

MEETING:	Cabinet
DATE:	Wednesday, 6 February 2019
TIME:	10.00 am
VENUE:	Reception Room, Barnsley Town Hall

AGENDA

1. Declaration of pecuniary and non-pecuniary interests
2. Leader - Call-in of Cabinet decisions

Minutes

3. Minutes of the previous meeting held on 23rd January, 2019 (Cab.6.2.2019/3)
(Pages 3 - 6)

Items for Noting

4. Decisions of Cabinet Spokespersons (Cab.6.2.2019/4) (Pages 7 - 8)

Petitions

5. Petitions received under Standing Order 44 (Cab.6.2.2019/5)

Items for Decision/Recommendation to Council

Core Services Spokesperson

6. The Council's Medium Term Financial Strategy - 2019/20 Budget Recommendations (Cab.6.2.2019/6) (Pages 9 - 288)
RECOMMENDATION TO FULL COUNCIL ON 28TH FEBRUARY, 2019
7. 2019/20 Service and Financial Planning - Redundancy Compensation and Procedures (Cab.6.2.2019/7) (Pages 289 - 292)
RECOMMENDATION TO FULL COUNCIL ON 28TH FEBRUARY, 2019
8. Social Value Policy and Council Wide Adoption (Cab.6.2.2019/8)
(Pages 293 - 320)

People (Achieving Potential) Spokesperson

9. Proposed Conversion of Kendray Resource Centre into a Satellite Facility for Pