and Visitor Services is £411,000.	41	41	0	The post was deleted and the savings target was achieved in full.

Appendix 3

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
11	Economic Development	City Centre Management - Remove Subsidy Reduce costs in order to make City Centre Management cost neutral. The current net budget for the City Centre Management function is £40,000.	40	40	0	This saving was achieved in full.
12	Economic Development	New Operating model for Leisure Centres Further year's saving as a result of the transfer of the operation of Cardiff Council's Leisure Centres to the new operator, Greenwich Leisure Ltd. The current budget for the Leisure Client Management Fee is £1.988 million.	1,822	1,822	0	This saving was achieved in full in line with GLL net subsidy requirements.
13	Economic Development	New Theatre Secure a private theatre tenant for the New Theatre building to develop and sustain the current theatre offer in the city. The current net budget for the Arts Venues (St David's Hall and New Theatre) is £808,000.	404	0	404	This saving was not achieved due to the enforced closure of the New Theatre as part of the Government advice and actions in relation to COVID 19.
14	Economic Development	Parks and Sport – Continue transfer of parks buildings to reduce costs to the Council and attract investment The further transfer of changing rooms and other sports buildings to local clubs, organisations, leagues and governing bodies to provide security of tenure, enabling external investment and grant aid and to reduce the cost to the Council of holding these assets. The Facilities Management premises budget for Outdoor Leisure is currently £232,000.	25	25	0	This saving was achieved in full.
15	Economic Development	Cardiff Castle - Income / Staff Rationalisation Saving to be achieved through the rationalisation of agency staff and overtime and the deletion of one post through voluntary redundancy, and the generation of additional income through new attractions (Black Tower Tales and Dr Who). The current staffing budget for Cardiff Castle is £1.359 million with an income target of £4.076 million.	122	0	122	This savings target was not achievable in year, partly due to year end income losses as a result of COVID 19 restrictions and the closure of the facility. Staff cost savings were also not achievable in year.
16	Economic Development	Pest Control - Exploring opportunities for expanding markets Further expanding the Council's market share through exploring opportunities for working with the private sector and other public bodies. The current staffing budget for the Pest Control service within Facilities Management is £321,000 with related income targets of £282,000.	30	22	8	The additional income target was in relation to an increased market share, which was only partly achieved.
17	Economic Development	Workshops Income Increased rental income from workshop units. The current rental and service charge income target for Workshops is £728,000.	20	20	0	This saving was achieved in full.
18	Economic Development	Reduced Subsidisation of Events Seek to reduce the level of subsidy of the current annual events programme through a staff restructure and removal of a level of subsidy for the events programme. The current staffing budget for the Events Operational Support service is £310,000 with Council subsidies for the Events Programme in the region of £216,000.	125	125	0	The savings target was achieved in full through the cessation of funding support for various events and the voluntary redundancy of one member of staff.
19	Economic Development	Reduction in funding for annual Cultural Project Schemes The Cultural Projects Scheme is a financial award scheme designed to support one-off cultural projects that meet the corporate priorities of the council. The saving will be achieved by removing the funding for the scheme. Given the one-off nature of projects, there is no impact for those that have been supported previously. The existing budget for Arts Revenue Grants is £62,000.	62	62	0	There are no ongoing commitments for expenditure and therefore this saving is considered to be achieved in full.
20	Economic Development	Economic Development Projects and Initiatives Reduction in the Business & Investment initiatives budget. This proposal relates to the Cardiff Convention budget which currently stands at £50,000.	28	28	0	This saving has been achieved in full.
Economic Development Total			3,153	2,610	543	

Appendix 3

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
21	Education	Delegation of responsibility for the Local Authority contribution to the Education Improvement Grant This saving would be achieved by delegating the responsibility for the Council's contribution to the Education Improvement Grant to schools. The proposal delegates the current budget for the Council's contribution to the Education Improvement Grant in full.	962	962	0	The delegation of the EIG matchfunding took effect from 1st April and, therefore, this saving was achieved in full.
22	Education	Full Year financial impact of Education Directorate Restructure This is the full financial year impact of the staffing restructure of the Education directorate which took place in the 2018/19 financial year. The current base budget funded staffing budget is £4.215 million.	270	143	127	The new staffing structure was implemented during 2019/20. The first call on savings generated were the unachieved staffing savings from previous years, however the overall saving was not sufficient, leaving a shortfall in the current financial year.
49	Education	School Transport - Route Optimisation/Retender Optimisation of school transport routes in line with requirements for new academic year and associated retendering exercise. The current budget for payments to bus and taxi operators is £5.729 million.	400	0	400	Due to additional pressures surrounding new legislation and additional schools transport appeals, no net budget saving was achieved in 2019/20.
23	Education	Generation of additional income for traded Additional Learning Needs (ALN) services Exploring opportunities to generate additional income through increases to School Service Level Agreements, reduced subsidisation of training and opening up the trading base to schools in other Local Authorities. The current level of income generated through traded ALN services with Cardiff schools is £3.014 million.	140	14	126	The directorate are still developing mechanisms for achieving this saving and, therefore, it was largely unachieved in 2019/20.
73	Education	School Transport - Active Travel Walking routes put in place to remove transport requirements to Schools, in line with Active Travel Plans for schools and independent travel training. The current budget for payments to bus and taxi operators is £5.729 million.	50	0	50	Due to delays in installation of the scheme this saving will not be achieved until the next academic year (September 2020).
24	Education	Reduction in contribution to the Central South Education Consortium (CSC) The Joint Committee of the Central South Consortium determined the 2019/20 budget during the Autumn term. Directors from each of the partner Local Authorities asked for a reduction in budget together with a closer examination of the opportunities for the Consortium to use grant funding to offset core budget costs. There will be a 5% reduction in the required contribution from each LA in 2019/20. The current budget in respect of the contribution is £1.43 million.	70	70	0	The Joint Committee agreed the level of contribution for 2019/20 and this saving was achieved in full.
Education Total			1,892	1,189	703	
25	People & Communities - Housing & Communities	Realignment of funding for homelessness service delivery The saving will be achieved through a prudent use of the Homelessness Reserve over the following two years. The current net General Fund budget for Homelessness prevention and provision is £2.035 million. The anticipated balance on the Homelessness Reserve at March 2019 is £1.256 million.	250	250	0	This saving was achieved in full through a drawdown from the homelessness earmarked reserve. The reserve and ongoing funding requirements will continue to be reviewed as part of the budget strategy going forward.
26	People & Communities - Housing & Communities	Community Wellbeing Hubs implementation Delivery of the Community Wellbeing Hubs brings together Libraries and Hubs under one management structure. There the saving will result from greater join up of services between libraries and hubs, however the new structure does require significant changes to staffing. The new model will improve on the range of services being provided at our existing standalone branches especially around the provision of advice services for older people. The current General Fund staffing budget for Community Wellbeing Hubs and Libraries is £2.396 million.	250	250	0	This saving was achieved in full following completion of the related staff restructure in Autumn 2018 with part year savings achieved last financial year.

Appendix 3

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
27	People & Communities - Housing & Communities	Review of Benefits Service in line with rollout of Universal Credit The implementation of new business processes and the new online application will allow the deletion of vacant posts and a reduction in postage and printing costs. The current Housing Benefit Assessment staffing budget is £2.574 million of which £1.760 million is externally funded, with postage costs budgeted at £57,000.	125	125	0	This savings target was achieved in full with the deletion of 4 vacant posts.
28	People & Communities - Housing & Communities	Deletion of an Into Work Advisor Post Following the creation of the employability gateway, efficiencies have enabled the deletion of this vacant Into Work Advisor post. The current net budget for the Into Work Service is £118,000.	40	40	0	This savings target was achieved in full.
29	People & Communities - Housing & Communities	Review of Adams Court and realignment of grant funding Realignment of existing grant budgets to reflect activities undertaken at Adams Court Supported Housing Project and a reduction in the amount required to be spent on furniture. The Adams Court budget currently stands at £45,000.	30	30	0	Budgets were reduced accordingly and this saving was achieved in full.
30	People & Communities - Housing & Communities	Review of Independent Living Service As the Council continues to expand the range of services that are provided by the Independent Living Service, including the rollout of the First Point of Contact to Hospitals, there is an opportunity to better align existing grant funding which would offset management costs, thereby releasing savings. The net budget for this service is £570,000.	60	60	0	This savings target was partially achieved by staff recharges to the new Transformational Grant with the balance mitigated by income from Disabled Grant admin fees.
31	People & Communities - Housing & Communities	Review of the Day Opportunities Team within Independent Living Services Following a review of the work undertaken by the Day Opportunities Team there is an opportunity to join up with the new Community Inclusion Service to find opportunities to integrate individuals in local groups. The current staffing budget for Day Opportunities is £413,000.	20	20	0	This savings target was achieved in full following the Day Opportunities restructure.
32	People & Communities - Housing & Communities	Smart House/Shop Services Income generation from the sale of equipment to those not eligible for assessed support through the Joint Equipment Service. It is also possible that sales could potentially be made from one of the new wellbeing hub facilities in the future . This is a new scheme with no existing income target.	30	30	0	This savings target was achieved in full although only partially from sales. The balance was mitigated by additional Disabled Fee Grant income.
33	People & Communities - Housing & Communities	Provision of all Into Work Services in-house Following the implementation of the new model for Into Work Services in Cardiff, which included the creation of the Employability Service Gateway, there is the opportunity to provide more of the employment services in-house and reduce the management costs. The current net budget for the Into Work Service is £118,000.	33	33	0	This savings target was fully achieved through a reduction in the costed establishment as a result of a voluntary redundancy and the deletion of a vacant post.
34	People & Communities - Housing & Communities	Citizen Advice Bureau (CAB) Contract - Agreed Reduction This saving reflects the third year of a three year phased reduction in the cost of the Advice Services Contract. The related budget for the Cardiff Advice Services contract is £380,000.	30	30	0	This was the final year of the three year reduction in contract payments to Citizens Advice and the savings target was achieved in full.
People & Communities - Housing & Communities Total			868	868	0	
98	People & Communities - Performance & Partnerships	Policy, Performance and Research restructure Reconfiguring three functional areas to ensure the best use of resources, and to enable more effective utilisation of skills. The current staffing budget for this area is £722,000.	204	204	0	This savings target was fully achieved, predominantly through the deletion of vacant posts and voluntary redundancies.
99	People & Communities - Performance & Partnerships	Restructure of Branding and Media teams Restructure of the Council's communications, media and branding function, to ensure the best possible use of resources. The current staffing budget for this area is £813,000.	76	76	0	The restructure was completed and the saving fully achieved.

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
105	People & Communities - Performance & Partnerships	Income generation for Council's branding team Saving will be achieved by operating the Council's internal branding team on a more commercial basis, increasing income collection from internal and external customers. The current income target is £133,000.	100	100	0	This savings target was fully achieved.
106	People & Communities - Performance & Partnerships	Income generation in Bilingual Cardiff Continued commercialisation of the Council's Bilingual Cardiff team to increase the amount of income generated by providing translation services to other organisations. The current external income budget for Bilingual Cardiff is £334,000.	42	42	0	Additional income was achieved in 2019/20 and the savings target was achieved in full.
109	People & Communities - Performance & Partnerships	Reduction to Third Sector Council infrastructure grant Reduction in direct grant to Cardiff's voluntary sector umbrella groups as part of a continuing development of a commissioning relationship between the Council and the sector. The current budget for this is £231,000.	40	40	0	This savings target was fully achieved. The reduction was communicated to the sector affected.
110	People & Communities - Performance & Partnerships	Reduction in external spend in Communications and Media Reduction in the Council's publicity campaign budget. The current budget for this area is £50,000.	44	44	0	This savings target was fully achieved.
People & Communities - Performance & Partnerships Total			506	506	0	
35	People & Communities - Social Services	More children supported in Cardiff and through Council provision - Change the type and level of provision available in Cardiff and how this is commissioned, purchased and used Of the children that are supported by the Council to live in residential homes, more of them will live in or close to Cardiff than at present. To achieve this, the Council will support the opening of 5 new residential homes in Cardiff during 2019. We will also take action to ensure that of the children in foster care, a greater proportion are in internal placements and live within Cardiff, than currently do. To support this, a new fostering service will be implemented from April 2019. The current budget for placement costs for children totals £25.211 million.	1,500	0	1,500	A number of initiatives were implemented in relation to preventing admissions, reviewing cases, increasing in-house, kinship and external foster carers and the development of in-house and external residential capacity. However, significant growth in the number of external residential placements in 2019 significantly impacted upon the directorate's ability to achieve the targeted savings in 2019/20. Some savings were achieved through the return to home of a number of young people in external placements. This saving was, however, outweighed by the underlying growth in numbers of those in residential care. No significant increase in the number of children placed with in-house foster carers was evident, albeit there was an increase in kinship carers, which helped to absorb some of the overall growth in looked after children.
36	People & Communities - Social Services	Improve the cost effectiveness of Social Services commissioning arrangements To improve the cost-effectiveness of the service's commissioning arrangements by seeking opportunities for rationalisation across the Directorate in terms of commissioning strategy, contract monitoring and financial management. To continue to use commissioning opportunities to seek higher quality services and added value for money where possible, through the implementation of an evidence based fee setting methodology for adults care home services and Care Home Charging Policy, and ensuring the best arrangements are in place for the commissioning of children's residential and foster placements. The current budgets for children's placements, and adult residential and nursing care commissioning total £69.795 million.	1,000	0	1,000	The directorate developed and implemented a new 'cost of care' fee setting methodology. This, however, did not generate savings in 2019/20. Separately, additional income was generated from an increase in the maximum weekly rate that can be charged for domiciliary care, albeit this offset a savings income shortfall carried forward from 2018/19. Further savings were also generated from the current year's fee uplift process. These savings were, however, offset by ongoing pressures on unit care costs which impacted on the achievement of the saving.
37	People & Communities - Social Services	Safely reduce the number of children entering local authority care by enhancing protective factors within the child's home and community Build on prevention models and service delivery that enables work with families to take place at an earlier opportunity, using the range of professionals within the early help context. This could involve extending the ARC model of intervention to younger children. The current budget for placement costs for children totals £25.211 million.	500	0	500	A number of preventative initiatives were implemented and use was made of specific grant funding to improve support for families. However, significant growth in the number of external residential placements in 2019 impacted on the directorate's ability to achieve targeted savings in 2019/20 and also had an impact on the overall financial position.

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
38	People & Communities - Social Services	Maximise use of Community Resource Team (CRT) to support people to become more independent Reduction in the use of externally commissioned homecare services by reducing the need for intensive and long term packages of care. This will be achieved by increasing the capacity and impact of CRT to support people to become more independent, through a review of the Council element of CRT, changes to staffing structures to create additional capacity to assess service users, performance management, and a system review with Cardiff & Vale Health Board in order to repurpose the integrated elements of the CRT. The current budget for domiciliary care commissioning totals £22.531 million.	1,000	0	1,000	The cost saving arising from this proposal would need to be evidenced via a reduction in the number of domiciliary care hours commissioned from external providers. In spite of an ongoing process of review, the number of care hours grew slightly in 2019/20. No saving was, therefore, achieved.
39	People & Communities - Social Services	Community Provision for older people - Improve the use and effectiveness of community provision to ensure people receive the right type and level of support at the right time in their lives The Directorate will improve the availability of community provision and ensure that individuals are supported to access the most appropriate level of provision to maximise their independence. This support will be joined-up with partners and other organisations where appropriate and take into account social, cultural and family networks. This will include making better use of night time care, the introduction of a Hospital First Point of Contact (FPOC) and the implementation of a strengths based practice approach to ensure assessment / review takes place in the right way at the right time. All these steps will seek to support more people to remain living in their own home. The current Older People commissioning budget totals £48.01 million.	1,000	0	1,000	The cost saving arising from this proposal would need to be evidenced via a reduction in the number of domiciliary care hours commissioned from external providers or a significant reduction in care home placements. Commissioned care hours increased slightly in 2019/20 while care home placements, although remaining fairly static, did not show a significant reduction.
40	People & Communities - Social Services	Enabling people with a Learning Disability to live the lives they want to live with reduced levels of community support To improve the lives of people with learning disabilities and reduce the overall cost of provision. This will be achieved by implementing a strengths based practice approach to ensure assessment/review takes place in the right way at the right time, increased use of community facilities and services to enable people to participate fully in local communities with improved networks and rights, the identification of future accommodation needs to ensure appropriate local provision and reduce use of residential care and an increased use of adult placements for accommodation and respite where appropriate. The current Learning Disability commissioning budget totals £34.316 million.	500	500	0	The number of externally commissioned residential home places for those with learning disabilities reduced significantly in 2018/19 and the trend remained relatively stable in 2019/20. The full year effect of the savings relating to 2018/19, and in-year savings relating to increased continuing health care contributions from the UHB, meant that the targeted saving was achieved in 2019/20.
41	People & Communities - Social Services	Enabling people with a Mental Health Issue to live the lives they want to live with reduced levels of community support Deliver improvements in practice and use of provision, to improve the lives of people with a mental health issue and reduce the overall cost of provision. This will be achieved by implementing a strengths based practice approach to ensure assessment/review takes place in the right way at the right time, continuing to reduce the number of people moving into Supported Living accommodation through the development of appropriate step down accommodation solutions, and investigating opportunities to reduce the use of residential home placements or to 'step-down' individuals into lower level forms of supported accommodation. The current Mental Health commissioning budget totals £6.12 million.	500	500	0	The number of externally commissioned residential home places for those with mental health issues reduced significantly in 2018/19. There was also a reduction in the number of domiciliary care hours commissioned. Activity levels in 2019/20 remained relatively stable. The full year effect of savings relating to 2018/19, and in-year savings related to ongoing reductions in commissioned domiciliary care, were sufficient to reach the budgeted target.
People & Communities - Social Services Total			6,000	1,000	5,000	

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
42	Planning, Transport & Environment	Fleet Services Review of vehicle operations including utilisation and rationalisation, in addition to procurement and maintenance. The current budget for vehicle provision including maintenance and running costs is £6.698 million.	600	0	600	This saving was not achieved but some mitigating action was taken by restructuring the capital loan repayment in respect of the RCV purchases and utilising the CTS reserve. This saving target has been removed as part of the 2020/21 budget considerations.
43	Planning, Transport & Environment	Recycling & Waste Management Services Full review of waste disposal governance and financial controls resulting in improved business processes and efficiencies. The net budget for the recycling & waste service is £15.657 million.	250	0	250	Several improvements to internal processes were made during the year but there was no clear visibility that this generated a cashable saving.
44	Planning, Transport & Environment	Neighbourhood Services - Service Redesign Rebalancing street cleansing rounds, reshaping on an area basis in order to optimise use of resources. The current staffing budget is £5.099 million.	160	160	0	Savings were achieved through a restructure that commenced in 2018/19 and completed in the current year.
45	Planning, Transport & Environment	Recycling & Waste Management Services - Review of Staffing Resource Restructure to be undertaken within the Waste service to allow various posts to be deleted. The current staffing budget is £722,000.	134	0	134	No staff restructure took place during the year. This saving target has been removed as part of the 2020/21 budget considerations.
46	Planning, Transport & Environment	Environment Enforcement Improved efficiency and effectiveness through digital working. The current income target is £465,000.	60	0	60	The final position for penalty notices reflected a shortfall against the increased target.
47	Planning, Transport & Environment	Recycling & Waste Management Services - Residual Waste to Recycling Increased productivity & recycling efficiency from the Household Waste Recycling Centres. The current residual waste disposal budget is £5.566 million although £1.768 million is funded by a Welsh Government grant.	40	40	0	The costs associated with the various waste and recycling treatment processes indicated that this saving was achieved.
48	Planning, Transport & Environment	Energy Management - Sustainability Team Leader Saving will be achieved through charging 60% of the Sustainability Team Leader Post to the Housing Revenue Account (HRA) to reflect the proportion of work undertaken in relation to Housing. There is currently no recharge to the HRA.	33	0	33	There was insufficient evidence to justify an increase in the existing recharge so this saving was unachieved.
50	Planning, Transport & Environment	Civil Parking Enforcement - Fundamental Service Review Fundamental review of Civil Parking Enforcement service to optimise performance and service delivery. The current operating costs are £6.290 million.	300	300	0	Civil Parking Enforcement exceeded its income target so this saving was achieved.
51	Planning, Transport & Environment	Reshaping Highways Operations A review of demand for highways related work has identified the opportunity to grant voluntary redundancy in respect of three posts. A reduction in the need for reactive works, along with improvements in technologies and ways of working, supports a reduction in resources within Highways Operations, with no detrimental effect on service provision. The current staffing budget is £4.116 million.	132	132	0	This saving was achieved following the finalisation of a number of voluntary redundancies.
52	Planning, Transport & Environment	Electrical - Lighting Energy Reduction Reduction in energy usage and cost due to introduction of LED on strategic routes. The current Street Lighting energy budget is £2.413 million.	122	122	0	This saving was realised in full.
53	Planning, Transport & Environment	Restructure of Transport Teams Following the appointment of a new Operational Manager, this saving will be achieved through the restructure of various teams within Transport Services. The current staffing budget is £740,000.	80	80	0	A part year saving was achieved via a voluntary redundancy. The remaining saving was achieved through opportunities to recharge staffing costs to external and grant funded schemes.
54	Planning, Transport & Environment	Review of Active Travel plans for Cardiff Deletion of vacant posts in line with Active Travel plans for Cardiff. The current staffing budget for Active Travel is £277,000.	55	55	0	The saving was achieved in full.
55	Planning, Transport & Environment	Service Management & Support - Team Restructure Restructure of Support Team resulting in deletion of posts through flexible retirement and voluntary redundancy. The current staffing budget is £644,000.	52	12	40	The team restructure was delayed, resulting in only a proportion of the saving being achieved in 2019/20.

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
56	Planning, Transport & Environment	Planning - Deletion of Vacant Post Deletion of vacant administrative post in Planning. The current administrative support budget is £357,000.	22	22	0	The saving was achieved in full.
57	Planning, Transport & Environment	Regulatory Collaboration Reflects a further year's saving for Cardiff from the creation of a single shared service for Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure. As agreed in the service's financial business plan, this equates to 5% compounded over three years. The current budget provision is £4.978 million.	286	286	0	The saving was achieved following dialogue and agreement with the SRS.
58	Planning, Transport & Environment	Bereavement Services Generate additional income through increases to fees for burials and cremations, and memorial products and the introduction of fees for wooden grave markers. The income target is currently £2.790 million.	301	164	137	A proportion of this saving was achieved following the increase in fees. However, the mild winter reduced the number of burials and cremations, resulting in a shortfall against the target.
59	Planning, Transport & Environment	Fleet - income from enhanced commercialisation of the service Income from enhanced commercialisation of the service. The current income target is £447,000.	200	0	200	Whilst additional customers were attracted to the service, it was insufficient to meet the existing income target. Therefore, this target was unachieved, but has been addressed in 2020-21 as part of a budgetary realignment.
60	Planning, Transport & Environment	Commercial Waste and Recycling Increase income by growing the commercial waste and recycling centres at Bessemer Close and Lamby Way. The current income target is £978,000.	100	0	100	This income target was not achieved. A budget realignment has enabled a realistic target to be set for 2020-21.
61	Planning, Transport & Environment	Lamby Way Solar Farm Scheme Lamby Way Solar Farm will provide a substantial amount of clean, renewable energy to supply the local electricity grid and connected Council buildings. It will make a positive contribution to national and local renewable energy generation and carbon reduction targets. Through this solar farm scheme additional income will be generated from January 2020. This is a new scheme so there is no existing budget.	30	0	30	The Solar Farm was not operational during 2019/20 and, therefore, this saving target was not achieved.
62	Planning, Transport & Environment	Registration Services Income Generate additional income through increases to fees for marriage ceremony room hire and private citizenship ceremonies. The income target is currently £798,000.	23	23	0	The income target was achieved.
63	Planning, Transport & Environment	Cardiff Dogs Home Improved coordination of volunteers and increased income opportunities. This is a new initiative. The net budget provision for Cardiff Dogs Home is currently £284,000.	20	20	0	The income target was achieved.
64	Planning, Transport & Environment	Transport Policy - Improved income recovery Improved income recovery through the digitalisation of the Network Management function and benchmarking against other local authorities. The current income target is £483,000.	120	41	79	Some improvements were made which generated an additional £41,000, leaving a shortfall of £79,000 against the target.
65	Planning, Transport & Environment	Clamping and Removal of Nuisance Vehicles This saving will be achieved following the DVLA's authorisation of Cardiff Council to enforce against untaxed vehicles under devolved powers to use the Vehicle Excise Duty (Immobilisation, Removal and Disposal of Vehicles) Regulations 1997. This would allow the Council to monitor, report and with the permission of the DVLA, either to clamp and/or remove untaxed vehicles from the highway and Council-owned land, which would require payment of a release fee. This is a new initiative and therefore no existing budgets.	120	0	120	Although the initiative has many benefits for the Cardiff Highway Network and helps address the issue of vehicle tax avoidance, there were unforeseen problems affecting the performance of the operation. There were issues related to clamps being forcibly and illegally removed, legislative issues regarding the use of the Camera Car, making the process more time consuming and therefore less efficient (now resolved), and a greater than anticipated number of offenders paying the early release fee rather than the anticipated higher retrieval fee. This target was written out of the 2020/21 budget.

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
66	Planning, Transport & Environment	Delivery of approval body for Sustainable Drainage The delivery of the approval body for Sustainable Drainage will provide a net income through applications after taking into account additional staff costs. This is a new legislative requirement so does not currently have any budget.	108	0	108	The volume of applications included in the Business Case did not materialise. This had a significant impact on the level of income and therefore the net surplus was not achieved. This target has been written out in the 2020/21 budget.
67	Planning, Transport & Environment	Planning - Progressing development proposals and enhanced information gathering Enhanced income opportunities in relation to the role of the Planning Service in progressing development proposals and enhanced information gathering in respect of new applications in the pipeline. The income target is currently £2.4 million.	80	80	0	The necessary internal recharges were processed, enabling this saving to be achieved.
68	Planning, Transport & Environment	Improved income from Developments Increased income from enhanced delivery of key developments across the City. The current income target is £756,000.	45	45	0	This target was achieved in full.
69	Planning, Transport & Environment	Transport Policy - Improved Recharging Maximising opportunities for recharging of services to grant funding streams. The current income target is £273,000.	40	40	0	This target was achieved in full.
70	Planning, Transport & Environment	General Fees & Charges Increase in fees & Charges across the Planning, Transport and Environment directorate including licensing and fixed penalty notices. The current income target for licensing is £564,000 and for fixed penalty notices £413,000.	32	32	0	This target was achieved in full.
71	Planning, Transport & Environment	Reduction in Energy Levies A change in government policy means that rather than a Carbon Management tax being levied on specific organisations, there will be an increase to the Climate Change Levy (CCL) on every bill. There is a resultant decrease in the cost to the Council. The current budget in respect of the Carbon Reduction Commitment is £471,000.	230	230	0	The budget was reduced in line with the reduction in the levy and this saving was achieved in full.
72	Planning, Transport & Environment	Bereavement Services - Public Health Funeral Contract Saving will be achieved through carrying out the Public Health Funeral Contract in-house. The current budget for payments to funeral directors and overheads is £24,000.	24	24	0	The budget was reduced in line with the proposal and expenditure remained within the reduced budget.
74	Planning, Transport & Environment	Structures & Tunnels - Maintenance Reduction in maintenance expenditure following new contract and other efficiencies. The current budget provision for maintenance is £532,000.	20	20	0	The budget was reduced in line with the proposal and expenditure remained within the reduced budget.
Planning, Transport & Environment Total			3,819	1,928	1,891	
75	Resources - Governance & Legal Services	Review of Legal Services Staffing Resource Restructure of Legal Services resulting in the deletion of two posts, and reducing capacity to undertake in-house legal work. The current Legal Services staffing budget is £2.724 million.	119	119	0	The restructure was progressed and posts were identified for savings on a voluntary redundancy and vacancy basis.
76	Resources - Governance & Legal Services	Reduction in annual contribution to election reserve Following a review, it is possible to reduce the annual contribution to the election reserve to pay for local elections. The current annual contribution is £96,000.	20	20	0	This saving was achieved but levels of reserve will require careful monitoring going forward. Any underspends will likely need to be retained when possible to keep the reserve at an appropriate level for local elections.
77	Resources - Governance & Legal Services	Cease printing meeting agenda and reports for Councillors and Senior Officers Cease printing meeting agenda and reports for Councillors and Senior Officers unless necessary to comply with the Equality Act 2010. This proposal would result in the removal of the entire printing budget.	13	0	13	The level of expenditure incurred during the year exceeded the available budget and, therefore, this saving was not achieved.
78	Resources - Governance & Legal Services	Removal of Webcasting Equipment from County Hall Council Chamber Any formal council meetings held in the County Hall Council Chamber will not be able to be webcast. However, currently only one Council meeting a year is held there and this could be held at City Hall. This proposal would result in the removal of the entire budget.	6	6	0	This saving was achieved in full.

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
79	Resources - Governance & Legal Services	Reduction in Training and Development budget for Members The current Training and Development budget is £9,000.	3	3	0	This saving was achieved in full.
80	Resources - Governance & Legal Services	Increase in income Increase in income and charges for legal work carried out for City Deal (£20,000), highways (£40,000), waste (£58,000), regeneration (£37,000) and client contributions for procurement lawyer (£58,000) and miscellaneous legal charges. Budgeted Legal Services income amounts to £1.015 million.	211	211	0	Agreements with various other directorates were put in place, meaning that this saving was achieved.
Resources - Governance & Legal Services Total			372	359	13	
81	Resources	Capital Ambition Delivery Team Saving will be achieved through the ongoing restructure of the Capital Ambition Delivery Team, to align the focus of the team with the major transformational change projects contained within Capital Ambition Delivery Programme, and a planned drawdown from reserve for one year. The current staffing budget within the Capital Ambition Delivery Team is £949,000. The current budgeted drawdown from reserve stands at £110,000.	374	374	0	The use of reserves ensured that this saving was fully achieved.
82	Resources	Restructure the Accountancy Function A review of staffing structures and responsibilities in the section, enabling staff savings through a combination of vacant posts and voluntary redundancy together with the use of reserves in order to assist with the timing of the restructure. The current staffing budget for this area is £2.84 million.	359	359	0	This saving was fully achieved through voluntary redundancies and the use of earmarked reserves.
83	Resources	Connect to Cardiff (C2C) - Channel Shift C2C management are exploring means of automating as many interactions as possible for customers. This improves the customer journey and hours of service availability, but can also significantly reduce demand on resources, allowing the release of contact centre staff. A planned drawdown from reserve for one year will assist with the timing of this shift. The current C2C staffing budget stands at £2.4 million.	300	300	0	The phased deletion of posts and use of reserves ensured that this saving was fully achieved.
84	Resources	Process efficiencies within Revenues and Council Tax Savings will be achieved through efficiencies within Revenues and Council Tax. This will include a range of measures, including staff savings which will be delivered through a combination of a reduction in vacant posts and voluntary redundancy. The current staffing budget for this area is £3.3 million.	174	174	0	This saving was fully achieved, predominantly through the deletion of posts.
85	Resources	Savings from reduction in Support Costs for Human Resources (HR) IT System Savings arising from planned reduction in support costs for HR IT systems. The costs associated with this were previously funded by post reductions in HR as required in the original business case model. The current budget for HR IT systems is £579,000.	169	169	0	This saving was fully achieved.
86	Resources	Human Resources (HR) IT System Move the Council's HR IT system on to the Council's private cloud platform. The current budget for HR IT systems is £579,000.	116	116	0	This saving was fully achieved.
87	Resources	Review of Human Resources Staffing Resource Restructure of Cardiff Works and Cardiff Academy under one new manager role resulting in the deletion of two posts through voluntary redundancy. An additional deletion of one post in HR First Contact Team through Voluntary Redundancy. The current staffing budget for these areas is £548,000.	113	113	0	The relevant posts were deleted and the saving was fully achieved.
88	Resources	Deletion of vacant Enterprise Architecture Posts The new digital strategy for Cardiff refocuses the areas of work for the Enterprise Architecture Team and has identified the opportunity to delete two existing vacant posts. The current Enterprise Architecture staffing budget stands at £424,000.	80	80	0	The relevant posts were deleted and the saving was fully achieved.

Appendix 3

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
89	Resources	Restructure of Exchequer Support Function Further restructuring of the Exchequer Support function, to include a reduction of supervisory / management roles as well as a further reduction of administrative staff through a combination of vacant posts and voluntary redundancy. The current net budget for this area is £540,000.	80	80	0	The deletion of two vacant posts and two posts relating to voluntary redundancy meant that the saving was fully achieved.
90	Resources	Reduction of Audit Resource The deletion of a Principal Auditor post through voluntary redundancy along with a reduction in hours worked. The current staffing budget for this area is £551,000.	62	62	0	The deletion of a principal auditor post and a reduction in hours for another post fully achieved this saving.
91	Resources	Review the service delivery arrangements for risk management A review of the service delivery arrangements for corporate Risk Management has enabled the deletion of a vacant post. The current staffing budget for Information Governance is £846,000.	52	52	0	The deletion of this vacant post fully achieved this saving.
92	Resources	HR Organisational Development Restructure of management of HR Organisational Development team and deletion of HR Organisational Development Team leader post through voluntary redundancy. The current staffing budget for this area is £220,000.	52	52	0	The deletion of the team leader post fully achieved this saving.
93	Resources	Review of the Revenues Management Team Saving will be achieved through the deletion of one post from the management structure in the Revenues Section. The current staffing budget for this area is £3.3 million.	50	50	0	The post was deleted and the saving was fully achieved.
94	Resources	eProcurement Team - Staffing Review Review of staffing resource within the eProcurement team allows the deletion of the Development and Support Manager post through voluntary redundancy. The current eProcurement staffing budget stands at £252,000.	47	47	0	The post was deleted and the saving was fully achieved.
95	Resources	Revised funding arrangements for posts within HR People Services Saving will be achieved via a planned and prudent use of reserves over a two year period, allowing a reduction in base funding for posts. The current staffing budget in respect of HR is £3.941 million.	43	43	0	The use of earmarked reserves meant that this saving was fully achieved in 2019/20.
96	Resources	Contract Management Officer Funding of planned Contract Management Officer post from reserves for a two year period. The Contract Manager post will be funded in full by this arrangement.	37	37	0	The use of earmarked reserves meant that this saving was fully achieved in 2019/20.
97	Resources	Relocation of Council's In-House Occupational Health Service Relocation of the Council's in-house Occupational Health Service from the current leased building at Nant Garw to a Council owned building. The current budget is £163,000.	23	23	0	The move from Nantgarw has now taken place and the saving has been achieved in full.
100	Resources	Generation of Additional Income within Health & Safety The new Health & Safety structure will provide opportunities for additional income generation including training in areas such as asbestos. The current income target stands at £63,000.	99	75	24	A shortfall in income resulted for the year due to a delay in finding a location for the asbestos training to take place.
101	Resources	Information Governance Team Review Generation of additional income in order to support current resources allocated to Information Governance. The current income target within this area is £179,000.	33	33	0	This savings target was fully achieved.
102	Resources	Additional income from HR support to schools Additional income from supporting schools for services outside of the current Schools HR Service Level Agreement. The current income budget for schools SLAs is £1 million.	30	30	0	This savings target was fully achieved.

Appendix 3

No	Directorate	Proposal	Total Saving £'000	Savings achieved £'000	Savings not achieved £'000	Comments
103	Resources	Atebion Solutions Additional Income Atebion Solutions is a trading company wholly owned by the Council which trades commercial and procurement services to other public sector organisations. The model that has been developed is based on reducing the fixed costs of the Strategic Procurement Team through the charging of full costed staff time to the company. Due to the success of the company to date, the annual income target for the Council will be stretched by £20,000. The current income target related to Atebion stands at £180,000.	20	0	20	This saving was not achieved, however alternative savings, primarily from the non-filling of vacant posts, temporarily covered this shortfall.
104	Resources	Additional Income from HR Support to City Deal Maximising opportunities for recharging of HR services in respect of City Deal. There is currently no income target for this area.	18	18	0	This savings target was fully achieved.
107	Resources	General reduction in external ICT spend This will be achieved through a review of the current ICT contract arrangements. The current ICT Holding Account supplies & services budget stands at £1.95 million.	25	25	0	This savings target was fully achieved.
108	Resources	Reduction in Special Projects Budget Reduction in budget available to fund projects within the Resources Directorate. The current budget for this area is £57,000.	25	25	0	This savings target was fully achieved.
Resources - Resources Total			2,381	2,337	44	
Council Total			19,157	10,963	8,194	

HOUSING REVENUE ACCOUNT 2019/20 - OUTTURN**APPENDIX 4**

	2019/20 Estimate £000	2019/20 Actual £000	2019/20 Variance £000
EXPENDITURE			
Employees	17,640	17,589	(51)
Premises			
Council House Repairs	18,300	18,673	373
Other Premises Expenditure	4,070	3,973	(97)
Total Premises	22,370	22,646	276
Transport	203	157	(46)
Supplies & Services	2,475	2,291	(184)
Support Services	6,180	6,288	108
Capital Financing			
Capital Financing	25,514	25,124	(390)
DRF	6,400	6,400	0
Total Capital Financing	31,914	31,524	(390)
Contributions to Funds/Doubtful Debts	1,060	1,232	172
Contribution to Reserves	0	384	384
GROSS EXPENDITURE	81,842	82,111	269
INCOME			
Rents	(73,427)	(72,436)	991
Service Charges	(5,354)	(5,348)	6
Other income and recharges	(3,061)	(4,327)	(1,266)
TOTAL INCOME	(81,842)	(82,111)	(269)
NET SURPLUS (-)	0	0	0

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Appendix 5 - Capital Schemes Update

Budget monitoring reports during the year have provided regular updates on capital schemes. This appendix provides an update of main areas in which capital expenditure was incurred during 2019/20 and where resources are carried forward to complete schemes in future years. This accompanies the detailed list at Appendix 6.

Economic Development

The 2019/20 programme for the Directorate is £72.119 million, with a variance identified of £6.454 million predominantly in relation to parks projects, developer contributions, carry forward of Council funding in respect of economic stimulus grant and property asset renewal schemes.

Business and Investment

The council received a further £2.810 million of town centre loan funding from Welsh Government during the year for Butetown and Grangetown, which is repayable by 2032. This makes the total available to the council of £4.810 million towards loans to third parties in order to bring back vacant, underutilised or redundant buildings into beneficial use. Subject to completion of legal agreements, Cabinet agreed a loan of £2 million to allow the completion of the Coal Exchange building and support the wider regeneration of the area. No payments were made prior to the company entering into administration in May 2020. The Council aims to work with the administrators to secure the completion of the site, with a further report to Cabinet in respect of proposals when developed by the administrator, if Council funding is required.

City Development & Major Projects

In the Council's five year programme, a sum of £2.366 million was allocated to economic development initiatives, primarily in relation to heritage buildings. The 2019/20 allocation of £366,000 is to develop a new Black Tower Tales visitor attraction at the castle, with expenditure during the year of £236,000.

The Council was informed in September of an award of £1.929 million of Welsh Government grant to support economic stimulus in local authorities. This is allocated for the acquisition of land situated on the corner of James Street and Adelaide Street in Cardiff Bay that has remained derelict for over 30 years. Completion did not take place in the year and given the funding had to be spent by 31 March 2020, this has been used to pay for other eligible capital expenditure, allowing any displaced resources to be utilised to fund the completion in 2020/21, subject to completion of all legal and financial due diligence.

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The primary phase of Central Square Public Realm was completed in November 2018 with costs of £8.7 million in 2018/19 and prior. Slippage of £342,000 is carried forward to complete works arising following future phases of the development in line with various other public realm works planned around the site.

Cabinet approved the acquisition of the Red Dragon Centre site in December 2019, which triggered the approval of the affordability envelope in respect of delivery of a new indoor arena as part of the 2019/20 budget proposals. Completion of the site took place in January 2020. Total expenditure in the year including fees is £58.396 million and procurement of a developer/operator for the new Indoor Arena is currently under way, with shortlisted bidders in a competitive dialogue phase. A full business case on the delivery of the Arena will be presented to Cabinet for final approval for a contract to be awarded to a developer/operator.

Parks & Green Spaces

In respect of asset renewal buildings, works undertaken this year include boiler plant replacement at Bute Park and upgrading the main plant control panel at Blackweir changing rooms. The budget includes a £117,000 contribution towards new toilet provision at Parc Cefn Onn which is being carried forward for completion of that project.

The Asset Renewal Infrastructure budget of £140,000 along with slippage was used for footpaths reconstruction at Parc Cefn Onn, fencing replacement at Greenway allotments. Planned footpath works at Whitchurch common and Hailey Park along with Waterhall bridge replacement. Works to a retaining wall at Fairwater Park were delayed and will re-commence when working under Covid - 19 restrictions is possible. Delays were due to capacity and resource issues with initial tenders and quotations also significantly exceeding available resources. A sum of £113,000 has been carried forward to 2020/21

In 2019/20, the service requested and was provided with an enhanced play equipment capital allocation making the budget for 2019/20 £278,000. As a result of continued capacity issues, £243,000 is being slipped into 2020/21. Work undertaken included, acquiring replacement equipment for Drovers way, Caedelyn park and the Marl and refurbishment of skate parks across the city and preparation of contract documentation for Drovers Way, Glenmount, grange gardens, Lascelles drive, Park Caedelyn, Wilson road, Peppermint drive and Victoria park.

The contract for the landscaping work at Parc Cefn Onn is complete and the upper park reopened in August. Works included a timber walkway, footpath and seating improvements as well as pond works. The refurbishment of the toilet block commenced in February but was suspended due to Covid-19. Works have restarted with a view to completion at the end of August. Additional funding required to complete this element will be met from the Council's building asset renewal budget.

Refurbishment works at Roath Park house to protect it from further deterioration and make it wind and watertight commenced in September and are anticipated to be completed by the end of June 2020. The actual cost to date is £562,000, with options for a commercial use generating income being considered in parallel to ensure the site does not remain vacant. The project utilises funding from capital receipts from the disposal of the former youth hostel at Wedal Road agreed by Cabinet to be re-invested in the Roath Park district area.

The replacement of the boat jetty at Flat Holm Island was successfully completed in December at a cost of £366,000, funded from the Landfill Communities Fund.

Leisure

Property asset renewal budget of £220,000 has been utilised in 2019/20 to allow completion of car park drainage and resurfacing at Insole Court (£135,000) as well as £85,000 for condition and electrical works at Cardiff International White-water and pool hall lighting at Llanishen Leisure Centre.

As part of the contract for the transfer of leisure sites to GLL, the balance remaining of the £3.5 million for investment in the transferred leisure sites was £1.047 million at the start of 2019/20. This is repayable on an invest to save basis, with expenditure in the year including changing room refurbishment, pool play features, boiler replacement and lighting schemes. Slippage of £678,000 into 2020/21 is shown pending a review by GLL of works required and consideration of whether the full amount is required.

Due to the deteriorating condition of the track at Cardiff International Stadium, replacement works which started in 2018/19 were completed during the year at a total cost of £500,000 in line with the original agreement for transfer of the site to Cardiff and Vale College.

A tender package has been prepared for a scheme at Pontcanna riding school to resurface the outdoor arena but not progressed pending SAB approval. Funding sources include a grant from Sport Council Wales and a contribution from the friends of the school.

Venues and Cultural Facilities

Capital budgets were initially allocated in 2015/16 for priority works identified at St David's Hall (£350,000) and New Theatre (£295,000), pending consideration of alternative options for service delivery from those sites. Dormer windows at New Theatre were replaced during 2019/20 (£30,000), with other works subject to a condition survey as part of discussions in respect to the new lease agreement. Work commenced on upgrading the Building Management System at David's Hall (£106,000). A sum of £222,000 is carried forward from these budgets initially allocated.

Property & Asset Management

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Property Asset Renewal works at administration buildings included the completion of stone balustrades on the roof at City Hall, upgrades to lifts and improved security measures at County Hall and upgrades to the uninterrupted power supply at Willcox House. Works at other buildings included fencing around the moat, roof replacement at the visitor centre and health and safety works to the high roofs at the Castle and the Former Virgin Active Tennis Site, emergency lighting and electrical remedial works at Cardiff Market; electrical works at Llanover Hall and replacement guttering at Cardiff Heliport. Slippage of £556,000 is being carried forward.

A scheme costing £214,000 to introduce security measures at Brindley and Coleridge road depot site along with related works has been completed, replacing the manned security with technology to both improve the effectiveness of security at the site. Of this expenditure, £146,000 is to be repaid over a five year period from the reduced operational costs on an invest to save basis in line with the original business case.

The Council continues to retain an allocation to support small scale capital works arising from Community asset transfer of buildings. No expenditure was incurred in 2019/20 with the amount of £123,000 carried forward to future years.

The investment property estate is managed on a commercial basis with capital receipts generated from the sale of investment estate assets reinvested to improve existing properties within the estate or to purchase better quality assets. Expenditure during the year included £81,000 to completed refurbishment works at Senlan industrial estate to bring units back into use

Following the completion of immediate health and safety works at the Former Virgin Active Tennis Centre site, expenditure of £1.150 million including fees was committed to in order to reconfigure the centre into separate, self-contained units including replacing mechanical and electrical services at the building. This would allow the securing of longer term lease arrangements for the beneficial use of the site as a local sports and club facility. The costs and fees for works under this contract increased significantly to £1.750 million due to issues in incorporating new mechanical and electrical equipment within existing infrastructure whilst working around current occupiers of the property, as well as to refurbish further areas of the property. Works under this contract were completed in May, with options for additional works required such as air handling ventilation, estimated at £200,000 subject to a procurement exercise. This would be paid for from the property asset renewal budget in 2020/21.

The full cost of the scheme was originally intended to be met from disposal proceeds of land on the site however a disposal is no longer deemed possible. To ensure this does not result in any impact on the council's requirement to borrow, the costs of the project will be met from disposals arising from the investment property strategy, with any costs supporting essential Health and Safety works to the building also being paid for from the Property Asset Renewal budget, where deemed essential.

In respect of Central Market, the council's phase one application for a scheme to provide interpretation, restore and prevent further deterioration to the building has

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been approved by National Heritage Lottery Fund. The development and design stage is expected to run to August 2021 and subject to this a final funding announcement in January 2022. The Council has allocated £450,000 capital funding over the next four years as well retaining as an earmarked revenue reserve.

Harbour Authority

Expenditure in respect to the Harbour Authority is £595,000, including an additional allocation of £288,000 for Asset Renewal as well as £93,000 during the year to address issues arising from Storm Dennis. Various barrage structural works including completion of bascule bridge refurbishment, replacement and raising lock electrical panels and pathway widening works were carried out.

Education and Lifelong Learning

The 2019/20 programme for the Directorate is £42.759 million, with a net overall variance identified of £25.523 million primarily due to the delay and the re-profiling of Band B schemes, alongside the continued slippage of asset renewal budgets including the scheme at Whitchurch High.

Schools - General

The asset renewal budget of £17.090 million in 2019/20 includes £6.5 million of an additional £25 million approved over 5 years to address condition, health and safety and additional learning needs within the schools estate. Late in March 2019 during 2018/19, the Welsh Government provided the Council with £4.262 million maintenance grant which was used to displace Council funding resulting in slippage of £4.130 million, which was carried forward to 2019/20. Welsh Government also agreed a similar provision this year, with Cardiff's share at £4.577 million approved during 2019/20. Expenditure in the year totalled £7.377 million on a range of roof and boiler replacements, fire precaution works, safeguarding of lobbies and kitchen upgrades. The majority of the £9.713 million slippage reported is the result of two years of unbudgeted additional Welsh Government schools capital grants alongside delays in projects and capacity restraints. The grant funding has been prioritised for use and additional asset funding approved re-profiled across future years.

The Suitability and Sufficiency spend of £985,000 was utilised in 2019/20 on a range of works including; increased capacity for pupils with additional learning needs at Meadowbank, The Court, Marlborough and Bryn y Deryn as well as priority Disability Discrimination Act (DDA) adaptations in Rhiwbina Primary, Adamsdown, Willowbrook and Ysgol Y Wern. Slippage of £55,000 will be utilised in 2020/21 for emerging suitability schemes.

A £1.322 million separate allocation exists for works at Whitchurch High with future works subject to a full options appraisal. Opportunities for virements from existing education budgets will be considered subject to the impact of such an approach. These options have been reviewed but works are yet to be agreed resulting in slippage of £1.194 million into 2020/21.

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A grant of £1 million over two years has been awarded from Welsh Government to improve Ysgol Y Wern under the Welsh Medium programme. The project will increase the school to three forms of entry by providing two new permanent classrooms via extension of the existing building, along with the development of a Welsh medium teacher's training room in partnership with Cardiff Metropolitan, Welsh Government and the Central South Consortium. Slippage of £16,000 will be used in early 2020/21.

As part of an ongoing programme to reduce infant class sizes, Welsh Government agreed a £3 million grant funding package until 31 March 2021 for St Fagan's Primary, St Francis Primary and Oakfield Primary. Works at Oakfield are have been substantially completed this year with planning and project costs incurred in relation to St Francis and St Fagan's. The remaining £1.613 million slippage needs to be spent in 2020/21 under the current grant conditions.

A Welsh Government funding allocation of £5.097 million has been awarded to support Cardiff schools in developing sustainable EdTech Digital Services. This award has been split with 15% (£764,616) allocated to the Authority, of which £356,000 has been spent, with the balance (£4.333 million) available for use by the drawdown of equipment through an all Wales ICT Catalogue. Expenditure for the year totals £3.126 million against the catalogue. Remaining funding on both elements will be utilised in 20/21 as per the grant conditions.

Schools Organisation Plan – 21st Century Schools

In March 2015, the Authority submitted a re-aligned 21st Century Schools Programme for investment totalling £164.1 million to Welsh Government. The 21st Century Schools Band A programme has fully utilised Welsh Government grant funding of circa £66 million. Expenditure in 2019/20 totalled £981,000, including final payments for the Eastern High School contract and initial demolition costs in relation to the Cardiff High School in the West project. Slippage of £500,000 is required due to outstanding demolition costs, alongside an outstanding open space project in relation to the Ysgol Glan Morfa project. The underspend reported relates to overestimated retention payments during 2018/19.

Band B of the 21st Century Schools Programme has now commenced with an agreed in principal funding envelope of circa £284 million. This is to be funded by Welsh Government grant award with match funding from Cardiff Council at a rate determined by the type of school. The timescale of the programme has been reviewed since the initial submission to Welsh Government and will continue to evolve as detailed business cases are developed. At present three schemes are progressing; Fitzalan High, St Mary the Virgin and Doyle Avenue.

The stage one Fitzalan contract was recently awarded and preparatory and design work has commenced. Total spend in 2019/20 was £2.054 million out of the total £64.3 million estimated cost of this project. A full business case has now been submitted to WG, which once approved, will allow Cardiff Council to begin drawing down the associated grant funding.

There is minimal spend to report on other Band B schemes, St Mary the Virgin (£445,000) has been prepared for tender and a full business case is currently being prepared for WG. The Doyle Avenue (£344,000) scheme is a complex scheme aiming to house three schools (Cantonian, Riverbank and Woodlands) on one shared campus. This remains at design stage.

People & Communities

The total programme for 2019/20 is £14.086 million, with a variance identified of £4.533 million, the majority of which relates to slippage on regeneration schemes, schemes related to Intermediate care fund grant awards and hub projects.

Communities & Housing

Neighbourhood Regeneration

The Neighbourhood Renewal Schemes programme of £310,000, includes street scene environmental improvements in Cathays and Riverside, which are scheduled to be completed in June as well as implementation of a 3G sports pitch at Splott Park. A contractor has been appointed for the latter, but start on site is subject to confirmation and approval of the SAB body.

The demolition of the remainder of the Maelfa shopping centre is complete and foundation work commenced on new Cardiff Community Housing Association residential units. The public square will be completed in the summer, with completion of the whole development expected in October. The Council has incurred additional costs in respect of asbestos removal, security and land transaction tax payable with such costs managed from within existing budgets of neighbourhood renewal where possible to do so.

Including slippage from the prior year of £54,000 the alley gating budget is £104,000 for priority schemes throughout the city. There was some delay due to completion of consultation and legal procedures, with budget of £26,000 carried forward into 2020/21.

In March 2018, Cabinet agreed priorities for submission under the Welsh Government Targeted Regeneration Investment (TRI) Programme. In accordance with the terms and conditions of the funding, the Council has allocated its own resources to supplement other public and private funding. Council funding of £337,000 was available in 2019/20 with a further £900,000 in future years. Projects to date with approved TRI funding include a Tudor Road Commercial Business improvement scheme, an environmental improvement and green infrastructure scheme at Tudor Road and development of a creative hub at Butetown youth pavilion.

TRI grant of £920,000, is available towards the £1.350 million business improvement scheme which is proposed to start in phases as soon as it is deemed safe to do so; £1.630 million for the environmental improvement scheme (estimated total cost £3 million subject to receipt of tenders) and £545,000 towards Butetown Pavillion which was completed in the year.

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The majority of the Council's TRI match funding is carried forward to allow completion of these and future projects, with any Council funding previously allocated towards Butetown Pavillion re-allocated to support any development of additional facilities for young people.

The Council aims to develop an integrated city centre business academy for young people, at Grassroots in Charles Street. The project is at design stage and with forecast costs of over £2.5 million. An intermediate care fund grant bid has been approved at £400,000 and the outcome of further external grant bids is awaited as part of a wider regeneration scheme. Slippage of Council funding allocated in support of the scheme is shown for a consecutive year with £800,000 carried forward to 2020/21. The feasibility and viability of such a scheme will need to be considered in 2020/21, given the cost and outcomes of alternative grant funding bids.

Schemes to create hubs at Rhydypennau and Whitchurch are both funded by Welsh Government MALD and Integrated Care Fund grant. Expenditure forecast over two years is estimated to be £1.3 million, with completion of both schemes in July 2020.

Housing (General Fund)

The Disabled Facilities Service budget for mandatory and discretionary grants to housing owner-occupiers as well as for administration costs for the grants is £4.400 million. This expenditure allows housing owner-occupiers to continue living in their own home. In addition Enable grant totalling £435,000 was received in the year from Welsh Government to deliver additional adaptations. Expenditure in the year was in line with the budget, with 580 mandatory and 1415 discretionary grants awarded.

An Intermediate Care Fund (ICF) grant of £660,000 was received at the end of March 2019 and used for adaptations. In accordance with the terms in accepting the grant, the Council was required to carry forward its own displaced resources into 2019/20 as slippage. During this year, the Council was requested to take a further £1.644 million of grant. This was used to support expenditure on adaptations, allowing a total of £2.304 million to be carried forward as slippage and to be spent on agreed ICF priorities with the health board.

To facilitate comprehensive regeneration schemes, the estate environmental improvement allocation supports the costs of works to owner-occupier properties as part of the Public Housing programme. Schemes include Anderson place, Taff embankment, Roundwood Estate, Arnold Avenue and Bronte Crescent. The budget also includes £100,000 for enabling works as part of any approved Welsh Government led scheme for energy wall insulation in Llandaff North and Rumney. Slippage of £312,000 is carried forward.

Acquisition of a site to expand the number of pitches at Shirenewton traveller's site took place during the year, with total expenditure of £433,000. This was in

advance of securing grant from Welsh Government for the construction of additional pitches, viability and planning consent.

Construction work on the Domestic Abuse One Stop Shop at the Cardiff Royal Infirmary site in partnership with the Health Board is complete with the total cost within the £1.2 million initially allocated. Unallocated budget will be used to meet additional costs on other Neighbourhood regeneration projects including Maelfa. The facility will be run by RISE which is a consortium of organisations providing services to support women.

Flying Start

The budget for Flying Start Capital schemes for the year totals £18,000. This comprises £8,000 allocation for Shirenewton Playgroup and £10,000 for First Steps, Trelai Primary. All works were completed by year-end and the grant fully utilised in year. Additional Childcare grant totalling £1.117 million has been awarded to support sufficient childcare places to meet demand generated by the Childcare offer. Detailed plans are in place for St Mary the Virgin and St Pauls Primary School, expenditure of £148,000 was incurred across schemes, including external nurseries. Additional drawdown of grant has been brought forward from future years to cover these earlier than anticipated start dates.

Social Services

Adult Services

The Day Centre Opportunities Strategy aimed to reconfigure day services for older people at three existing sites; Minehead Road, Grand Avenue and Fairwater day centres. The final scheme at Fairwater was completed in June 2019.

Children's Services

Proposals from the remaining John Kane Fund include an extension and refurbishment of the Crossland's home. The start of any scheme is dependent on ensuring the works impact on service delivery can be mitigated, accordingly only £27,000 was spent during the year on design.

An Integrated Care Fund grant of £300,000 over two years has been approved to improve and increase capacity of Trelai Youth Centre on the Ty Gwyn Special School campus, making it available to children and young adults with learning disabilities and complex needs in Cardiff for out of school activities. No expenditure was incurred during the year, with any grant funding carried forward to 2020/21.

Planning, Transport & Environment

The 2019/20 programme for the Directorate is £39.288 million, with a variance identified of £15.516 million. This variance is primarily in relation to slippage of

highway infrastructure, transportation projects as well as recycling and waste management schemes.

Energy Projects & Sustainability

Subject to due diligence, a number of schemes totalling c £750,000 are being considered for a second phase of the REFIT programme. A Salix repayable loan funding application will be made for any works that progress.

In May 2019, Cabinet approved the final business case to deliver a higher capacity 9 megawatt solar farm at Lamby Way. The Solar Farm is a long term invest to save project which approved on the basis of being self-financing over its operational life in excess of 30 years, as well as delivering long term financial benefits to the Council. The estimated works cost is £7.5 million with costs of £5.033 million incurred in 2019/20. Completion of the site is delayed due to the supplier being off site due to COVID 19 and is expected to resume as soon as it is deemed safe to do so. Remaining expenditure includes installation of a private wire connection, subject to a review of the costs of construction.

It should be noted that the costs of all projects identified above together with ongoing maintenance must be paid back from savings or future income generation.

Bereavement & Registration services

The total programme for 2019/20 of £1.5 million reflects site and facility improvements of £750,000, with c£570,000 of this being works at Thornhill chapels, including additional costs of installation of air conditioning. The balance of the £750,000 programme was assumed expenditure towards the creation of a new cemetery site. Expenditure during the year on preparatory works was £415,000 due to a delay in accessing the site for site investigations. Tenders for the main works have been sought with works scheduled to commence in July 2020. In accordance with the Cabinet report in relation to extending the Cemetery site, any expenditure must be repaid from future income receivable as part of the bereavement reserve.

Recycling Waste Management Services

The five-year capital programme includes £3.325 million to explore options for a new household waste recycling / reuse centre. No expenditure was incurred during the year and is unlikely until a suitable site is identified, resulting in slippage of £200,000.

As part of a separate glass collection trial in 2018/19, recycling containers and associated equipment costing £285,000 were acquired during that year. The Capital programme for 2019/20 included an allocation of £815,000 to roll out the scheme. The Council is working with Welsh Government, WRAP and Local Partnerships on the Recycling Service Strategy Development and to evaluate,

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plan and implement a cost-effective waste management system that meets current and future Welsh Government and Council targets and aspirations.

Until options modelling and their impact is complete, roll out will not be continued as the service may be developed in a different way. The budget is shown as slippage and to be reviewed as part of the 2020/21 capital programme.

The programme included a £500,000 allocation towards a package of acceptable fire safety measures in relation to the Materials Recycling Facility (MRF) equipment and building. Following discussions with the Council's insurers, the implementation of a fire trace and detection suppression system is being implemented at a cost of c £72,000 and further enhancements for this purpose are not required at this stage. Due to other emerging safety issues and maintenance issues at the MRF, part of this budget was used to meet these additional costs. Slippage of £384,000 is shown into 2020/21 to be reviewed with emerging priorities.

A budget of £375,000 was allocated for infrastructure asset renewal and safety works at various waste management sites. Works included site crossings and safety changes for users, security barriers, vehicle wash and weighbridge enhancements and litter bins with sensors. A property asset renewal allocation of £85,000 will pay for the provision of welfare facilities for waste collection teams with works to be undertaken during 2020/21.

Vehicles including electric sweepers were purchased during the year, with £515,000 of expenditure on vehicles as well as infrastructure works to support the roll out of hygiene collection services paid for by WG grant.

Highway Infrastructure

The final outturn position for 2019/20 highway infrastructure is characterised by significant delay in the delivery of improvements deemed essential to support the condition of highway infrastructure, following approval of additional funding. Some of this delay has been reported during the year, but has increased during the end of the year. The approach to planning, resourcing, procuring and implementing such schemes during the end of a financial year will always represent a risk to incurring expenditure in the year it is initially requested and allocated, however this has also been impacted by the COVID 19 position and ability of contractors to complete works where contracts have been in place. Budgets carried forward will need to be re-prioritised together with resources allocated for 2020/21, ensuring sufficient internal capacity is in place to deliver priority improvements where still deemed affordable, deliverable and necessary.

Expenditure on the reconstruction of structurally deteriorated roads was £43,000 with work completed at Heol Hir. Site investigations were undertaken to identify the most appropriate treatments on Greenway Road, Nant Fawr Crescent and New Road, however this has delayed a procurement exercise resulting in slippage of £357,000, the majority of the budget initially allocated. . Following detailed assessment and ground investigations at Greenway Road it has been determined that an alternative treatment can be utilised. This will enable a larger

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area of road to be addressed but also resulting in considerably less disruption to road users as the road closure will be far shorter. The works are programmed to be undertaken in June/July 2020.

Budgets for carriageway and footway works total £8.191 million including additional WG grant for public highways of £1.723 million. Expenditure during the year was £4.718 million with significant slippage of £3.473 million carried forward. Although assessment works for the 2019/20 programme are complete, Covid-19 and resource issues to assist with contract delivery has resulted in a delay in letting works contracts. The resurfacing contractor has since returned to work with approximately £240,000 of work completed to date since lockdown, with further specialist works valued at £270,000 during June to address safety concerns under Culverhouse Cross on the A4232.

Both the footway reconstruction and surface treatment programme were tendered and programmed to commence in April 2020. Due to the restrictions associated with Covid 19 neither contracts were awarded as the works were considered as undeliverable for surface treatment and undeliverable without a minimum of 50% uplift for reconstruction and therefore value for money would not have been achieved. The approach for 2020/21 is therefore to reprioritise funds into programmes of work that can confidently be delivered and offer high quality and value for money. Early prioritisation of treatments and schemes will now be progressed in 2020/21 to ensure budgets made available are spent effectively.

The five year capital programme includes a sum of £2.250 million to replace the timber surface of the Millennium Walkway which surveys indicated was at the end of its expected lifespan. The 2019/20 allocation was to support design with potentially a small area of new sustainable material being trialled before wider roll out. Detailed structural survey work, only accessible by boat, is necessary to determine the structural integrity and design options for the replacement structural members. This is on hold due to Covid 19. The design process can continue towards the completion of the contract documentation, however prior to any tender award, access to the stadium will need to be considered, particularly in its current capacity as the Dragons Heart. With expenditure of £10,000 during the year, slippage of £240,000 is being carried forward into 2020/21.

The Bridges and Structures expenditure of £812,000 included addressing flooding issues at a number of sites, replacement of emergency doors and drainage pumps at Butetown Tunnel; culverts at Capel Llaniltern, and parapet works at Caerau Place and Radyr Place. Through the on-site investigations necessary to progress the detailed design for the replacements of culverts at St Fagan's Road and Llandennis Road, an extraordinary volume of utility assets was identified that did not align to utility drawings. Many of the assets have very high dependency and associated penalty charges should they be disrupted, therefore negotiations are ongoing with the asset owners. The aforementioned owners have advised they will require considerable minimum notice periods before permitting any diversion works. Assessment reports are ongoing for North Road flyover although again Covid 19 resulted in aborted overnight specialist inspections. Negotiations for the future improvements required at Station Road

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are ongoing with Network Rail. Slippage of £719,000 is requested to be carried forward into 2020/21.

The street lighting renewal budget was used for replacement lighting in subways and low level solar powered bollards, with the first phase in Pentwyn, and Gabalfa complete. Design continues to be progressed for an essential programme of cable and column replacement works at Eastern Avenue to be phased over a number of years. The scope has been determined with detailed design and contractual documentation now being undertaken by an alternative provider. It is anticipated that the design and tender process will be completed later in 2020. Slippage of £763,000 is being carried forward into 2020/21.

Following a successful trial of LED lighting in the Radyr Ward, an invest to save business case was approved by Cabinet in May 2019, for all remaining residential columns to be converted to LED at a potential cost in excess of £6 million. The tender exercise is to commence in September 2020, with a contract for works, potentially to be in place by 2021. Slippage of £2 million is carried forward as previously highlighted, with any savings expected from reduced energy costs also delayed until implementation.

As part of a coastal defence scheme to implement improvements from Rover Way to Lamby Way, a Welsh Government grant of £639,000 was awarded to progress design, habitat assessments and complete a full business case. Expenditure of £377,000 was incurred in the year with Council match funding £146,000 and Grant £325,000 being carried forward into 2020/21. A ground investigation contract was completed in May 2020, with the results to be utilised in order to determine the most appropriate detailed design. The detailed design is due to be completed by the end of the financial year for submission to WG. Implementation of any scheme is subject to approval of the business case as well as confirmation of financial viability including any match funding required from the Council. Subject to the above, this is likely to be in early 2022.

Traffic & Transportation

The Council Road Safety Schemes budget of £335,000 was fully utilised to match fund schemes delivered under Safe Routes in Communities Grant (Fairwater - Plasmawr), Road Safety Fund (Western Ave and Safety Cameras), and to supplement a developer funded scheme at Heol Pontprennau.

The asset renewal telematics budget of £135,000 was exceeded by £36,000 and was used for replacement of obsolete CCTV cameras at various locations. The variance will be met from the future year's allocation.

The total budget for cycling development allocated by the Council in 2019/20 was £2.5 million, which is also to be used to match fund bids for Welsh Government grant funding where possible. Expenditure in the year was £606,000 primarily on the design of cycle superhighways and towards implementation of a scheme at Senghennydd Road. Slippage of £1.874 million is carried forward.

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A sum of £375,000 Council match funding was included in the 2019/20 Capital Programme together with slippage of £241,000 in order to bid for and secure a range of Welsh Government grants where match funding is a requirement. Welsh Government terms and conditions require all grants to be utilised by 31 March 2020, accordingly the use of grant during the year was maximised, allowing £397,000 of the council's own funding to be carried forward to complete schemes, particularly where delayed as a result of the impact of Covid-19 on the construction programme.

City Centre and Key Links Transport Improvement budget of £1.769 million including slippage was allocated towards air quality and active travel schemes in the City Centre, with slippage of £1.259 million reported, in line with the delivery programme. Local Transport fund grant of £510,000 as part of the Capital Cardiff Region City Deal Metro + scheme was used towards the design of City Centre Eastside. Following the approval by Welsh Government of the business case to meet the Air Quality Direction via a range of measures, Cabinet approved in January 2020, the commencement of works at Central Square – City Centre West Phase 1. Enabling accommodation works were due to start in March 2020, however was delayed due to the Covid-19 restrictions. A revised delivery programme having regard to social distancing working restrictions is being determined with the contractors who were initially due to enter site in July 2020 and aiming to complete by November 2021.

The Council applied for and received a number of grants during the year from Welsh Government for a range of objectives, which are described below. The timescales for utilisation of grant approved was 31 March 2020, however, in light of the unprecedented situation caused by the Covid-19 pandemic, WG have allowed an extension to the end of June 2020.

The Welsh Government revised allocation to Cardiff for the Local Transport Fund was £4.833M. The fund supported development of integrated, effective, accessible, affordable and sustainable transport systems. Schemes delivered include design of bus improvements on the A4119 and the A470 (£139,000), City Centre Transport Development to support sustainable travel infrastructure in the city centre (£1.369 million), to extend the on-street cycle hire scheme (£775,000), active travel to schools (£844,000), expansion of the 20mph limit area (£1.274 million) and to deliver a package of strategic cycle routes and on-street parking (£432,000).

The Local Transport Network Fund allocation of £150,000 was fully utilised to improve bus performance on strategic routes, through removal of priority narrowing's at key locations.

A Welsh Government Road Safety grant of £286,000 was allocated to support projects that reduce road casualties. Schemes included the design of traffic calming and pedestrian improvements on Rhydypennau Road near Dan-y-Coed Road and Crwys Road and construction work on the A48 Western Avenue. Expenditure during the year was £185,000 whilst expenditure on the A48 Western Avenue scheme was delayed as a result of the impact of Covid-19.

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Safe Routes in Communities Grant of £267,000 was allocated to improve accessibility and safety and encourage walking and cycling in communities around Ninian Park Primary, with outturn expenditure of £250,000 due to Covid-19 impact. Scheme will be completed in 20/21 utilising match funding.

Of the revised Active Travel Fund allocation of £2.549 million, outturn expenditure was £1.969M due to impact of Covid-19, with the remaining funding carried over until end of June. The purpose of the fund is to increase levels of active travel, improve health and well-being, improve air quality, reduce carbon emissions and connect communities. Funding supported Cardiff Cycle Superhighways stage 1 (£1.209 million), design and implementation of local walking and cycling schemes (£309,000) and expenditure of £451,000 used to implement a number other improvements to the Integrated Network Plan.

A grant of £134,000 was approved from the Department for Transport towards the costs of implementing on street residential charge points for electric vehicles. Match funding of £45,000 was allocated from the Parking Reserve. Implementation at 10 locations took place during the year with future sites to be delivered in 2020-21.

An allocation of £310,000 from the Parking reserve was approved to install Electric Vehicle charging points for Cardiff Council vehicles at numerous locations, to support a move towards an electric vehicle fleet. The number and locations of points has been determined and a contract awarded pending confirmation of implementation and phasing. Any commitments arising from this project will need to be managed from within the overall transportation budget and any bids for grant funding, in light of the significant reductions in parking income as a result of the Covid 19.

In relation to moving traffic offences, expenditure of £404,000 was incurred on purchasing stationary and motion cameras as well as a camera car for mobile enforcement. This expenditure was on an invest to save basis, to be repaid from future parking and enforcement income.

Due to the receipt of grant income from Welsh Government, the allocation from the parking reserve was no longer required during the year for expenditure incurred on the A4119 and A470 from Caedelyn to Tyn –y-Parc. Given the impact of Covid-19 on parking income alternative match funding will need to be sourced to construct the schemes, subject to grant award.

Resources

The 2019/20 programme for the Directorate is £9.005 million, with a variance identified of £2.335 million in relation to the Council's commitment to the Cardiff Capital Regional City Deal (CCRCD) wider investment fund.

Technology

The Modernising ICT budget aims to support projects in the Cardiff Capital Ambition programme and the digitisation of business services utilising modern

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technology. Expenditure of £1.308 million was in excess of the budget initially profiled for use in 2019/20, however budget has been brought forward from future years in order to meet costs. Costs include support for the implementation of Corporate Landlord Technology, staff costs for the roll out of SharePoint (Electronic Document Management System), developing the Cardiff App and other Digitalisation projects including the development of the Virtual Assistant (ChatBot).

Expenditure on the ICT Refresh was £362,000 supporting resilience, capacity and capability such as core network switch replacement, telephony rationalisation and update of firewalls. Slippage of £36,000 is carried forward to 2020/21.

Corporate

The £200,000 contingency and £500,000 invest to save budget for small schemes were not drawn down during the year so removed from the programme.

Whilst the programme for 2019/20 allowed for a payment of £2.474 million as part of the Council's £28.4 million approved contribution to the £120 million Cardiff Capital Region City Deal (CCRCD) wider investment fund, no request for funds was made in 2019/20. Drawdown is subject to expenditure on approved projects by the CCRCD Joint Cabinet.

CCRCD Joint Cabinet approved a Housing Viability Gap Scheme in 2019/20, which included a cash grant of £5 million from Welsh Government towards this City Deal project. This had to be allocated by Welsh Government, by 31 March 2020, had to be deemed as used by that date and had to be allocated to a specific local authority. In this case Cardiff Council agreed to be the recipient and in parallel has awarded a grant of similar amount to City Deal for use on the Housing viability gap fund.

The Council's five year capital programme included a loan application from Cardiff City Transport Services of £2 million towards the replacement of diesel vehicles with electric buses. This is removed from the Capital Programme as the Council's 2020/21 and indicative programme includes a wider package of potential financial support to Cardiff Bus to allow the pension fund triannual valuation to be completed. This is subject to detailed discussions with the Company, Welsh Government, and company Pension Fund Trustees, with any support conditional on approval by Welsh Ministers and a report to Council.

Public Housing (Housing Revenue Account)

The revised capital programme for Public Housing was £47.385 million with expenditure during the year of £41.521 million. Variances identified will be reprioritised as part of budgets assumed when setting the 2020/21 capital programme.

Expenditure of £3.160 million was undertaken on a range of estate regeneration schemes to tackle issues of community safety, defensible space, waste storage and courtyard improvements to blocks of flats. Major schemes within the

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programme include Anderson Place / Galston Street in Adamsdown, Taff Embankment, the Roundwood Estate, Arnold Avenue and Bronte Crescent, Willowdale Road and Heol Trelai.

An amount of £10.377 million was spent on improvements to the existing dwellings stock including £0.68 million on roofing, £0.87 million on boiler upgrades, £0.85 million on lift upgrades, £1.90 million on upgrades to High-rise buildings, £2.45 million on sheltered accommodation schemes including Clos Y Nant and Brentwood Court. A range of other investment was undertaken including rewiring, fencing, underpinning of properties where subsidence issues were found, and kitchen and bathroom upgrades when properties become vacant prior to re-letting. Where slippage is recognised, this will be reviewed as part of the 2020/21 programme and allows for rewiring and front door upgrades to flats following further fire testing.

Expenditure on disabled adaptations for public housing was £613,000 in excess of the initial budget due to additional demand and was managed within the overall HRA programme. Over 500 mandatory grants were awarded as well as 400 discretionary grants. Additional costs in this area are to be the subject of a review by the Directorate during 2020/21.

A report outlining the Councils strategy for delivering 1,000 new council homes by May 2022 and at least 2,000 in the longer term was considered by Cabinet in May. Expenditure on the development and acquisition of new housing over a number of sites during the year was £24.326 million. This included completion of phase one and preparation for future phases of Cardiff Living sites (£10.9 million), acquisition of land including the former Iorwerth Jones Centre and Citadel site (£1.70 million) and development of other sites including completion of shipping container schemes (£1.02 million) and further costs to develop a package deal scheme with Cadwyn Housing Association at Courtney Road (£2.84 million). Options are being considered to mitigate the impact of Covid 19 on sites in progress to allow units to be received in order to support the need for social housing.

At September 2019 Cabinet, it was resolved to continue to purchase private properties from the open market to be used as council homes. In order to meet targets the directorate significantly accelerated such acquisitions requesting a bringing forward of approved budget from future years where necessary. Expenditure of £7.17 million took place during the year.

Section 106 schemes and Other Contributions

During the year, contributions are received in accordance with planning obligations or other agreements and then spent on capital or other schemes in line with those agreements.

Projects paid for using contributions in 2019/20 include:

- Parks and Green Spaces – Schemes included, Wilson Close, Fisher Hill Way, Craiglee Drive, Canal Park, and Jubilee Park play areas,

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Mackintosh Institute Community Garden, public realm and footpath improvements in Penylan, Hendre Lake and Gabalfa and site improvements at Leckwith Allotment. Expenditure during the year continues to be far lower than that originally assumed at the start of a year.

- Traffic and Transportation – public transport improvements, junction improvements, bus stops and bus borders; installation of CCTV and real time information, telematics and transportation schemes including the provision of bus routes in the City and strategic transport initiatives. Here also, expenditure during the year was lower than that originally assumed at the start of a year.
- Neighbourhood Regeneration - Improvement of community facilities at Maes y Coed Community Centre, Old St Mellons Village Hall and Lisvane Memorial Hall.
- Public Housing – development of new Council housing within the Council’s Housing Revenue Account.

The table below shows the Section 106 and other contributions held at 31 March 2020 based on the area of expenditure. These are proposed to be spent in future years, with the profile of expenditure to be updated at the next Cabinet monitoring report for 2020/21. Any profiling of use will need to be realistic having regard to capacity and skills to deliver projects as well as other interdependencies.

	Balance as at 31 March 2020
	£000
Parks & Green Spaces	4,738
Traffic & Transportation	4,059
Strategic Planning & Regulatory	269
Neighbourhood Regeneration	1,994
Economic Development	543
Education & Lifelong Learning	4,007
Public Housing (HRA)	2,011
Total	17,621

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>ECONOMIC DEVELOPMENT</u>										
<u>Business & Investment</u>										
1 Town Centre Loan Scheme	0	0	0	0	132	132	132	0	0	0
2 S106 Schemes	382	75	(75)	0	0	382	0	(382)	0	(382)
Total Business & Investment	382	75	(75)	0	132	514	132	(382)	0	(382)
<u>City Development & Major Projects</u>										
3 Economic Development Initiatives	366	0	0	0	0	366	236	(130)	0	(130)
4 Economic Stimulus Support	0	0	0	0	1,929	1,929	0	(1,929)	0	(1,929)
5 Central Square Public Realm	0	447	0	0	0	447	105	(342)	0	(342)
6 Red Dragon Centre Acquisition	0	0	0	0	58,396	58,396	58,396	0	0	0
Total City Development & Major Projects	366	447	0	0	60,325	61,138	58,737	(2,401)	0	(2,401)
<u>Parks & Green Spaces</u>										
7 Asset Renewal Buildings	210	117	0	0	0	327	210	(117)	0	(117)
8 Asset Renewal Parks Infrastructure	140	92	0	(81)	54	205	92	(113)	0	(113)
9 Play Equipment	290	(12)	0	0	2	280	37	(243)	0	(243)
10 Flood Risk Prevention	0	13	0	0	81	94	94	0	0	0
11 Parc Cefn Onn	0	428	0	81	6	515	346	(169)	0	(169)
12 Roath Park House	550	0	0	0	0	550	516	(34)	0	(34)
13 Flatholm Island Replacement Jetty	385	0	0	0	(19)	366	366	0	0	0
14 Flatholm Island - HLF Project	152	0	0	0	(131)	21	21	0	0	0
15 S106 Funded Schemes	1,342	520	(520)	0	0	1,342	306	(1,036)	0	(1,036)
Total Parks & Green Spaces	3,069	1,158	(520)	0	(7)	3,700	1,988	(1,712)	0	(1,712)
<u>Leisure</u>										
16 Asset Renewal Buildings	85	125	0	0	10	220	220	0	0	0
17 Leisure Centres ADM (GLL)	0	1,047	0	0	0	1,047	369	(678)	0	(678)
18 Replacement of Athletics Track - CISS	0	(125)	250	0	0	125	125	0	0	0
19 Cardiff Riding School - Outdoor Arena	0	63	0	0	0	63	1	(62)	0	(62)
Total Leisure	85	1,110	250	0	10	1,455	715	(740)	0	(740)
<u>Venues & Cultural Facilities</u>										
20 St David's Hall & New Theatre	0	358	0	0	0	358	136	(222)	0	(222)
Total Venues & Cultural Facilities	0	358	0	0	0	358	136	(222)	0	(222)
<u>Property & Asset Management</u>										
21 Asset Renewal - Buildings	1,585	565	0	0	0	2,150	1,594	(556)	0	(556)
22 Security Technology Brindley/Coleridge	208	0	0	0	6	214	214	0	0	0
23 Community Asset Transfer	50	73	0	0	0	123	0	(123)	0	(123)
24 Adamsdown Play Centre	0	0	0	0	42	42	42	0	0	0

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
25 Investment Property Strategy	0	0	0	0	81	81	81	0	0	0
26 Former Virgin Active Centre	52	0	0	0	1,366	1,418	1,418	0	0	0
27 Cardiff Market Roof & HLF Grant bid	0	331	0	0	0	331	13	(318)	0	(318)
Total Property and Asset Management	1,895	969	0	0	1,495	4,359	3,362	(997)	0	(997)
Harbour Authority										
28 Harbour Asset Renewal	145	0	0	0	450	595	595	0	0	0
Total Harbour Authority	145	0	0	0	450	595	595	0	0	0
TOTAL ECONOMIC DEVELOPMENT	5,942	4,117	(345)	0	62,405	72,119	65,665	(6,454)	0	(6,454)
EDUCATION & LIFELONG LEARNING										
Schools - General										
Planning & Development										
29 Asset Renewal	8,529	4,130	0	(146)	4,577	17,090	7,377	(9,713)	0	(9,713)
30 Suitability / Sufficiency	1,040	(146)	0	146	0	1,040	985	(55)	0	(55)
31 Whitchurch High	0	1,322	0	0	0	1,322	128	(1,194)	0	(1,194)
32 Welsh Medium Education	310	0	0	0	0	310	326	16	0	16
33 Reducing Infant Class Sizes	2,445	0	0	0	0	2,445	832	(1,613)	0	(1,613)
34 ICF Education Grants	0	0	0	0	182	182	182	0	0	0
35 Schools ICT (Hwb)Rev Grant	0	0	0	0	456	456	456	0	0	0
36 Schools ICT (Hwb) Capital Grant	0	0	0	0	3,126	3,126	3,126	0	0	0
Total Planning & Development	12,324	5,306	0	0	8,341	25,971	13,412	(12,559)	0	(12,559)
Schools Organisation Planning										
37 21st Century Schools - Band A	1,030	1,500	(756)	0	700	2,474	981	(774)	(719)	(1,493)
38 21st Century Schools - Band B	15,090	(776)	0	0	0	14,314	2,843	(14,643)	3,172	(11,471)
Total Schools Organisation Planning	16,120	724	(756)	0	700	16,788	3,824	(15,417)	2,453	(12,964)
TOTAL EDUCATION & LIFELONG LEARNING	28,444	6,030	(756)	0	9,041	42,759	17,236	(27,976)	2,453	(25,523)
PEOPLE & COMMUNITIES										
COMMUNITIES & HOUSING										
Neighbourhood Regeneration										
39 Neighbourhood Renewal schemes	310	0	0	0	0	310	131	(179)	0	(179)
40 Clare Road/Penarth Road - Shop Fronts	0	255	0	(210)	0	45	45	0	0	0
41 Maelfa Centre Regeneration	0	183	0	361	0	544	544	0	0	0
42 Alleygating	50	54	0	0	0	104	78	(26)	0	(26)
43 Targeted Regeneration Investment Programme	300	37	0	0	0	337	7	(330)	0	(330)
44 Tudor Street Commercial Business Improvement Scheme	0	0	0	0	152	152	152	0	0	0
45 Rhydypennau Community Hub	0	0	0	0	260	260	260	0	0	0
46 Whitchurch Community Hub	0	0	0	0	321	321	321	0	0	0
47 City Centre Youth Hub	0	501	0	360	0	861	10	(851)	0	(851)

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
48 Butetown Pavillion	1,274	142	0	(420)	(318)	678	665	(13)	0	(13)
49 Llandaff North Hub	0	0	0	4	0	4	4	0	0	0
50 St Mellons Community Hub	0	0	0	5	0	5	5	0	0	0
51 Property Asset Renewal	113	0	0	0	0	113	113	0	0	0
52 S106 Funded Projects	349	359	(359)	0	0	349	97	(252)	0	(252)
Total Neighbourhood Regeneration	2,396	1,531	(359)	100	415	4,083	2,432	(1,651)	0	(1,651)
Housing (General Fund)										
53 Disabled Facilities Service	4,653	407	0	(2,304)	1,644	4,400	4,396	(4)	0	(4)
54 Enable Grant	430	0	0	0	5	435	435	0	0	0
55 Council Holding ICF Monies	0	0	0	2,304	0	2,304	0	(2,304)	0	(2,304)
56 Estate Environmental Improvements	140	366	0	0	0	506	194	(312)	0	(312)
57 Travellers Site Expansion	0	450	0	0	0	450	433	(17)	0	(17)
58 Domestic Abuse Multi Agency Hub	0	1,041	0	(100)	0	941	881	(60)	0	(60)
Total Housing	5,223	2,264	0	(100)	1,649	9,036	6,339	(2,697)	0	(2,697)
Flying Start										
59 Flying Start	0	0	0	0	18	18	18	0	0	0
60 Childcare	0	0	0	0	148	148	148	0	0	0
Total Flying Start	0	0	0	0	166	166	166	0	0	0
Total Communities & Housing	7,619	3,795	(359)	0	2,230	13,285	8,937	(4,348)	0	(4,348)
SOCIAL SERVICES										
Adult Services										
Asset Renewal - Buildings	12	0	0	0	0	12	12	0	0	0
61 Tremorfa Day Services (ICF)	0	30	0	0	0	30	6	(24)	0	(24)
62 ICF Grants	0	0	0	0	351	351	351	0	0	0
63 Day Centre Opportunities	0	250	0	0	0	250	220	(30)	0	(30)
Total Adult Services	12	280	0	0	351	643	589	(54)	0	(54)
Children's Services										
64 Accomodation Strategy	131	125	0	0	0	256	27	(229)	0	(229)
65 Trelai Youth Centre	0	0	0	0	0	0	0	0	0	0
Children's Services	131	125	0	0	0	256	27	(229)	0	(229)
Total Social Care	143	405	0	0	351	899	616	(283)	0	(283)
TOTAL PEOPLE & COMMUNITIES	7,762	4,200	(359)	0	2,581	14,184	9,553	(4,631)	0	(4,631)
PLANNING, TRANSPORT & ENVIRONMENT										
Energy Projects & Sustainability										
66 Energy Retrofit of Buildings (REFIT - Invest to Save)	0	1,448	0	0	(1,420)	28	28	0	0	0

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
67 Salix SEELS	500	0	0	0	(497)	3	3	0	0	0
68 Lamby Way Solar Farm	5,227	96	0	0	0	5,323	5,033	(290)	0	(290)
Total Energy Projects & Sustainability	5,727	1,544	0	0	(1,917)	5,354	5,064	(290)	0	(290)
<u>Bereavement & Registration Services</u>										
69 New Cemetery Site (Invest To Save)	750	0	0	0	0	750	415	(335)	0	(335)
70 Improvements of Facilities	445	0	0	0	182	627	627	0	0	0
71 Property Asset Renewal	123	0	0	0	0	123	123	0	0	0
Total Bereavement & Registration Services	1,318	0	0	0	182	1,500	1,165	(335)	0	(335)
<u>Recycling Waste Management Services</u>										
72 New HWRC North Cardiff	0	200	0	0	0	200	0	(200)	0	(200)
73 Recycling Collection Containers	800	15	0	0	0	815	0	(815)	0	(815)
74 Absorbent Hygiene Product Collection	0	0	0	0	515	515	515	0	0	0
75 Electric Sweepers	0	0	0	0	64	64	64	0	0	0
76 MRF	45	0	0	63	0	108	108	0	0	0
77 MRF Automated Sorting Technology	0	0	0	0	32	32	32	0	0	0
78 MRF Fire Suppressant	0	500	0	(63)	0	437	53	(384)	0	(384)
79 Property Asset Renewal	107	0	0	0	0	107	22	(85)	0	(85)
80 Other Waste Management & Infrastructure	300	75	0	0	0	375	363	(12)	0	(12)
Total Recycling Waste Management Services	1,252	790	0	0	611	2,653	1,157	(1,496)	0	(1,496)
<u>Highway Infrastructure</u>										
81 Highway Carriageway - Reconstruction	400	0	0	0	0	400	43	(357)	0	(357)
82 Highway Resurfacing	3,973	2,690	0	0	0	6,663	3,757	(2,906)	0	(2,906)
83 Footpaths	1,035	368	0	0	0	1,403	865	(538)	0	(538)
84 Footway Improvements around Highway Trees	125	0	0	0	0	125	96	(29)	0	(29)
85 Millennium Walkway	250	0	0	0	0	250	10	(240)	0	(240)
86 Bridges & Structural Work	1,350	0	0	(37)	218	1,531	812	(719)	0	(719)
87 Street Lighting Column Replacement	470	523	0	0	0	993	230	(763)	0	(763)
88 LED Lighting Residential (Invest to Save)	2,000	0	0	0	0	2,000	0	(2,000)	0	(2,000)
89 Greener Grangetown	0	0	0	20	0	20	20	0	0	0
90 Bute Crane Refurbishment	0	25	0	37	0	62	62	0	0	0
91 Coastal Erosion / Flood Risk	845	115	0	0	(112)	848	377	(471)	0	(471)
Total Highway Maintenance	10,448	3,721	0	20	106	14,295	6,272	(8,023)	0	(8,023)
<u>Traffic & Transportation</u>										
92 Road Safety Scheme	335	0	0	0	0	335	335	0	0	0
93 Road Safety 20mph Zones	190	0	0	0	(190)	0	0	0	0	0
94 Asset Renewal Telematics / Butetown Tunnel	135	0	0	0	0	135	171	36	0	36
95 Cycling Development	2,500	0	0	(20)	0	2,480	606	(1,874)	0	(1,874)
96 Llanrumney PT / Cycle Link	50	0	0	0	0	50	0	0	(50)	(50)
97 WG Grant Matchfunding	375	241	0	0	0	616	219	(397)	0	(397)

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
98 City Centre & Key links Transport Improvement	300	959	0	0	510	1,769	510	(1,259)	0	(1,259)
99 WG (Local Transport Fund)	10,852	0	0	0	(6,019)	4,833	4,829	(4)	0	(4)
100 WG (Local Transport Network Fund)	0	0	0	0	150	150	150	0	0	0
101 WG (Road Safety Casualty Reduction)	522	0	0	0	(236)	286	185	(101)	0	(101)
102 WG (Safe Routes in Communities)	267	0	0	0	0	267	250	(17)	0	(17)
103 WG (Active Travel Fund)	3,549	0	0	0	(1,000)	2,549	1,969	(580)	0	(580)
104 DfT On Street Residential Charge points	0	136	0	0	0	136	81	(55)	0	(55)
105 Electric Vehicle Charging Points	310	0	0	0	0	310	6	(304)	0	(304)
106 Moving Offences Enforcement / P&D Equipment	745	0	0	0	(160)	585	404	(181)	0	(181)
107 Bus Corridor Improvements	335	0	0	0	(335)	0	0	0	0	0
108 Cardiff West Interchange			0	0	0	0	3	3	0	3
109 CCTV System Upgrade	0	34	0	0	0	34	69	35	0	35
110 Air Quality Monitoring Equipment	0	0	0	0	(7)	(7)	(7)	0	0	0
111 S106 Funded Schemes	802	619	(619)	0	0	802	328	(474)	0	(474)
Total Traffic & Transportation	21,267	1,989	(619)	(20)	(7,287)	15,330	10,108	(5,172)	(50)	(5,222)
Strategic Planning & Regulatory										
112 S106 Projects	156	23	(23)	0	0	156	6	(150)	0	(150)
Total Strategic Planning & Regulatory	156	23	(23)	0	0	156	6	(150)	0	(150)
TOTAL PLANNING, TRANSPORT & ENVIRONMENT	40,168	8,067	(642)	0	(8,305)	39,288	23,772	(15,466)	(50)	(15,516)
RESOURCES										
Technology										
113 Modernising ICT to improve Business Processes	800	333	0	0	0	1,133	1,308	175	0	175
114 ICT Refresh	400	(2)	0	0	0	398	362	(36)	0	(36)
Total Technology	1,200	331	0	0	0	1,531	1,670	139	0	139
Corporate										
115 Contingency	200	0	0	0	(200)	0	0	0	0	0
116 Invest to Save - Bid Allocation for small schemes	500	0	0	0	(500)	0	0	0	0	0
117 City Deal - Cardiff Share	1,198	1,276	0	0	0	2,474	0	(2,474)	0	(2,474)
118 CCRC Housing Investment Fund	0	0	0	0	5,000	5,000	5,000	0	0	0
119 Loan to Cardiff City Transport Services Ltd	(2,000)	2,000	0	0	0	0	0	0	0	0
Total Corporate	(102)	3,276	0	0	4,300	7,474	5,000	(2,474)	0	(2,474)
TOTAL RESOURCES	1,098	3,607	0	0	4,300	9,005	6,670	(2,335)	0	(2,335)
TOTAL GENERAL FUND	83,414	26,021	(2,102)	0	70,022	177,355	122,896	(56,862)	2,403	(54,459)
PUBLIC HOUSING (HRA)										
120 Housing Development	0	0	0	0	0	0	504	504	0	504
121 Estate Regeneration and Stock Remodelling	3,250	0	0	0	0	3,250	2,656	(594)	0	(594)

CARDIFF COUNCIL CAPITAL PROGRAMME 2019-2020

<u>DIRECTORATE & SCHEME</u>	2019-2020 Programme	2018-19 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2019-20	Outturn	Slippage	(Underspend) / Overspend	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
122 External and Internal improvements to buildings	13,550	4,026	(4,026)	(350)	0	13,200	10,377	(2,823)	0	(2,823)
123 Disabled Facilities Service	2,900	0	0	350	0	3,250	3,513	263	0	263
124 The Parade	0	0	0	0	0	0	145	145	0	145
125 Housing New Builds & Acquisitions	27,685	5,943	(5,943)	0	0	27,685	24,326	(3,359)	0	(3,359)
TOTAL PUBLIC HOUSING	47,385	9,969	(9,969)	0	0	47,385	41,521	(5,864)	0	(5,864)
TOTAL	130,799	35,990	(12,071)	0	70,022	224,740	164,417	(62,726)	2,403	(60,323)

**CARDIFF COUNCIL
CYNGOR CAERDYDD**



CABINET MEETING: 16 JULY 2020

RE-PROCUREMENT OF FORMER NATIONAL PROCUREMENT SERVICE (NPS) COLLABORATIVE CONSTRUCTION AND CIVILS CONSULTANCY FRAMEWORKS

FINANCE, MODERNISATION AND PERFORMANCE: CHRIS WEAVER

AGENDA ITEM: 5

Reason for this Report

1. Cardiff Council has been using three existing construction and civils consultancy frameworks let by Welsh Government's National Procurement Service (NPS) as the go-to procurement route for a large proportion of its third party construction consultancy (built environment and Highways) spend (£2.2m) on an annual basis.
2. Two of these arrangements are shortly due to expire and due to Welsh Government's re-organisation of the National Procurement Service (NPS) to a smaller internal contracting body, these arrangements were not going to be renewed.
3. In order to support the Cardiff Council's own requirements and provide the council with a compliant procurement route for construction and civils consultancy commissions, Cabinet is requested to approve the Council's Commissioning and Procurement (C&P) team to re-procure these arrangements on a collaborative basis.
4. As per the existing National Procurement Service (NPS) arrangements, a levy fee (0.45%) will be payable on all spend going through the arrangements in order to fund a post within the Council's Commissioning and Procurement (C&P) team to support the ongoing administration. A key driver of the WLGA Heads of Procurement network is the promotion and retention of Local Government Procurement expertise; as such, the arrangements will be open for use by the public sector on an all Wales basis.

Background

5. In September 2018, the First Minister published a written statement informing Local Government that the National Procurement Service (NPS) would cease to operate in its current form.

6. In response to the change in policy direction, the Welsh Local Government association (WLGA) set up a Heads of Procurement (HoP) network, consisting of a nominated lead officer from each organisation. The HoP network supports collaborative procurement and the promotion of good practise in procurement. Cardiff Council's Head of Procurement chairs this group.
7. The HoP network has established three regional delivery groups consisting of North Wales, South West and Mid Wales and South East Wales. A key principle being the creation of regional category centres of excellence with the flexibility to provide all-Wales procurement arrangements where required. The HoP network felt the South East Wales delivery group has the relevant expertise based on Cardiff's Commissioning and Procurement (C&P) team's success with the re-procurement of both construction (www.sewscap.co.uk) and Civils (www.sewh.co.uk) frameworks in 2018/9 .
8. The existing Construction Consultancy framework's offers a swift route to market that are compliant with EU Procurement directives and the Wales Procurement Policy Statement including delivering on many of the requirements within The Wellbeing of Future Generations Act. The frameworks have been used by Local Authorities and Welsh Government and associated bodies since their inception in 2015/6.
9. Key to the success of the framework is the option for a flexible approach for clients, encouraging early consultant involvement, focusing on developing client/contractor relationships that improve value for money through reduced time to market, duplication of processes, development of common standards and sharing of best practise that seeks to drive innovation.

NPS Construction Consultancy Spend	Value
Welsh Government	£18,632,467
Natural Resources Wales	£ 9,777,046
Monmouthshire County Council	£ 2,258,231
Cardiff Council	£ 2,200,924
WGSB's (Other)	£ 973,135
Neath Port Talbot County Borough Council	£ 520,830
Newport City Council	£ 337,432
Natural Resources Wales	£ 246,266
Caerphilly County Borough Council	£ 237,517
Conwy County Borough Council	£ 129,656
Gwynedd Council	£ 126,412
Coleg y Cymoedd	£ 118,520
TOTAL	£41,260,395

10. Cardiff Council is the fourth largest user by spend in terms of value on the current Construction consultancy Framework. However the Council's spend on Construction consultancy is much larger (£8mpa,) currently spread across a number of consultancy frameworks let by buying groups and purchasing organisations not based in Wales. The opportunity to let a collaborative agreement that consolidates this spend via one procurement route should

drive economies of scale and improved cost efficiency for Council directorates.

Issues

Governance

11. It is intended to create a client user forum to engage with users of the framework in order to drive continuous improvement. The forum will ensure both participating authorities and consultants work within the principles of the framework:
 - a. Work together and with the potential clients and their prime contractors in good faith and in a spirit of mutual trust and co-operation.
 - b. Act in a co-operative and collaborative manner so as to achieve and advance the relevant construction project and provision
 - c. Share information honestly and openly: and Highlight and difficulties at the earliest possible opportunity
12. The current NPS Construction consultancy framework operates through a Levy recovery model, where each call-off project generates a Levy as a percentage of its value. The current (0.45%) levy will be carried forward with the re-procurement having been agreed by the WLGA Heads of Procurement network. The net effect should be cost neutral to Cardiff Council acting as contracting authority, whilst providing the relevant resources to administer develop and promote the use of the framework going forward.
13. The proposed framework Levy recovery process works in the following way;
 - The result of all call-off contracts and direct awards are notified to the Framework team by the Framework users.
 - The Authority invoices the consultant quarterly for the calculated levy based on the contract value awarded during the preceding 3 months.
 - Based on a comparison with Crown Commercial Services, ESPO, YPO, and Bloom Procurement Services levy rates in the market vary from 0.5-5%. Based on this comparison, a levy of 0.45% provides a competitive rate for Welsh based public sector clients to utilise this arrangement.

Community Benefits

14. To date the current NPS let Construction Consultancy framework has not focused on community benefits or social value delivery which will be a key focus for the re-procurement exercise.
15. As part of the Council's Capital Ambition, and Socially Responsible Procurement Policy, the new Construction Consultancy framework will seek to incorporate a number of the deliverables that seek to support the skills shortage across Construction but will look to focus consultant activity across the following priority areas:-

- **Local Training and Employment:** We want to create employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as long term unemployed
 - **Think Cardiff City Region First:** We want to take account of the social and economic impacts of buying locally when commissioning and contracting, and want our suppliers and contractors to do the same
 - **Partners in Communities:** We want to play an active role in the local community and community support organisations, especially in those areas and communities with the greatest need
 - **Green and Sustainable:** We want to protect the environment, minimise waste, reduce energy consumption and use other resources efficiently.
 - **Ethical Employment:** We want to employ the highest ethical standards in our own operations and those within our supply chain.
 - **Promoting Wellbeing of Young People and Vulnerable Adults** We want to safeguard and promote the welfare of children, young people and vulnerable adults businesses together with the support of entire community including local businesses
16. Additionally the Cardiff Capital City Region Deal will promote a joint working agreement that represents a fundamental shift in the way in which local government in the city region collaborates in future across areas of economic development, skills and training, regeneration, strategic planning, housing and transport. The availability of a collaborative construction consultancy framework for use by public bodies across the Cardiff City Region boundary provides a compliant procurement route for future City Region funded construction infrastructure projects.
17. Delivery of this re-procurement will support the WLGA Heads of Procurement (HoP) network key principles that include :-
- a. New arrangements must support an investment in Local Government Procurement to deliver for Future Generations
 - b. Local Government collaborative procurement activity across Wales should be coordinated through the WLGA Heads of Procurement Network
 - c. The Network to develop and 'own' an All-Wales Local Government Sourcing Plan and Contract Forward Plan
 - d. Local Government to deliver collaborative contracts through three Regional Delivery Groups to include South West and Mid Wales, North Wales and South East Wales
 - e. Where appropriate contract delivery would be allocated and delivered through Regional Category Focused Centres of Expertise with flexibility to provide All-Wales contracts where appropriate
 - f. Contracts would continue to apply a levy, which would be used to fund the retention and growth of procurement capacity and expertise across the Welsh Public Sector.
 - g. Levy would be managed on an Open Book basis and excess used to fund category development

Lessons Learnt

18. A lessons learnt exercise has been conducted with recommendations from consultants and local authority users in order to make improvements to the new framework across the following areas:-
- i. Reflect local authority boundaries in line with the Cardiff City Region and existing Construction frameworks i.e. South East Wales, South West Wales and North Wales.
 - ii. Standardisation of specialist lots currently split across two frameworks; intend to procure one new framework with a reduced number of specialisms (still covering the core LA requirements.)
 - iii. Large Consultancy firms appear across numerous lots reducing potential for competition, consideration of restricting number of lots consultants can be appointed against in order to promote SMEs for lower value lots
 - iv. Introduce relevant community benefits targets that seek to develop beyond targeted recruitment and training and promote use of supported social enterprises and locally sourced materials across geographic boundaries within their supply chains
 - v. Current Direct Award Provision (£25k) seen by clients as too low for the number of urgent commissions, based on a published day rate card at framework award this level is proposed to be increased to £150k. Client bodies will need to use their discretion when using the Direct Award route and work within their own procurement standing rules.
 - vi. Currently the recommended Cost / Quality evaluation weighting is 50/50 when appointing contractors from the framework at further mini competition. Need to further enable focus on quality to suggested 70/30 in order to promote sustainability over framework lifecycle and remove “race to the bottom” price focus.
 - vii. Need to improve standardisation and call-off documents and procedures including use of templates

Evaluation Structure

19. It is intended that the proposed lotting structure taking on board the lessons learnt will consist of a single specialism per lot, a review has been undertaken simplifying the structure (from 96 lots across the two existing frameworks to 21 lots on the new framework.) Feedback from key users has specified a minimum of 7-10 consultants be appointed per lot. It is intended that the evaluation weighting may remain at 50% Cost and 50% quality at framework award, pending final customer / market review.
20. One of the reasons there was such a high number of lots was the fact lots were geographically split and priced accordingly, it is therefore proposed each specialist lot will have a simple rate card incorporating three prices based on geography i.e. South East Wales, West Wales and North Wales.
21. A flexible approach for contracting bodies will continue through the use and promotion of either NEC4 (New Engineering Construction Contract) Professional Service Contract (PSC) and JCT (Joint Contracts, Tribunal) forms of contract. This approach will provide users with the ability to use a

menu of contracting forms to enable them to construct fit for purpose commercial arrangements that suit the nature of the contract e.g. risk allocation and options chosen. Greater clarity and simplicity is achieved from clear roles and responsibilities together with definitions for compensation events. Greater stimulus for good project management is promoted with contracting parties due to the use of standardised documents with obligations clearly understood by the contracting market.

22. A full review of the current framework KPI's are under consideration, particular attention is currently focused on contractor obligations to participate once on the framework (failure to bid in mini - competitions) and potential for suspension.
23. In order to drive customer satisfaction and promote usage it is planned to introduce a post project review where users are asked to try to compare the initial project objectives against the final project achievements and the consultants' contribution in achieving this. The following factors will be recorded:
 - Time
 - Cost (Budget versus Outturn, Claims / Added value)
 - Quality
 - Client satisfaction

Reason for Recommendations

24. Cardiff Council spends in excess of £2.2m per annum on Construction related consultancy and requires an efficient value adding procurement vehicle. With the ability of the Council's own Commissioning and Procurement team to let and manage a collaborative future framework, council directorates will be able to utilise the future go-to framework for Construction consultancy driving efficiencies whilst contributing the wider collaborative public sector agenda.

Financial Implications

25. A levy at the rate of 0.45% would be payable on expenditure incurred through the arrangements. This would generate an income stream for the Council, to support associated workload requirements. The income stream has the potential to vary. Whilst this could represent a degree of risk to the Council, based on current levels of framework spend, it is not considered significant. Any risk is further mitigated by the intention to cover workload through existing posts in the first instance, before reviewing the potential creation of additional posts in line with ongoing framework spend.

Legal Implications

26. As set out in the report, the recommendation is to commence a procurement to set up a framework on behalf of Cardiff and other bodies. It is understood that the value of such framework is over the EU procurement threshold and accordingly, the full ambit of the Public Contract Regulations apply and to that end it is noted that the Directorate intends for follow a full blown

competitive tender exercise. Ongoing legal advice should be sought in relation to the procurement.

Equality Duty

27. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of ‘protected characteristics’. The ‘Protected characteristics’ are: • Age • Gender reassignment • Sex • Race – including ethnic or national origin, colour or nationality • Disability • Pregnancy and maternity • Marriage and civil partnership • Sexual orientation • Religion or belief – including lack of belief. Legal Services are instructed that an Equalities Impact Assessment will be attached to the delegated report under recommendation 2 of the report.

Well Being of Future Generations (Wales) Act 2015

28. The Well-Being of Future Generations (Wales) Act 2015 (‘the Act’) places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
29. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff’s Corporate Plan 2019-22. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
30. The well being duty also requires the Council to act in accordance with a ‘sustainable development principle’. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory

Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

31. The decision maker should be satisfied that the procurement is in accordance within the financial and budgetary policy and represents value for money for the council.
32. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

HR Implications

33. There are no HR implications for this report.

Property Implications

34. There are no Property implications for this report.

RECOMMENDATIONS

Cabinet is recommend to:-

1. Agree in principle to the commencement of the re-procurement of the current National Procurement Service (NPS) Construction and Civils Consultancy Framework and take on the hosting arrangements for the subsequent arrangement (as detailed in this report) and
2. Delegate authority to the Corporate Director Resources, in consultation with the Cabinet Member for Finance, Modernisation & Performance, to carry out all aspects of the procurement, (including setting the evaluation methodology, commencing procurement and award of successful consultants to the framework) and thereafter to host and deal with the operation of the framework arrangements, including any ancillary matters relating thereto.

SENIOR RESPONSIBLE OFFICER	Christopher Lee
	Date submitted to Cabinet office

**HOMELESSNESS – THE RESPONSE TO THE COVID 19 CRISIS
AND DELIVERING THE FUTURE SERVICE MODEL**

**HOUSING AND COMMUNITIES – CLLR LYNDA THORNE
AGENDA ITEM: 6**

Appendices 1, 2 and 4 are not for publication as they contain exempt information of the description contained in paragraphs 14 and 21 (Appendix 1 and 4) and paragraph 16 (Appendix 2) of Schedule 12A of the Local Government Act 1972

Reason for this Report

1. To note the impact of Covid 19 on the delivery of services for single homeless people in Cardiff.
2. To note the steps already taken to secure additional permanent homeless accommodation to replace temporary provision and ensure that no service user will experience a reduction in service availability as lockdown measures are relaxed.
3. To approve the provision of further accommodation and support for single homeless people and families.
4. To approve the Direct Award of a contract to deliver temporary accommodation units at the Gasworks site, Grangetown for families.
5. To approve the additional measures outlined in this report that will deliver the new model of homeless provision in Cardiff.

Background

6. In recent years, like all major British cities, Cardiff has experienced a dramatic rise in the number of people homeless or rough sleeping, working with our partners it has been possible to make very significant progress in reducing the number of individuals sleeping rough and in March 2020 Cardiff had achieved the lowest level for six years.
7. Following extensive research into good practice across the world, proposals were developed to improve the services in Cardiff, to maximise prevention, ensure effective assessment of need and deliver the right accommodation pathways to meet the wide range of issues presented by our single homeless clients. This approach was endorsed in our

Corporate Plan 2020/23. A multi-agency steering group was established to deliver this new vision chaired by the Cabinet Member for Housing and Communities.

8. At the beginning of March 2020 there were 30 rough sleepers in Cardiff, down from 84 rough sleepers the previous year. The key presenting need for those rough sleeping was substance misuse although the complex nature of the issues faced by these individuals meant that most also had other challenging health needs.
9. In addition, there were 140 individuals in emergency accommodation, 98 of whom were sharing sleeping spaces and were required to leave the accommodation during the day. In addition to the emergency accommodation, more than 600 individuals were living in hostel and other supported accommodation. A report on the challenges faced by the existing services in place to meet the needs of single homeless people and the steps being taken to address these was considered by Cabinet in December 2019.

Issues

Impact of the Covid 19 Pandemic

10. On 20 March 2020 the Welsh Government announced that an additional £10 million had been made available to Local Authorities to assist in the response to the Covid 19 pandemic and mitigate the impact on homeless individuals.
11. It was crucial that significant levels of additional self-contained accommodation was sourced quickly in order to ensure that no-one remained on the street and specifically that individuals could self-isolate should they be symptomatic of the virus. The numbers residing in existing emergency accommodation had to be very significantly reduced to ensure that the virus did not spread within this vulnerable group.
12. In the first 3 weeks of the crisis 140 clients were rehoused into accommodation where they could shield / self-isolate. In total 182 units of supported accommodation have been established during the crisis made up of:
 - 20 Isolation units (Shipping container developments in Ely and Butetown – recently completed and intended for family temporary accommodation, repurposed to meet this need.)
 - 2 Hotels (130 units at the OYO in Riverside and the Youth Hostel Hotel in Splott)
 - Move on accommodation (16 units in Countisbury House, Llanrumney)
 - Re-purposed building (16 units at the Parade in Plasnewydd)
13. 24 hour support and security staff were allocated to all sites and 3 meals a day and snacks have been provided to ensure that clients can remain at the property at all times.

14. The detail of the homelessness arrangements put in place to meet the Covid 19 crisis, as set out above, were considered by Cabinet in June 2020.
15. As clients remained in the accommodation it quickly became clear that there was an unprecedented opportunity for services to work with those who wanted to take a step away from substance misuse. Health and third sector colleagues have been providing services directly into the hotels, hostels and supported housing aimed at harm reduction and rapid prescribing. Therapeutic and counselling services have also continued throughout the crisis to ensure that clients underlying needs are identified and met.
16. A new long lasting drug substitute was made available with the support of Welsh Government and the results have been exceptionally positive with 71 clients now referred for services.
17. From the start of the crisis the numbers of presentations from single homeless people increased significantly with an average of 45 new presentations a week (as compared to 25 a week before the pandemic) increasing the already significant pressures on services and resulting in the continued use of some shared sleeping spaces.

A New Vision for Homelessness

18. The experience of the response to the pandemic so far, combined with the work previously undertaken to review Cardiff's current service model has made clear the pressing requirement to continue to provide additional accommodation with multi agency support into the long term, to meet the needs of single homeless people in Cardiff.
19. Prior to the pandemic a strategic review of services was carried out led by Councillor Lynda Thorne, Cabinet Member for Housing and Communities. This review set out a new pathway for accommodation and support services for single homeless people. A range of partner representatives were involved in the development of this new pathway and this had been well received in consultation sessions. The findings from this strategic review has been combined with the learning from the pandemic to develop a new vision for homeless services for single people in Cardiff.
20. The vision for the future has 4 key components:
 - To prevent homelessness wherever possible – and where it is not possible for the experience of homelessness to be rare, brief and not repeated.
 - To deliver an assessment/ triage approach to all those presenting as homeless. A service that will properly and comprehensively identify the needs of the person, where necessary on a multi-agency basis, to fully understand all the issues and consequently

ensure that the accommodation and support solution provided is appropriate to the individual.

- To move away from a “staircase” approach to rehousing where clients move from supported accommodation to independence in stages. The new model will have separate pathways for clients who are able to move rapidly into independent housing via housing first or community housing with intensive support as appropriate. The model will also have a separate pathway for those with lower need with support to move on quickly into the private rented sector together.
 - For those with the most complex needs the model recognises that longer term specialist accommodation will be required but that this will be good quality, self-contained accommodation that can provide a home environment in a supported setting.
21. The vision for Cardiff is very much in line with Welsh Government’s new guidance. In May 2020 a further allocation of £20 million was announced for 2020/21 to assist in funding solutions to homelessness in the longer term – described as a “No Going Back” approach. All Council’s in Wales have been asked to put forward a phase 2 homelessness plan to set out how this will be achieved in their local authority area and to make a funding bid to support this. The Welsh Government has been clear that they do not wish to see a cliff edge but want a continuation of current arrangements while the move to longer-term solutions is achieved.
22. To ensure that accommodation remains available for single homeless people in the short term, immediate action has been taken to extend the arrangements with the 2 hotels: until September in the case of the OYO and December in the case of the YHA. In addition, to allow for the immediate need to meet the increased demand from single homeless people, a decision has been made to enter into a partnership arrangement with POBL to use a 42 unit student housing block on Newport Road, further information on this scheme is provided below.

Next Steps - Delivering the Vision

Assessment Centre / Triage

23. Considering the experience of other UK and European cities the need for an appropriate assessment and triage centre for single homeless individuals is essential. The centre would be available for 24-hour access for referrals by trusted partners and would be a fully multi-disciplinary provision. The centre would provide good quality emergency accommodation for short term use and which will also allow clients to stay longer if needed for them to stabilise and for their needs to be fully assessed.
24. The centre would become a co-ordination point for our multi-disciplinary complex needs services including street and hostel outreach. The

success of our multi-disciplinary approach has been considerable. This grant funded team already includes the following members:

- Social workers
- Mental health workers & mental health social worker
- Housing support workers (SAIL)
- Advocate
- Primary care nurse
- Substance misuse workers
- Probation Officers
- Rapid prescribing service
- Therapeutic outreach workers & psychological services
- Counsellors
- Peer mentor co-ordinator
- Police Street Safe Officer

25. Some funding already exists to increase the resources on the team, particularly the counselling and therapeutic services which have been in high demand during the crisis. A bid will be made to build on the membership of the team to include some time from the following:

- Occupational Therapist
- Psychiatrist
- Psychologist
- Key support workers

26. Following the assessment process, the team would allocate individuals to the most appropriate accommodation solution, from immediate rehousing to complex needs supported accommodation, with the appropriate level of on-going support in place.

27. Agreement has been reached with Taff Housing Association for a further lease of Hayes Place in Riverside for up to 10 years, to provide the assessment and triage centre. This building which has been leased by the Council for some time was most recently used as the one stop shop for domestic abuse and violence against women services. The building is suitable for the multi-disciplinary triage service with some minor building adaptations necessary. Grant funding will be sought from the Welsh Government to make these changes.

28. The emergency accommodation will be provided to the rear of the building. A modular solution to the provision of on-site accommodation units has been procured. An Officer Decision has been made to direct award the contract for these modular units, due to the pressing need to ensure that this provision is in place urgently. It is estimated that the service will be operational by January 2021.

Good Quality Supported Accommodation

Shorter Term Accommodation

29. As mentioned above, to ensure the immediate need for additional supported housing is met, a decision has been made to enter into a partnership agreement with Pobl group to secure a 42 unit block of flats on Newport Road. The units were previously used as student accommodation. This scheme will meet the pressing need for additional self-contained accommodation. The site is available for the longer term and once the immediate needs of the crisis have been met will provide supported accommodation for those with medium support needs. Funding for some changes to the building will be sought from the Welsh Government, while revenue costs for the operation of the building can be met through Housing Benefit and existing grant funding.
30. The 16 self-contained units in Countisbury house in Llanrumney have been secured for a 12-month period initially, also from Pobl Group. Should the scheme prove successful the intention will be to secure the facility for the longer term for continued use as a move-on / halfway house provision for those with medium to low level support needs. Funding for this scheme is currently being met by a combination of Housing Benefit and Welsh Government Covid 19 grant

Specialist Supported Accommodation

31. Following the research and site visits undertaken prior to the pandemic it has been possible to identify the key features of good quality specialist supported accommodation. The main factors are that the units must be self-contained, that there is support on site 24/7, that health and other essential services are available to the clients in the facility rather than relying on individuals attending for outpatient appointments elsewhere. Counselling and therapeutic services are available in the facility along with education and work experience opportunities.
32. The current level of need for this type of specialist accommodation in Cardiff is estimated to be 200 units.
33. Following consideration of options and taking advice from a wide range of partners, including Health services and the Police the preferred solution to deliver this high quality facility is to refocus and existing facility in Adamsdown.
34. This facility is owned by United Welsh Housing Association and it currently provides temporary accommodation for a mix of 74 families and individuals. There is also an opportunity to repurpose neighbouring flats for more settled long-term accommodation. The integrated facility would comprise approximately 103 self-contained units with intensive support on site 24/7 on the main site and an additional 49 flats for longer term more settled accommodation. There would be space for health and therapeutic services. Into-work, educational and diversionary activity could also be

provided on site and the building would have 24-hour security, support staff and CCTV.

35. The core services on site will be delivered directly by the Council with significant input from health and other partners. It has been agreed that the arrangement currently in place between United Welsh Housing Association and the Council will be strengthened into a more formal arrangement, to reflect the longer-term nature of this project. Considerable capital investment will be needed for this scheme, including the provision of health suites and significant communal spaces. Funding is being sought from the Welsh Government for these building changes, from the £20 million being made available to address the Covid 19 recovery. This work will be carried out on a phased basis with some occupation of the building possible by the autumn.
36. The revenue costs of the scheme are significant and are set out in Appendix 2. Funding for this will be sought from the Welsh Government.

Existing Accommodation

37. The experience of the pandemic has shown that with lower numbers of clients in existing hostels considerable improvement to outcomes for individuals can be achieved. Our partners have delivered outstanding work during the crisis as they have adapted their provision to meet the new challenges. This has included a move towards increased provision of services for residents in the hotels and hostels, rather than drawing clients into other facilities where the congregation of a large number of clients can lead to antisocial behaviour.
38. The intention is to build on this success by making a permanent change to the delivery of services. This will impact particularly on the operation of the services at Huggard Buildings on Dumballs Road. Currently there are two hostels on this site and a day centre. One of the hostels is operated by the Council and one by the Huggard, a third sector organisation. The Huggard also runs the day centre.
39. During the crisis, the day centre service has been changed to focus only on identified clients and has moved away from a drop in approach. This has reduced the number of individuals that are drawn into the area.
40. The important services delivered by the Huggard such as the substance misuse harm reduction services and the welfare advocacy service have been delivered on a mobile basis in the hotels and hostels. It is proposed to continue and build on this success going forward. The management of the whole site will be reviewed to ensure that services can operate in an effective and controlled way.
41. The services will focus on clients that have been identified through the Assessment process as in need of intervention. Wherever possible services will be provided directly into projects where the clients are living, rather than in the Huggard buildings. Work is ongoing with the Huggard and with Health colleagues to fully design this new model of service.

42. It was noted in a previous cabinet report that some existing second stage projects which offer accommodation in shared community housing without full time support on site have proved less successful in meeting the increasingly high level of client needs. This results in high rates of eviction and abandonment. Move on from these projects is also very slow, even where intended for lower needs clients. Research from across Europe and the USA has shown that different levels of supported accommodation prove less successful than a rapid rehousing approach with intensive support. It is intended therefore to move away from the staircase model whereby service users move through several projects in their journey towards independence, towards a rapid rehousing approach with appropriate support based on individual need. This support will be more flexible than the current accommodation based support, allowing it to be tailored to individual needs.
43. Cardiff has a considerable amount of this second stage provision with 220 units of accommodation. It is proposed to phase this provision out over a 3 year period commencing in April 2021. This will release a significant level of resource that can be used to fund the new model of service, however this will not be immediately available and discussion with the Welsh Government on longer term transitional funding is ongoing.
44. There is also a need to review the abstinence /substance misuse pathway projects in conjunction with partners in Health. This review will be undertaken over the coming year. Again where possible the model will be to move away from long periods in supported housing. The specific needs of women will also be reviewed, all new projects will where appropriate offer separate accommodation for women and the requirement for specialist services for women with support needs will be considered as part of the review.

Funding Arrangements

45. As stated above the revenue cost of providing services to the complex needs client group is very high and while some existing schemes can be phased out this will take 3 years to achieve.
46. Appendix 3 sets out the estimated costs of the schemes and the funding that can eventually be released. The Welsh Government has made available funding for this year and an application has been submitted to cover these costs. While there is no commitment to make further transition funding available in future years it is anticipated that this will be the case.
47. Failure to take immediate action would mean that there would be no alternative accommodation to replace the hotels when they close. It is therefore necessary to commit to the development of the schemes set out above before confirmation of future years funding.
48. The majority of the costs of the schemes relate to the additional staffing and security required to provide services to this client group. Should

additional funding not be forthcoming the schemes could be used to house lower needs clients at considerably reduced cost. These lower costs are also set out in appendix 3 and represent the actual level of contractual commitment that is being entered into at this stage.

49. Representations will be made to the Welsh Government to make clear that continued funding will be required if services are to remain in place for the clients with highest needs and if the progress made to date in addressing homelessness is to be maintained.

Impact of Covid 19- Temporary Accommodation for Families

50. The impact of the Covid 19 pandemic on family homelessness has been different to that experienced in relation to single individuals.
51. The temporary ban on evictions in both the public and private rented sector, along with mortgage holidays for owner occupiers in difficulties has seen fewer families presenting as homeless. The Council and most Housing Associations continued work on vacant properties during the crisis and as a result move on from temporary accommodation for homeless families has remained effective. This was particularly important as 20 family units of temporary accommodation in shipping container units located in Ely and Butetown were repurposed for self-isolation and access to them has proved essential during the crisis.
52. Currently Cardiff has 555 units of family temporary accommodation. These are made up as follows:
 - 161 hostel and supported accommodation
 - 394 Leased accommodation
53. 72 of the supported housing units are in the facility in Adamsdown mentioned above, the location in the city centre is not ideal for family homelessness and it is proposed that this building is used for single person accommodation in future. Other hostel accommodation while providing the opportunity to deliver intensive support for families, offers smaller accommodation units, which are not ideal for long stays or for larger families.
54. While the leasing schemes have proved very successful in the past in preventing the use of bed and breakfast for homeless people, they do lead to long stays in temporary accommodation, which can be disruptive to family life and the education of children.
55. The council will adopt the Welsh Governments leasing scheme which has set out terms and provisions for Local authorities to follow adopting model lease documents issued by Welsh Government.
56. There are two temporary accommodation leasing schemes in Cardiff, operated by a Housing Association and Temp To Perm. The Housing Association has recently approached the Council to advise that their scheme, the larger of the two, is no longer financially viable without

additional input from the Council. The financial contribution made by the Council to this scheme is already considerable.

57. Due to the above pressures a review of family homeless accommodation has also been carried out. The future vision for family homeless is similar to that for single person homelessness:

- **Prevent homelessness** – homes are rescued if possible, if not as many families as possible are rehoused at this stage. Where prevention is not possible to ensure that ***homelessness is rare, brief and not repeated.***
- **Assessment / Triage Approach** - Properly identify need, taking a multi-agency approach where necessary, and provide appropriate tailored solutions for each individual family.
- **Good Quality Emergency / Supported Accommodation** - short stay for most, some families will stay longer while they receive more support.
- **Focused support to achieve successful move on** - Move away from the staircase approach

58. As stated above a number of the hostel units are located at the Adamsdown facility and the move to use this to provide longer term supported accommodation for single people will mean that alternative family accommodation is needed. It is proposed to both facilitate this change and achieve the more appropriate alternative model of delivery for families by creating 3 centres for family homelessness. The locations for these centres will be:

- Briardene on North Road, a Cardiff Living Scheme due to deliver by the end of this financial year (39 units)
- Harrison Avenue in St Mellons (a United Welsh building) (19 units)
- The Gasworks – a new build site at the former gasworks site in Grangetown (50 units)

59. These centres will offer good quality family accommodation with staff on site during the day. The staff will promote rapid move on while also addressing any support needs the family may have. Other services will be provided on site including Early Help services such as Flying Start, health visiting and parenting provision. The aim would be to move families quickly from this accommodation directly into a settled home. Once fully operational this model would reduce the need for leased properties. Further work is needed to fully develop this new rapid rehousing model, which will include improved use of the private rented sector in both Cardiff and the surrounding area.

60. The Council has recently agreed to become a pilot for a Welsh Government Scheme to lease directly from the private rented sector. The scheme will provide a 5-year lease giving households more stability over the medium term. Cardiff will be able to take on 66 properties under the

scheme. The terms of the leases have been set and the Welsh Government will meet the costs of the scheme. It is proposed that the decision making processes for entering into leases for domestic properties are streamlined, with delegation being given to the Assistant Director Housing and Communities to enter into such leases following advice from Strategic Estates.

61. Discussions are on-going with the main leased accommodation provider, to identify a way forward for the current scheme. If a solution cannot be found it is proposed that the schemes transfer into the Council and operate alongside the longer term leasing scheme while options for the future of the scheme is considered. This will ensure that it continues to operate effectively while a new model of provision is put in place.
62. Funding to support the transition to the new family homelessness model is being sought from the Welsh Government.
63. The changes set out above offer the opportunity to considerably improve homeless accommodation options for both single people and families. There is a need to move quickly to put in place the changes to the facility in Adamsdown to address the pressing need to find alternative accommodation for those currently living in the hotels. The projects for the replacement of the family accommodation in Adamsdown therefore need to be brought on line as a matter of urgency. While current demand from families is low this is likely to change when the lockdown measures are over and the restriction on evictions are lifted, therefore the family accommodation to replace the Adamsdown property needs to be fast tracked to ensure that this gap is filled as soon as possible. In the meantime it is proposed that social housing lets continue to focus on homeless cases and emergency moves to create the capacity needed to facilitate this change.

Meanwhile use of sites for the provision of purpose built temporary accommodation

64. This report sets out the range of schemes being proposed to offer long-term and sustainable housing options for homeless families and single people. Furthermore, the extreme urgency to deliver longer-term solutions for Temporary Accommodation to replace the leased hotels has been explained.
65. Speed of delivery is therefore critical and by using Modern Methods of Construction (MMC), we will be able to provide completed homes in a much faster period making meanwhile use of vacant council sites already benefiting from services.
66. The Housing Minister has been clear that homeless people should not have to go back to the street following the pandemic and eradication of street homelessness is a key objective of Welsh Government. As such Welsh Government have repurposed what would have been Innovative Housing Funding Year 4 for the provision of immediate homeless housing solutions using MMC. These projects have been discussed directly with

Welsh Government who are supportive of this approach and have indicated that they will provide grant funding for our projects. A further grant submission is being made for Welsh Government Capital Grant covering Covid 19 related homelessness recovery plans the deadline for which is the end of June 2020. The plans must be deliverable by the year end 20/21.

67. Two sites have been identified as suitable to deliver new-build Temporary Accommodation as a meanwhile use.
68. Site 1 at Hayes Place will provide 19 new modular homes using the Beattie Passive 'Haus4studio' pods. These pods have been specifically designed to provide single person units providing warm, safe and comfortable overnight accommodation for single people. The site also benefits from an existing office building which can be used to provide critical support to homeless individuals as detailed previously. The decision to direct award to Beattie Passive has been approved under a separate Officer Decision Report.
69. Site 2 at the Gasworks site, Grangetown will provide 50 flats as temporary accommodation for homeless families made up of 12 x 1 bed flats, 12 x 2 bed flats and 26 x 3 bed flats. The site has recently been acquired by the council for inclusion within the Housing Development programme and benefits from existing services.
70. In order to meet the required timescales for delivery and for the developments to be eligible for Welsh Government Homelessness phase 2 grant, a direct award is required as the scheme must be delivered by year end to be eligible. Furthermore, we must be in contract with the developer by year end for the IHP4 grant. As such we are seeking approval for this approach using the Cabinet Office Procurement Policy Note (Responding to COVID-19) PPN 01/20 – direct award due to extreme urgency (regulation 32(2)(c) under the Public Contract Regulations 2015.
71. It is believed that this route is suitable as;
 - We are reacting to a current situation that is a genuine emergency - not planning for one. The Covid 19 pandemic was obviously unforeseen and has resulted in the Council taking some immediate and swift measures to provide the support needed for both street homelessness/single person homelessness and the potential increase in family homelessness. We now have over 140 homeless people being housed in short-term hotel provision. In order to ensure that long-term and sustainable solutions are in place to prevent homeless people returning to the streets the various solutions outlined in this report are being proposed. The continuation of the leases is not an option that can be taken forward as owners of the hotels are expecting the market to improve and are anticipating operating the buildings as hotels again in the near future. It is imperative that the Council is able to have a longer term solution. If we are unable to deliver the modular schemes the risk is that many homeless people will return to the streets.

- Insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. As set out in this report we are working within very strict timeframes. Firstly to ensure that long-term sustainable homeless provision is in place at the time that the short-term hotel provision is scaled back/removed and to ensure the remodelling of the Adamsdown property can take place, thus preventing people from returning to street homelessness as set out clearly by the Housing Minister. Secondly to ensure that we can meet the requirements of Welsh Government Capital grants that are available. There is no time to run an accelerated procurement under the open or restricted procedures or competitive procedures with negotiation in order to achieve a project completion by year end.
 - There is no suitable framework or dynamic purchasing system available to us that will enable us to meet the timeframes we are working to. In order to comply with the grant requirements and deliver the schemes before year end we must be able to place orders to begin the manufacture of the modular units in July. The lead-in time to prepare for manufacture is such that not being able to place the orders in July will prevent us meeting the timescales. Furthermore, both parties must be able to enter into a suitable building contract for the projects. Contract negotiations are on-going to ensure documents can be agreed by July 2020. In this case we are using the JCT 2016 D&B form of contract. Again, this means we are unable to run a mini-competition to a framework as even with a reduced tender period we still need time to negotiate the form of contract required.
 - The Beattie passive system is already fully certified, compliant with all Welsh Regulations and they are able to deliver the modular units for both schemes within our required timescales. Furthermore, the Beattie Passive system offers a unique standard in the form of being fully PassivHaus compliant, ensuring that the costs of heating the homes are extremely low for tenants and sustainable and the system is fully demountable and can be moved elsewhere in the future if required. The costs of both projects can be benchmarked against the MMC projects we have already delivered to show value for money. The costs and benchmarking of costs against schemes already delivered are provided in Appendix 1.
72. Furthermore, in response to the exceptional challenges presented by from COVID-19, the Town and Country Planning (General Permitted Development) (Amendment) (Wales) Order 2020 (“the Amendment Order”) came into force on 30 March 2020.
73. The Amending Order inserts a new Part 12A (Emergency Development by Local Authorities) into Schedule 2 to the GPDO, permitting local authorities to undertake any form of development, as defined by section 55 of the Town and Country Planning Act 1990, on land owned, leased, occupied or maintained by the local authority for the purposes of:

- a) preventing an emergency;
 - b) reducing, controlling or mitigating the effects of an emergency; or
 - c) taking other action in connection with an emergency.
74. Part 12, A.2 confirms that development in relation to homelessness is one of the types of development permitted by the new amendment. Part 12, A.1 effectively limits the use of development that is permitted under the amendment for a period of 12 months, after which the land must be restored to its former condition.
75. In summary, there is no need to apply for planning permission for development for temporary housing for people made homeless in connection with the Covid 19 emergency, because it is permitted under the amendment. However, if the temporary housing is to remain in situ for longer than 12 months, a planning application should be submitted to allow its use beyond the 12 months.
76. Both schemes must be delivered before the 31st March 2021 and in order to achieve this orders must be placed for the construction of the accommodation units before the end of July 2020. If this can be achieved it should be possible that scheme 1 can be completed by December 2020 and scheme 2 no later than March 2021. As eluded to above this leaves no time to use normal procurement procedures.
77. Therefore approval is sought to procure 50 units by direct award to Beattie Passive for the Gasworks site. The combined value of both Beattie Passive schemes and benchmarking are provided in Appendix 1.
78. Should Welsh Government Capital grant funding not be approved for Hayes Place and Gasworks site future development schemes in the Housing Development programme will be slipped or removed to fund these projects

Local Member consultation

79. Local ward member consultation has taken place for all sites covered in this report. The ward members for Adamsdown noted the change to the focus of the building current used for family accommodation, and have asked to be involved in the designs to ensure that impact on the community can be minimised. It should be noted that the Adamsdown members did express concern about the Newport Road repurposed student accommodation due to its location and to the issues in the immediate area.
80. Due to the pressing need for additional accommodation and the lack of other available options, it has been necessary to proceed with this site however work is ongoing to mitigate the concerns raised by members, including 24 hour security presence, extended CCTV and close working with other supported housing schemes nearby. Officers will work closely with the police and other key partners to identify and mitigate any potential issues ahead of the opening of the new facilities. A multi-agency

review will also be carried out to identify the wider issues in the area and any action that that can be taken to address these.

81. The ward members for Riverside were consulted about the use of Hayes Place as a homeless assessment centre. They raised concerns about the overall level of homeless provision in Riverside and the impact this was having on the community. Assurances were given that the provision for single homeless people in the OYO hotel in Riverside would cease as soon as alternative provision is put in place, this is expected to take place early in September 2020, well before the planned date for the opening of the homelessness assessment centre. There are no plans for the future use of the OYO site for further services.
82. Assurances were given that the services proposed for the former Transport Club will no longer go ahead, in addition the review of the second stage community houses will have a positive impact on Riverside and should overtime achieve a net reduction in supported housing services in the area. Again officers will work closely with the police and other key partners to identify and mitigate any potential issues ahead of the opening of the Hayes Place facility. Riverside ward members also expressed concern about the location of the needle exchange facility in the area, discussions have commenced with Public Health colleagues regarding a new approach to needle exchange and the possible relocation of this facility, initial talks regarding these changes have been positive and a group is being established to take this work forward. Ward members will be kept informed of the progress of this group.
83. Local Ward members have been consulted with regarding the proposal for the meanwhile use at the Gasworks site and are supportive of the scheme.

Scrutiny Consideration

84. The Council's COVID19 Scrutiny Panel is due to consider this report on 14 July 2020. Any comments received will be reported to the Cabinet meeting.

Reason for Recommendations

85. To set out a range of measures being take to address homelessness in Cardiff.

Financial Implications

86. The report proposes a number of interventions that have financial implications. It is important to note collectively these interventions rely on WG grant as well as Council funding which at the time of writing have no notified approval from WG in terms of certainty, terms and conditions nor longevity. Accordingly the report identifies that where continued WG funding is not confirmed, proposed schemes may have to be repurposed to lower needs schemes with significantly reduced operational costs.

87. In addition, officers are currently reviewing existing grant funded homelessness schemes with a view to phasing them out over a 3 year period commencing in April 2020/21 and to release resources to part fund the proposed new model of service.
88. This will inevitably be a complex process of transitioning between schemes which will require close monitoring of all revenue commitments in order to ensure that expenditure is within available resources and does not impact adversely on the Council revenue budget.
89. The report proposes entering into a number of management agreements, leases, or operating arrangements for various additional properties. When considering such proposals, as well as the ongoing operating costs of the buildings and services to be provided, it is important to consider the VAT implications, initial capital expenditure implications as well as any dilapidation obligations at the end of the period of use.
90. Provision for future liabilities will need to be made as appropriate and fully captured within the budget setting process for these services over the period of any agreements. Any potential impact on the Council revenue budget needs to be identified and immediately addressed in order to ensure that this is limited and contained.

Revenue Implications

91. Appendix 3 sets out the estimated revenue costs and funding streams for the proposed homelessness strategy as detailed within the report.
92. This identifies costs of circa £6.4 million per annum from 2021/22 which will be partly met by Housing Benefit receipts and one off grant funding estimated at £683,000. This leaves a potential funding gap of circa £2.7 million per annum for which Welsh Government funding is currently being sought.
93. At this stage, Welsh Government have not confirmed that this funding gap can be met and there is no certainty of continued funding or the period for which any funding will be made available.
94. Accordingly, there is a significant element of uncertainty in terms of risk mitigation, financial exposure and ongoing sources of funding for the proposed homelessness strategy. The report identifies that schemes may need to be modified to lower needs schemes to match available funding and other schemes phased out in order to release funding for this new model of service. It is essential that these service developments and changes are monitored closely to fully understand the financial impact and funding sources as the strategy develops.

Capital Implications

95. Appendix 4 sets out the Capital costs of the strategy proposed. Some of the cost is to be incurred by external partners, whereas costs in respect of Briardene have already been considered by Cabinet in June 2020 as part

of a report on the acquisition of additional properties from the Cardiff Living Scheme.

96. The proposals rely on the Council receiving £11.454 million of grant from WG grant funding sources, with partners receiving £2.390 million. Whilst bids have been submitted, no confirmation exists whether formal or informal as to approval or otherwise of any requests for funding. In the event that the level of grant funding assumed is not available, funding identified in the budget for new build schemes will be reduced or relevant sites be deferred to future years.
97. In the event that additional costs have to be incurred in moving the modular units from the gas works site, consideration will need to be given to any additional costs arising and the risk of abortive costs. Any such costs, if required to be incurred will need to be managed within the approved budget for new build schemes in the Capital programme or within the Housing Revenue Account budget as appropriate.

Legal Implications

98. The Council has general power under s.120 of the Local Government Act 1972 to acquire land, including leases for any of its functions; or for a purpose which benefits, improves or develops the area of the Council. The Council's Disposal and Acquisition of Land Procedure Rules requires the decision maker to have regard to advice from the Council's valuer.
99. A local housing authority has duties to the homeless under Part 2 of the Housing (Wales) Act 2014. A local housing authority must carry out a homelessness review for its area, and formulate and adopt a homelessness strategy based on the results of that review.
100. They must carry out an assessment of a person's case, if the person has applied to a local housing authority for accommodation or help in retaining or obtaining accommodation, and it appears to the authority that the person may be homeless or threatened with homelessness.

Equality Duty.

101. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are: • Age • Gender reassignment • Sex • Race – including ethnic or national origin, colour or nationality • Disability • Pregnancy and maternity • Marriage and civil partnership • Sexual orientation • Religion or belief – including lack of belief.

Well Being of Future Generations (Wales) Act 2015

102. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff Council's Corporate Plan. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
103. The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them
104. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

105. The decision maker should be satisfied that the approach is in accordance within the financial and budgetary policy and represents value for money for the council.
106. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.
107. It is understood that grant funding has been applied for. The council will need to comply with any grant conditions associated with such funding.

108. Exempt legal implications are provided in Appendix 2

HR Implications

109. An overview of the staffing requirements for these schemes has been set out in the body of the report. Any new posts or additional staff that are required will be created and recruited in line with corporately agreed council policies and procedures. There will be full Trade union consultation on any staffing matters.

RECOMMENDATIONS

Cabinet is recommend to:

1. note the steps already taken to secure additional permanent homeless accommodation to replace temporary provision and ensure that no service user will experience a reduction in service availability as lockdown measures are relaxed.
2. agree the way forward for homeless services as set out in the report including the need to make representations to Welsh Government for ongoing funding to ensure the “No Going Back” strategy for single homeless people is sustainable.
3. note that in the event grant funding is not at the levels assumed within the report, options for schemes will need to be reviewed and revised to achieve lower operational costs and within available budgets, this will impact significantly on the overall effectiveness of the approach.
4. approve a direct award contract to Beattie Passive to deliver 50 temporary accommodation units at the Gasworks site for the reasons outlined in this report.
5. delegate responsibility for the leasing of private domestic properties under the Welsh Government Leasing Scheme to the Assistant Director for Housing and Communities following appropriate advice from Strategic Estates.

SENIOR RESPONSIBLE OFFICER	Sarah McGill Corporate Director People & Communities
	10 July 2020

The following appendices are attached:

- Appendix 1 – Costs associated to Gasworks & Hayes Place (confidential)
- Appendix 2 – Exempt legal implications (confidential)
- Appendix 3 – Revenue Costs
- Appendix 4 – Capital Costs (confidential)
- Appendix 5 - Equalities Impact Assessment

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**Appendix 3
Cost of Ongoing Homelessness Schemes**

	Project(s)	Revenue Cost 2020/21	Income from Housing Benefit	Delivery Start Dates 2020/21	Funding secured via existing WG Grants	Funding Requested from WG Covid Homelessness Funding 2020/21	Revenue Annual Cost 2021/22	Income from Housing Benefit	Funding secured via existing WG Grants 2021/22	Ongoing Funding Required for 2021/22	Ongoing Funding for Contractual Commitments
		£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	
1	Countisbury House	490	(200)	July – March 21	0	(290)	660	(266)	0	394	0
2	Additional Multi-Disciplinary Team	160	0	July – March 21	0	(160)	213	0	0	(213)	0
3	Hayes Place Assessment Centre	483	0	April– March 21	(483)	0	483	0	(483)	0	0
4	Hayes Place Accommodation	130	(83)	Jan– March	0	(47)	507	(333)	0	(174)	HRA – (174)
5	Adamsdown Facility	1,507	(999)	Aug – March 21	0	(508)	2,278	(1,714)	0	(564)	(240)
6	Newport Rd	724	(524)	July – March 21	(200)	0	899	(699)	(200)	0	0
7	Rapid Rehousing Integrated Housing Support Team & Sail	781	0	Aug – March 21	0	(781)	1,339	0	0	(1,339)	0
Total		4,275	(1,806)		(683)	(1,786)	6,379	(3,012)	(683)	(2,684)	(414)

Phased Decommissioning Plans of Community Houses (Funding available through decommissioning services - £1.8m over 3 years)		
Year 1 21/22	Year 2 22/23	Year 3 23/24
450k	600k	750k

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By virtue of paragraph(s) 16 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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Equality Impact Assessment
Corporate Assessment Template



Policy/Strategy/Project/Procedure/Service/Function Title: HOMELESSNESS – THE RESPONSE TO THE COVID 19 CRISIS AND DELIVERING THE FUTURE SERVICE MODEL
New/Existing/Updating/Amending: New

Who is responsible for developing and implementing the Policy/Strategy/Project/Procedure/Service/Function?	
Name: Louise Bassett	Job Title: Partnership Delivery
Service Team: Partnership Delivery	Service Area: Housing and Communities
Assessment Date: 30/6/17	

1. What are the objectives of the Policy/Strategy/Project/ Procedure/ Service/Function?

<p>HOMELESSNESS – THE RESPONSE TO THE COVID 19 CRISIS AND DELIVERING THE FUTURE SERVICE MODEL</p> <p>Cardiff is proposing significant change in the way it delivers single people and family homeless services this year.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • To provide accommodation and support for homeless people as a response to Covid 19 Pandemic and in the future. • To provide information on steps already taken to secure additional permanent homeless accommodation to replace temporary provision and ensure that no service user will experience a reduction in service availability as lockdown measures are relaxed. • To improve the provision of accommodation and support available for single homeless people and families.

2. Please provide background information on the Policy/Strategy/Project/Procedure/Service/Function and any research done [e.g. service users data against demographic statistics, similar EIAs done etc.]

<p>Background</p> <p>In recent years, like all major British cities, Cardiff has experienced a dramatic rise in the number of people homeless or rough sleeping. Working with our partner's we have made very significant progress in reducing the number of individuals sleeping rough and in March 2020 we had achieved the lowest level for six years.</p> <p>Following extensive research into good practice across the world proposals were developed</p>

Equality Impact Assessment
Corporate Assessment Template

to improve partnership services to maximise prevention, ensure effective assessment of need and deliver the right accommodation pathways to meet the wide range of needs presented by our single homeless clients. This approach was endorsed in our Corporate Plan 2020/23. A multi-agency steering group was established to deliver this new vision chaired by the Cabinet Member for Housing and Communities.

At the beginning of March 2020 there were 30 rough sleepers in Cardiff, down from 84 rough sleepers the previous year. The key presenting need for those rough sleeping was substance misuse although the complex nature of the issues faced by these individuals meant that most also had other challenging health needs.

In addition, there were 140 individuals in emergency accommodation, 98 of whom were sharing spaces. More than 600 individuals were being housed in hostel and other supported accommodation.

Cardiff had already carried out a strategic review of services and was preparing for change of services for single homeless and vulnerable people. This was in response to the increase in complexity of vulnerable clients and the subsequent difficulties that our accommodation and support providers are experiencing when supporting these vulnerable groups. The consensus had already been reached that a new approach was needed to deliver real change.

Response to Covid 19 Pandemic

It was crucial that significant levels of additional self-contained accommodation was sourced quickly in order to ensure that no-one remained on the street and specifically that individuals could self-isolate should they be symptomatic of the virus. The numbers residing in existing emergency accommodation had to be very significantly reduced to ensure that the virus did not spread within this vulnerable group.

Accommodation

In the first 3 weeks of the crisis 140 clients were rehoused into accommodation where they could shield / self-isolate. In total 182 units of supported accommodation have been established made up of:

- 20 Isolation units (Shipping container developments repurposed to meet this need from family temporary accommodation)
- 2 Hotels 130 units in total (OYO and YHA)
- Move on accommodation (16 units (Countisbury House, Llanrumney)
- Re-purposed building (16 units) (Parade in Plasnewydd)

Support

24 hour support and security staff were allocated to all sites and 3 meals a day and snacks have been provided to ensure that clients can remain at the property at all times.

As clients remained in the accommodation brought on line in Phase 1 it quickly became clear that there was an unprecedented opportunity for services to work with clients who wanted to take a step away from substance misuse. Work was undertaken with colleagues from the APB, Health, Kaleidoscope and G4S to provide services directly into the hotels, hostels and supported housing aimed at harm reduction and rapid prescribing.

Equality Impact Assessment
Corporate Assessment Template

A funding commitment for 20/21 to increase and maintain access to the drug substitute

Delivering the Vision

Buvidal was made available with the support of Welsh Government. The results have been exceptionally positive with 75 clients receiving support via the Rapid Access to Prescribing Pathway. There are ongoing discussions with the APB and Health Partners on how this change in service delivery and improved engagement can be maintained for this cohort.

There has also been a significant demand for therapeutic interventions and counselling. More workers in this role are required to allow for the long-term, gradual engagement necessary to support those experiencing social exclusion and complex trauma to engage with services and move on in their recovery.

Phase 2 - Response

Extension of arrangements with the OYO and YHA Hotels

As part of the Phase 2 response and to ensure that accommodation remains available for single homeless people in the short term immediate action has been taken to extend the arrangements with the 2 hotels.

The arrangements with the OYO and YHA hotels are both due to expire in June unless extended, there are 44 individuals housed in OYO and 91 in the YHA. Failure to extend the hotels will have removed housing from 135 vulnerable individuals, resulting in a return to street sleeping. Therefore, Cardiff has extended both hotels whilst alternative housing options are brought on line, these solutions are set out later in the proposal.

- OYO - Block Room Booking has been extended for the period 21 June 2020 to 21 September 2020
- YHA - Licence Agreement has been extended for the period 30 June 2020 to 15 December 2020

The extensions will allow for a period of transitions time whilst the new accommodation is set up and each clients need is assessed to ensure the accommodation they are allocated is appropriate for their need.

Additional Accommodation during Covid 19

Cargo House – Self Isolation Units

Shipping containers in Butetown and Ely have also been used as isolation units during the pandemic. Offering 20 units of self-contained high quality accommodation with staff and security on site 24/7. It is proposed that this accommodation continues for the rest of the year, especially as track and trace protocols are put in place and the need to self-isolate continues.

The Parade

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The Parade is a repurposed education building providing 16 units of temporary supported accommodation and is staffed 24/7. The scheme is a partnership between Cardiff Council and the Further Education Trust. Referral into the project is made via Outreach and MDT and clients using the accommodation are currently case managed by the team. The scheme is providing an interim emergency accommodation and assessment function whilst Hayes Place is developed. The plan is to close this provision by December 2020 as the Assessment Centre in Hayes Place is brought on line.

Countisbury House

Countisbury House was secured in May for 12 months in partnership with the Pobl Group. It provides 16 good quality self-contained units of accommodation. The site is currently used as a move on pathway for complex individuals that are ready to try a more independent living lifestyle. The accommodation is situated in a residential area away from the City Centre with significant space in the building to run training opportunities and a medical suite for health interventions. Negotiations are on-going with Pobl, with the intention to secure the facility for the longer term for continued use as a move-on provision for those with complex needs.

The initial feedback from residents and staff has been positive and there has been no community impact reported. Some capital expenditure is required on site to improve security such as CCTV, safety screens and door entry systems. There is also potential to add in more self-contained accommodation by remodelling a wing previously used for staff at a later stage of the year.

The Challenge Continues

Since March there has been an increased demand from single homeless (45 individuals a week being housed in some weeks, compared to an average of 25 previously) there is also the risk of early release of prisoners planned although numbers at this stage are unknown. Another concern is when lockdown measures end and the suspension of evictions is lifted a spike in demand is expected.

There are currently 29 people in provision who have no recourse to public funds, this number is likely to increase over the coming months. During COVID-19 asylum seekers who have received a decision continued to receive accommodation and subsistence from the Home Office as the move on process was suspended, once this is removed there is a potential high number of refugees and leave to remain clients expected to request support from the Council for housing.

The current accommodation available in the City and the high levels of support needed will not meet existing demand so immediate and urgent additional provision has to be put in place.

There is also the need to continue meeting health and wellbeing needs – Our clients are more likely to suffer from mental ill health, physical ill health and substance misuse, and at the same time less likely to access the health services they need. (Tri Morbidity

Meeting the needs of Single Homeless People in Cardiff

The experience of the response to the pandemic so far, combined with the work previously

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undertaken to review the current service model has made clear the need to provide additional good quality self-contained accommodation, with multi agency support.

The vision for the future has 4 key components:

- **To Prevent Homelessness Wherever Possible** – and where it is not possible for the experience of homelessness to be rare, brief and not repeated.
- **To deliver an Assessment/ Triage Approach** to all those presenting as homeless. A service that will comprehensively assess and identify the needs of the person, where necessary on a multi- agency basis, to ensure that the recommended accommodation and support solution is put in place.
- **Good Quality, Self-Contained Accommodation in a Supported Setting** - For those with the most complex needs the model recognises that longer term specialist accommodation will be required but that this will be good quality, self-contained accommodation that can provide a home environment in a supported setting
- **Rapid Rehousing / Housing First / Intensive Support in the Community** - Move away from the staircase approach to rehousing where clients moved on from supported accommodation to independence in stages. The new model will enable separate pathways for clients who are able to move directly to rapid rehousing with lower needs or housing first or community housing with intensive support as appropriate

The vision for Cardiff is very much in line with Welsh Governments “No Going Back” approach. This vision will be achieved by developing new services, remodelling current provision and decommissioning others as part of the ongoing review of services over the next 3 years.

Our plans are ambitious and reflects a strong commitment to the rapid rehousing philosophy and offers better coordination of services by introducing a new pathways with proper assessment and more defined and specialist pathways and direct routes into settled housing.

Phase 2 Response - Delivering the Vision

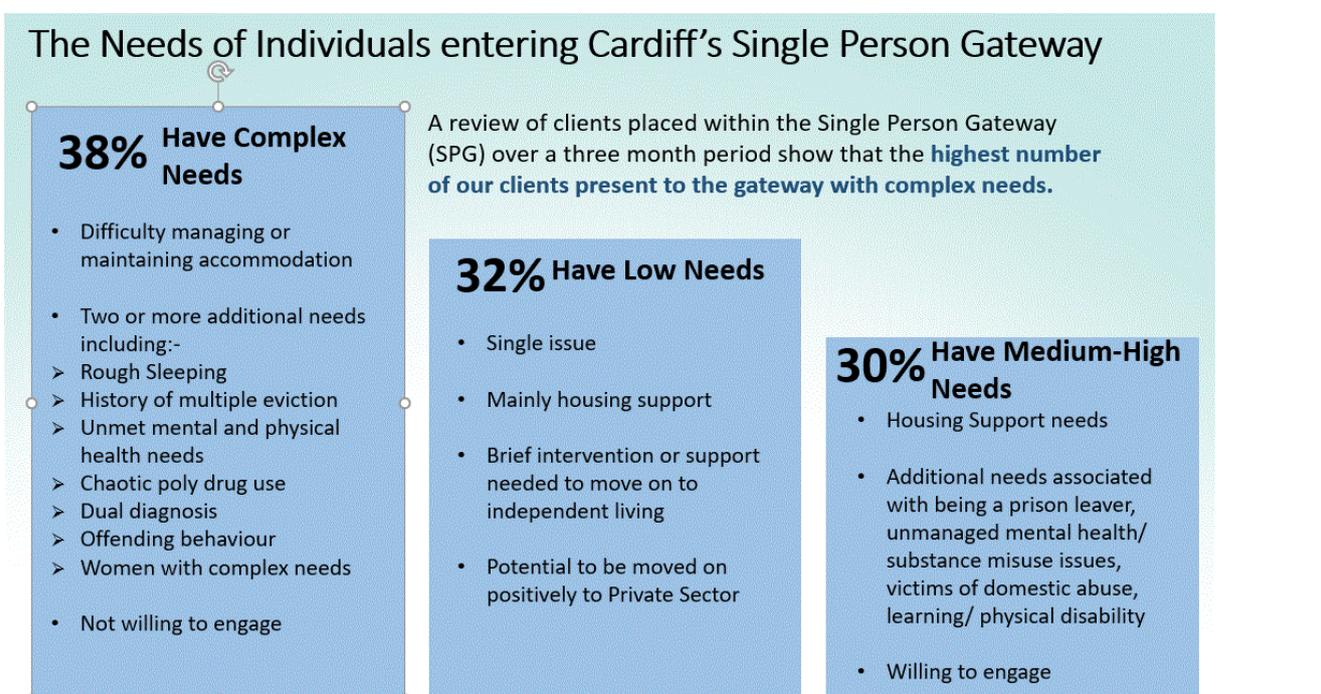
Cardiff has undertaken a comprehensive mapping exercise of all its accommodation and support provision over the last 5 years. This has resulted in significant new service developments for VAWDASV, Young People’s Accommodation/Support Services and Floating Support. All of these services have defined gateways into service and protocols in place to ensure there is rapid assessment of both support and housing needs.

Strategic Review Single Persons Services

There has also been extensive mapping work undertaken to better understand people’s levels of need when accessing services provided by Cardiff Council and its Partners. Improving the quality of temporary, emergency and supported accommodation and improving the pathway into long term settled accommodation was the overarching aim of the strategic review. There are up to 1400 individuals using the Single Persons Gateway each year with over 600 units of accommodation in use at any given time.

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The information collected in December 2019 resulted in providing us with a better



understanding of the levels of need and numbers of people in each cohort, this data has been invaluable as a starting point to understanding how we can better meet the needs of people entering the single person gateway.

Issues Identified

Through the review undertaken it has been identified that some existing smaller units of supported accommodation have proved less successful in meeting the increasingly high level of client needs, resulting in high rates of eviction and abandonment. Move on from these projects is also very slow, it is intended to move away from the staircase model where clients move through several projects in their journey towards independence, towards a rapid rehousing approach with appropriate support, and this will be based on individual need rather than the accommodation.

It is intended to move away from supported community houses over a 3 year phased basis. The funding released in the next 3 years will be reinvested into delivering the vision. Services need to be organised in such a way that people experiencing homelessness can expect a trauma, person-centred response.

There is also a need to review the abstinence /substance misuse pathway projects in conjunction with partners in Heath. This review will be undertaken over the coming year. Again, where possible the model will be to move away from long periods in supported housing.

Staff across the partnership need to be well informed and, where necessary, well trained in responding to trauma, addictions and mental ill-health. Staff will be supported to develop skills and the full adoption of a psychologically-informed and trauma-informed approaches

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service delivery.

Due to the significant numbers of people who have been supported into accommodation during the pandemic. It is paramount that we focus on improving the quality and variety of emergency and temporary accommodation currently being provided in the short and medium term during this recovery period.

As we move into the second phase and delivery of the vision 140 people will need to be supported out of the Hotels and up to 100 from other emergency accommodation, this is in addition to the number already in services. To assist with ensuring continue to engage with services a full assessment of their accommodation and support needs will take place. Everyone will have an individualised plan developed to cover their journey out of the hotels and emergency provision and into more settled accommodation, with a key worker in place.

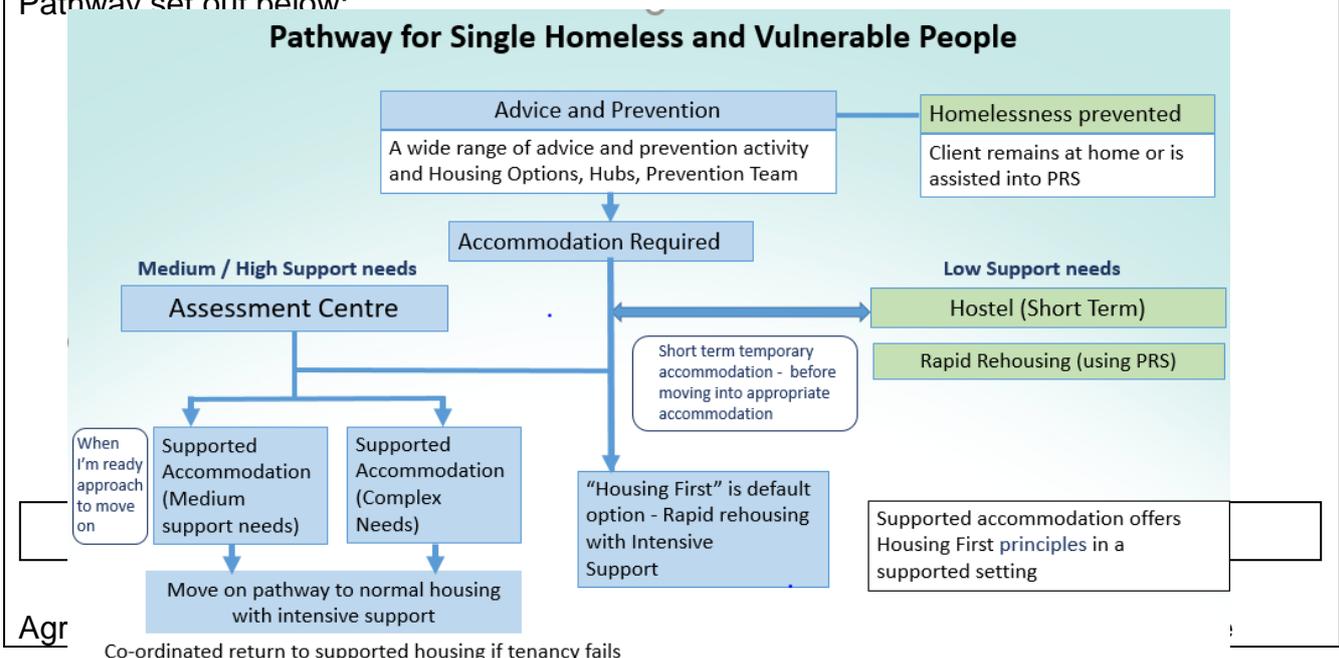
Cardiff is also proposing to identify the current needs of every client (600) within all its schemes with our partners and develop a transition plan for each person. A Development Manager post will be put in place to coordinate, develop and embed the Rapid Rehousing approach and move on protocol across all provision in the gateway.

Pathway into Single Homeless Services

A range of partners were involved in the development of this new pathway and this had been well received in consultation sessions. The findings from this strategic review has been combined with the learning from the pandemic to develop the new vision for homeless services for single people in Cardiff

We have already identified that around 38% of people that come into homeless services have multiple and complex need. As well as additional accommodation significant resources will be needed to provide assessment, good quality key working and case management support during the phase 2 recovery period.

Pathway set out below:



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assessment and triage centre solution for Cardiff. It will become the primary base for the Homeless Outreach and Multi- Disciplinary Team from July 2020. The building is suitable for the multi-disciplinary service and a modular solution for the provision of on-site accommodation (19 units) which has been sourced and will be in place by December 2020.

Considering the experience of other UK and European cities the need for an appropriate assessment and triage centre for single homeless individuals is essential. Once the accommodation is in place the centre will be available for 24 hour access for referrals by trusted partners and would be a fully multi-disciplinary provision. The centre would provide good quality emergency accommodation which would enable clients to stabilise and stay for the period of their assessment.

Multi- Disciplinary Team

The assessment centre will become a co-ordination point for our multi-disciplinary complex needs services including street and hostel outreach. The service will allocate individuals to the most appropriate accommodation solution following the assessment process. The team would ensure the appropriate level of on-going support is sourced and in place.

The success of our multi-disciplinary approach has been considerable and it is proposed to build on the current team, funding is secured at this time for the elements below:

- MDT Manager
- Mental health Nurse
- Mental health Social Worker
- Advocate
- Outreach/Key Workers
- Female Specialist Workers
- Primary Care Nurses
- Substance Misuse Nurses
- Substance Misuse Workers
- Probation – start date TBC
- Therapeutic Outreach
- Counselling
- Housing Support workers
- Peer Support
- Rapid Access to Prescribing
- Divisionary Activity Worker

The Multi-disciplinary approach will ensure that substance misuse services are not offered in isolation but alongside therapeutic and mental health provision. The existing Multi-Disciplinary Team will be expanded so that support follows the individual client - on the street, in supported housing and in the community.

The Assessment Centre and the Accommodation site will be open 24 hours, to manage the intake and assessment process. The pathway for those with complex need will start with the triage and assessment process.

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The levels of intensity and duration of support will be carefully considered as part of the assessments process. Prevention will feature highly with lower need clients following a separate pathway that focuses on developing the quickest route, with support if needed into the most appropriate and sustainable accommodation available.

High need and more complex clients will be provided with a tailored package of support, these will include specialist pathways for women and those who want to address their substance misuse issues.

The team have also identified the following resources will be required to ensure the assessment centre provides a comprehensive assessment of need and range of primary health care needs can be met.

There is ongoing dialogue with our health colleagues to develop and provide the resources below set out below:

Primary care	Proposal
Direct access to GP	Dedicated GP hours within the Assessment Centre and for outreach provision at larger accommodation sites.
Direct access to Psychiatrist	Dedicated GP hours within the Assessment Centre and for outreach provision at larger accommodation sites.
Podiatrist	Dedicated hours/sessions with podiatrist at the assessment centre/outreach
Optometrist	Dedicated hours/sessions with optometrist at the assessment centre/outreach provision
Dentist	Dedicated hours/sessions with dentist outreach/assessment centre

Emergency Accommodation

The accommodation for the assessment centre will be placed on the car park area of the main building and will consist of 19 new modular homes using the Beattie Passive 'Haus4studio' pods. These pods have been specifically designed to provide single person units providing warm, safe and comfortable overnight accommodation for people.

New Specialist Supported Accommodation

As highlighted, support will follow the client into each scheme from triage/assessment, this will ensure support is wrapped around the client, not the accommodation. Key workers will be assigned at point of assessment and work with the client until they are placed in longer term accommodation.

Following intensive research and site visits undertaken prior to the pandemic it has been possible to identify the key features of good quality specialist supported accommodation. The main factors are that the units must be self-contained, that there is access to support on-site 24/7, that health and other essential services attend the clients in the facility rather than relying on individuals attending for outpatient appointments elsewhere.

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Key working underpinned by a case management approach are also important. Wrap around service such as counselling and therapeutic services should also be available in all the new facilities along with education and work experience opportunities.

One of the key pieces of learning from the pandemic has been the introduction of digital engagement. During lockdown counselling, substance misuse and harm reduction services have been delivered directly into the hotels and hostels. Nurse led substance misuse services have revolutionised treatment with virtual GP assessment and use of new drug substitutes. This has made the services more accessible to clients and some elements of digital support will continue.

The current level of need for additional specialist accommodation in Cardiff is estimated at 200 units. Following consideration of options and taking advice from a wide range of the preferred solution to introduce these high quality facilities is to refocus provision at Adams Court in Adamsdown and secure student accommodation on Newport Rd.

Adams Court Supported - Housing Complex Need

Adams Court is owned by United Welsh Housing Association and it currently provides temporary accommodation for a mix of 74 families and individuals. The plan is to repurpose the accommodation for single homeless. There is also an opportunity to repurpose 49 neighbouring flats in Baileys Court for more settled long term accommodation, including piloting a congregate Housing First approach, similar to the models of delivery in Finland.

The proposed Adams Court integrated facility would comprise of approximately 103 self-contained units with intensive support on site 24/7. There would be space for health and therapeutic services. Into-work, educational and diversionary activity could also be provided on site and the building would have 24 hour security, CCTV and support staff in place. The core services on site will be delivered directly by the Council with significant input from health and other partners.

Newport Road Supported Accommodation – Medium/High Support Needs

To add to the availability of short term supported housing options the council has worked with the Pobl group to secure a 46 unit block of flats on Newport Road. The units were previously used as student accommodation and in the immediate term the accommodation will be used to transitions clients from the two hotels. The longer term plan for the site from 2021 will be to provide self-contained short term supported accommodation for those with medium/high support needs.

Rapid Rehousing Models

We are proposing to create support teams that will be integrated with and co-ordinated by

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the Multi-Disciplinary Team to support people from triage/assessment through to move on and life in the community. The model will be underpinned by the Critical Time Interventions approach and follow many of the principles of Housing First but with a more time limited approach. Critical to approach will be support from community safety and other criminal justice services such as Police, Probation and HMPPS.

Rapid Rehousing – Integrated Housing Support Team (IHST)

This team will focus on the complex individual and their needs and key workers will have caseloads of no more than 15-1. The key workers in the team will provide enhanced case management support that follows the individual client on the street, in temporary accommodation and on into the community. The support will be intensive followed by a gradual and supported transition to community resources, critical time intervention is expected to reduce the likelihood of placements and eventual housing breaking down. There will also be a diversionary activities team that will focus on providing a range of opportunities to support engagement, development and social links to help people achieve and maintain their accommodation.

As part of the approach the team will focus on providing emotional and wellbeing support and responses to crisis such as tenancy rescue or exploitation of vulnerable clients in the community, working to stabilise if possible. Allocation to the team will be co-ordinated by the assessment centre supported by the Multi - Disciplinary Team.

Supported Accommodation Independent Living Team (SAIL)

The current SAIL Team will be increased and work with complex high need clients using the same critical time intervention approaches as the integrated housing support team. They will provide more intensive support to clients that are in supported accommodation already and ready to transition into independent living. Although time limited the ratio for this team will be 10-1 and will also include responses to crisis such as tenancy rescue and exploitation of vulnerable clients.

Housing First

Funding has been secured this year to expand the existing 3 Housing First projects to provide 55 units of dispersed support. Whilst no additional funding is requested this year the aim is to seek additional funding in 21/22 to expand to 102 Units by April 2021. This will be achieved by securing 47 more units in Baileys Court. This will be a congregate model based on learning from Finland. By expanding to a congregate model in 20/21 the Housing First offer in Cardiff will consequently have a broader spectrum of choice available for those suitable for Housing First support.

Rapid Rehousing – Floating Support

The current Floating Support Contracts already in place and funded via the Housing Support Grant will continue to be utilised during phase 2 to undertake targeted work to prevent homelessness in the community and support resettlement and move on for those clients currently in second stage low to medium need supported houses. The teams have caseloads of approximately 1 – 30. Floating Support is accessed via an established gateway co-ordinated by the Council and uses a case management approach to develop individualised plans for people with a range of Housing Support needs. Clients are still able

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to access more specialist support services if needed and the current teams are able to step back in and help if a crisis is identified to prevent homelessness.

Existing Accommodation

Supported Accommodation High Need - Huggard/Tresillian Site

As well as the new accommodation projects Cardiff has a number of existing projects available that will be refocused over the coming 9 months. The experience of the pandemic on the Huggard and Ty- Tresillian site has shown that with lower numbers in existing hostel space considerable improvement to outcomes for individuals can be achieved. Outstanding work has been delivered by our partners during the crisis and a move towards provision that is for residents and specific case based intervention only, rather than drop in, is seen as the way forward. The reduction in antisocial behaviour associated with some of the existing facilities has been marked. Partners have also highlighted the need to change.

The intention is to build on this success by making a permanent change to the delivery of services. This will impact particularly on the operation of the services at Huggard Buildings on Dumballs Road. Work is ongoing with the Huggard and with Health colleagues to fully design this new model of service.

The site will still focus on clients with complex need and those that are rough sleeping, rather than operating a drop in day centre. The Huggard team will work closely with the Multi-Disciplinary Team and Assessment Centre to find solutions.

Supported Accommodation and Rapid Rehousing Low Need - YMCA Site

YMCA Cardiff Housing Association (HA) will also be remodelled to provide a range of accommodation options for clients who have a lower support need and who are in need of housing. A more flexible provision will be available with wrap around support that is tailored to meet clients that present with lower need. The proposed service will include emergency accommodation, short term supported accommodation, rapid rehousing, with access to a private rented scheme and a resettlement service. Accredited training, volunteer placements, education and employment opportunities will also be available. A key element of the service will be to provide and source 50 units of private rented accommodation to assist clients to move on and sustain independent living. Levels of resettlement support will be provided to all clients dependent on their individual needs and move on pathway

There is also an opportunity to upgrade and increase the capacity of the current YMCA site from 81 to 110 units with the addition of 29 units of good quality self-contained accommodation.

Summary of Single Person Homeless Services

Cardiff is proposing significant change in the way it delivers single people homeless services this year. Key actions will involve piloting the approaches set out in this plan and implementing transition plan for existing clients.

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Proposed summary of Single Person Homeless Services is set out below

Summary of Single Person Homeless Services	
Assessment and Support Services	Assessment Centre Homeless Outreach / MDT Housing First SAIL (Supported Accommodation to Independent Living) Floating Support
High Needs Projects	Huggard Centre (Hostels and Intervention Centre) Adams Court Litchfield Court
Medium need / Move on Projects	Oak House Newport Road Countisbury House Julian Hodge (under review)
Medium / High – substance misuse specialist pathways To be reviewed	Ty Gobaith / Dyfrig House Janner House / Teal Street/Glan yr Afon/Croes Fynn
Womens Projects - To be reviewed	Ryder Street / Hamilton Street
Low Needs Projects	The Walk /The Ambassador/Move on Accommodation
A number of Community House Schemes will be phased out over 3 years	

Young Person Gateway

In April 2019 Cardiff commissioned two contracts to work with young people experiencing Homelessness. A joined up approach has been taken to recommissioning services for young people, working across departmental and grant funding boundaries to commission comprehensive services that focus on the individual need, not just funding streams. The Council has established a Young Person’s Gateway to manage all accommodation and support need for young people. Previously services for homeless young people operated separately from services for ‘looked after children’.

The service now operates as a partnership between Homelessness, Children’s Services and a range of third sector organisation. There is discussion underway with Children Services and our partners to look at how capacity can be increased further this year to mitigate the effects of Covid 19.

Accommodation for Families

The impact of the Covid pandemic on Family homelessness has been different to that experienced in relation to single individuals. The temporary ban on evictions in both the public and private rented sector, along with mortgage holidays for owner occupiers in difficulties has seen fewer families presenting as homeless. The Council and most Housing Associations continued work on vacant properties during the crisis and as a result move on from temporary accommodation for homeless families has remained effective.

This was particularly important as 20 family shipping container units located in Ely and Butetown were repurposed for self-isolation units and access to them has proved essential during the crisis.

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The future vision for family homeless is similar to that for single person homelessness:

- **Prevent homelessness** – homes are rescued if possible, if not as many families as possible are rehoused at this stage. Where prevention is not possible to ensure that **homelessness is rare, brief and not repeated**.
- **Assessment / Triage Approach** - Properly identify need, taking a multi-agency approach where necessary, and provide appropriate tailored solutions for each individual family.
- **Good Quality Emergency / Supported Accommodation** - short stay for most, some families will stay longer while they receive more support.
- **Focused support to achieve successful move on** - Move away from the staircase approach

Currently Cardiff has 555 units of temporary family accommodation. These are made up of 161 hostel and supported accommodation units and 394 leased units of accommodation. 72 of these supported housing units are in Adams court, the location in the city centre is not ideal for family homelessness.

Currently 157 families have been in temporary accommodation for more than 6 months. While the leasing schemes have proved very successful in the past in preventing the use of bed and breakfast for homeless families, they do lead to long stays in temporary accommodation, which can be disruptive to family life and the education of children.

There are two temporary accommodation leasing schemes in Cardiff, operated by Cadwyn Housing Association and Temp to Perm. Cadwyn Housing Association has recently approached the Council to advise that their scheme, the larger of the two, is no longer financially viable without additional input from the Council.

Following examples of the Scottish authorities Cardiff plans to move to a Rapid Rehousing approach and reduce the long stays for families in temporary accommodation. This will include more use of the private rented sector – both in Cardiff and in surrounding area.

The Council has recently agreed to become a pilot for a Welsh Government Scheme to lease directly from the private rented sector. The scheme will provide a 5-year lease giving households more stability over the medium term. Cardiff will be able to take on 66 properties under the scheme.

Phase 2 - New Approaches

As a number of the hostel units are located at Adams Court and the move to use this for single people is progressing means that alternative family accommodation is needed. It is proposed to both facilitate this change and achieve the more appropriate alternative model of delivery for families by creating 3 centres for family homelessness.

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The locations for these centres will be:

- **Briardene on North Road**, a Cardiff Living Scheme due to deliver by the end of this financial year will provide 30 x 2 bed flats 6 x 1 bed flats 3 x 2 bed flats
- **Harrison Avenue in St Mellons** (a United Welsh building), will provide 18 flats made up of 14 x 3 bed and 4 x 2 bed
- **The Gasworks** – a new build site at the former gasworks site in **Grangetown** will provide 50 flats made up of 12 x 1 bed flats, 12 x 2 bed flats and 26 x 3 bed flats. The site has recently been acquired by the council for inclusion within the Housing Development programme and benefits from existing services.

These centres will offer 140 good quality family accommodation with staff on site during the day. Underpinned by a rapid rehousing approach a full assessment of need will be carried out and more intensive support provided for more vulnerable families. Partnership working with Early Help Services funded via the Children and Communities Grant and joint working arrangement with Health and Social Services will ensure families receive support that is tailored and follows them, from entry into homeless services right through into the community.

The aim would be to move families quickly from this accommodation directly into a settled home. Once fully operational this model would reduce the need for leased properties.

Increase Access to Social and Private Sector Housing

Further work to fully develop this new rapid rehousing model will be undertaken during the Phase 2 response period and will become the new normal by Phase 3. All three schemes will be delivered and operational before the March 2021.

More Focussed Allocation of Social Housing

As well as the new approaches prior to the virus it was agreed to focus more lets to homelessness for a temporary period, recognising the very high numbers of homeless households in temporary and supported accommodation. During the crisis only lets to homeless households and emergency moves from general waiting list have taken place.

A move on protocol is in place and has been tested during this period, this will be further developed during the response phase. Family move on from homelessness has been good and demand low, providing an opportunity for reconfiguring some schemes and to achieve a step change for family homelessness. Single person move on has remained quite slow despite targeting of this group, only 16 offers to date (due to need to respect sensitive / special letting arrangements in the community)

The focus of allocations on homelessness will continue for a further 6 months during phase 2 supported by a rapid rehousing approach. There will also be more specialist single person housing schemes included in all social housing development plans moving forward.

Cardiff has also invested significantly in buying housing stock from the open market to bring it into social housing stock.

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Working with the Private Rental Sector

Cardiff estimate there will be an additional 60 households per month requiring housing over the next 12 months. There will also be an increase in new presentations due to unemployment and a downturn in the economy.

There will be key points when these will be increased, at the end of the furlough scheme, evictions at 3 months and end of the temporary evictions policy, and ending of house repossessions due to mortgage defaults. Due to the downturn in the economy we predict new presentations will increase significantly particularly from October onwards when the furlough scheme ends.

There are currently several established Private Rental and Bond Schemes in place through the Council and its Partners. Private Rented Sector Incentive Budgets are used to enhance the support available to help hard to house group's access and maintain settled accommodation.

To ensure there is availability of hostel and supported accommodation it is vital that people who are ready for independent living are also able to move on, and due to lack of social housing this is likely to be within the private rented sector.

Engagement with private sector landlords is ongoing and the private rented sector team at housing options work with a cohort of landlords who accept the housing solutions package of financial assistance and support to help ensure tenancies are successful, more incentives are required to secure landlords as many see homeless clients as unsuitable and high risk.

To help encourage landlords to work with the schemes and consider people from the target groups a tailored package of support is offered with financial incentives including increased bond payments and rent in advance, the security of a guarantor and additional continued support to both the tenant (floating support) and the landlord (single point of contact from housing solutions team).

The additional funding requested this year will provide opportunities for more settled accommodation for a range of cohorts including single homeless people, young people and families.

Community Involvement

Cardiff will develop a co-ordinated programme of engagement and training opportunities to empower local people who want to volunteer and help end homelessness in Cardiff. Volunteers add a range of talents, skills and experiences into the mix, enriching and enhancing homelessness services. Good volunteering should also benefit the volunteer. It can be an opportunity to gain confidence, have fun, meet new people, build new skills and can be a stepping stone to future employment for both the client and volunteer.

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A new campaign called 'Real Change' was launched recently. As the city centre begins to exit lockdown, the campaign asks anyone with concerns about a person they see on the streets to not give spare change but instead text 'REALCHANGE' to 80800, giving the location of that person so help can be provided. The outreach teams will then respond and offer help and support directly to the person.

Considerable success has been achieved over the last three months, with only a handful of very entrenched rough sleepers remaining outside. Greater availability of accommodation and support, alongside support from partners has been a key factor in this change and we are committed to ensuring that this continues after the crisis is over. This work will be developed further this year with all our partners so a more co-ordinated approach is taken to the delivery of help for vulnerable homeless people.

3 Assess Impact on the Protected Characteristics

3.1 Age

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative/]** on younger/older people?

	Yes	No	N/A
Up to 18 years	x		
18 - 65 years	x		
Over 65 years	x		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Support for will be enhanced and monitoring of the outcome of services will improve as a result of the proposals.

It is not anticipated that there will be any reduction in the number of clients supported, however the type of service provision is likely to change following the completion of the full needs assessment.

What action(s) can you take to address the differential impact?

Positive impact is expected, careful design and specification of services will ensure that services improve as a result of the proposals

3.2 Disability

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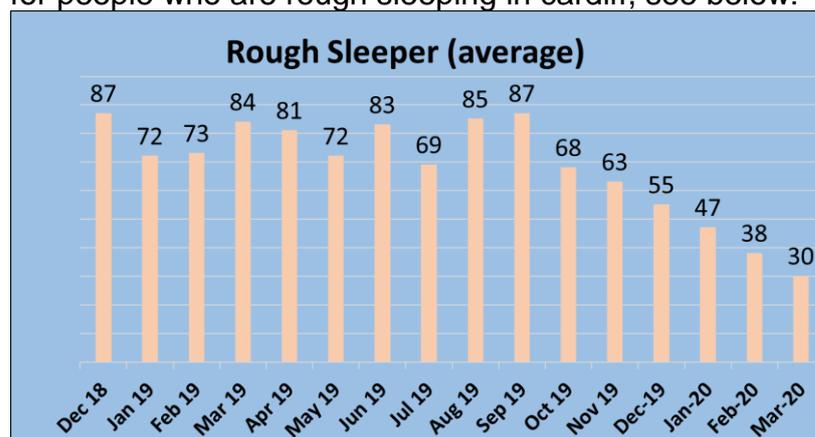
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Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on disabled people?

	Yes	No	N/A
Hearing Impairment	x		
Physical Impairment	x		
Visual Impairment	x		
Learning Disability	x		
Long-Standing Illness or Health Condition	x		
Mental Health	x		
Substance Misuse	x		
Other			

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Substance Misuse and Mental Health are the most significant recorded issues for people who are rough sleeping in cardiff, see below:



Rough Sleeper - Lead Needs		
Substance misuse	Mental Health	Alcohol
19	9	2

Positive impacts are anticipated from the greater expertise expected under the new arrangements in helping those with substance misuse and mental health difficulties in particular. Accessible accommodation will also be a requirement of the new service.

What action(s) can you take to address the differential impact?

This change in service will provide:

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- Unprecedented opportunity to work with clients **Substance Misuse Services/Mental Health**
- Services are now being provided directly into the hotels, hostels and supported housing
- Substance Misuse Nurse and access to Rapid Prescribing services - 75 clients referred for services - 45 are in active treatment and this work continues
- Mental Health Social Worker and CPN part of the MDT
- Access to therapeutic interventions

Positive impact is expected, careful design and specification of services will ensure that services improve as a result of the proposals

3.3 Gender Reassignment

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on transgender people?

	Yes	No	N/A
Transgender People (People who are proposing to undergo, are undergoing, or have undergone a process [or part of a process] to reassign their sex by changing physiological or other attributes of sex)			

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Currently services are provided to a very small number of clients annually identifying as transgender. It is anticipated that the new arrangements will make it easier to move individuals between schemes to ensure appropriate accommodation is provided for the most vulnerable people who experience homelessness.

Positive impact is expected, careful design and specification of services will ensure that services improve as a result of the proposals

What action(s) can you take to address the differential impact?

No negative impact anticipated, however careful monitoring and targeting of support will take place to ensure that no service users are unduly impacted by the change and that the most vulnerable are supported.

All services available will be expected to mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

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3.4. Marriage and Civil Partnership

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on marriage and civil partnership?

	Yes	No	N/A
Marriage		X	
Civil Partnership		X	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

No negative impact is expected as part of the change. Positive impact is expected, careful design and specification of services will ensure that services improve as a result of the proposals

What action(s) can you take to address the differential impact?

No negative impact anticipated, however careful monitoring and targeting of support will take place to ensure that no groups are unduly impacted by the change.
All services available will be expected to mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

3.5 Pregnancy and Maternity

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on pregnancy and maternity?

	Yes	No	N/A
Pregnancy	X		
Maternity	X		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The change will have a positive impact. There will be better accommodation choices for Families including those that are pregnant

What action(s) can you take to address the differential impact?

All services available will be expected to mainstream provision for clients with

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protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

3.6 Race

Will this Policy/Strategy/Project//Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
White	x		
Mixed / Multiple Ethnic Groups	x		
Asian / Asian British	x		
Black / African / Caribbean / Black British	x		
Other Ethnic Groups	x		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

It is anticipated the impact will be positive due to improvements in services.

What action(s) can you take to address the differential impact?

No negative impact anticipated, however careful monitoring and targeting of support will take place to ensure that no groups are unduly impacted by the change and that the most vulnerable are supported

3.7 Religion, Belief or Non-Belief

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		X	
Christian		X	
Hindu		X	
Humanist		X	
Jewish		X	
Muslim		X	
Sikh		X	
Other		X	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

No differential impact identified.

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What action(s) can you take to address the differential impact?
None anticipated, however careful monitoring and targeting of support will take place to ensure that no groups are unduly impacted by the change and that the most vulnerable are supported.
All services available will be expected to mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

3.8 Sex

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on men and/or women?

	Yes	No	N/A
Men	X		
Women	X		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.
There will be positive impacts for both male and female clients as a result of the joined up services and clearer pathway. EG separate accommodation and specialist support for Women and Males identifying Domestic Violence issues.
What action(s) can you take to address the differential impact?
None anticipated, however careful monitoring and targeting of support will take place to ensure that no service users are unduly impacted by the change and that the most vulnerable are supported
All provision available will be expected to mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

3.9 Sexual Orientation

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
Bisexual		X	
Gay Men		X	
Gay Women/Lesbians		X	
Heterosexual/Straight		X	

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Please give details/consequences of the differential impact, and provide supporting evidence, if any.
No impact identified. Positive impact is expected, careful design and specification of services will ensure that services improve as a result of the proposals Eg. We will ensure there are bespoke offers of accommodation and support for those people who are vulnerable.
What action(s) can you take to address the differential impact?
None anticipated, however careful monitoring and targeting of support will take place to ensure that no service users are unduly impacted by the change and that the most vulnerable are supported All provision available will be expected to mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all that need it. Provision for equality and diversity will be a key in the ongoing performance monitoring of service delivery.

3.10 Socio-economic Duty

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on the Socio-economic Duty?

	Yes	No	N/A
		X	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.
The overall aim of the proposals and changes in service provision is to deliver better outcomes for those who experience socio-economic disadvantage.
What action(s) can you take to address the differential impact?
This has been supported through ensuring the proposals take account of evidence and potential impact through consultation and engagement to help to reduce the inequalities associated with socio-economic disadvantage.

3.11 Welsh Language

Will this Policy/ Strategy/Project/Procedure/Service/Function have a **differential impact (positive/negative)** on the Welsh Language?

	Yes	No	N/A
		X	

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Please give details/ consequences of the differential impact, and provide supporting evidence, if any.
All Welsh language policies will be followed. Service users should be able to express a language preference upon first contact with services.
What action(s) can you take to address the differential impact?
The Welsh Language Act has been identified in terms of requirements as a minimum.

4. Consultation and Engagement

What arrangements have been made to consult/engage with the various Equalities Groups?

<p>Consultation has been undertaken over the previous 2 year to provide an opportunity for partners and service users to influence the design of services and to help inform the type and quality of services to be offered.</p> <p>Due to Covid 19 consultation opportunities have been limited with service users but will be embedded into service mobilisation and delivery to ensure clients from protected characteristic groups are provided with opportunities to influence service delivery.</p>

5. Summary of Actions [Listed in the Sections above]

Groups	Actions
Age	<p>Careful monitoring and targeting of support will take place to ensure that no service users are unduly impacted by the change and that the most vulnerable are supported.</p> <p>All provision available will be expected to mainstream services for clients with protected characteristics, providing sensitive and appropriate services for all that need it.</p> <p>Provision for equality and diversity will be a key in the</p>
Disability	
Gender Reassignment	
Marriage & Civil Partnership	
Pregnancy & Maternity	
Race	
Religion/Belief	
Sex	
Sexual Orientation	
Socio-economic Duty	

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Equality Impact Assessment Corporate Assessment Template

Welsh Language	ongoing performance monitoring of service delivery.
Generic Over-Arching [applicable to all the above groups]	

6. Further Action

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

7. Authorisation

The Template should be completed by the Lead Officer of the identified Policy/Strategy/Project/Function and approved by the appropriate Manager in each Service Area.

Completed By :Louise Bassett	Date:
Designation: Partnership Delivery Team Leader	7/7/2020
Approved By: Jane Thomas	
Designation: Assistant Director Housing and Communities	
Service Area: Housing and Communities	

7.1 On completion of this Assessment, please ensure that the Form is posted on your Directorate's Page on CIS - *Council Wide/Management Systems/Equality Impact Assessments* - so that there is a record of all assessments undertaken in the Council.

For further information or assistance, please contact the Citizen Focus Team on 029 2087 2536 / 3262 or email equalityteam@cardiff.gov.uk

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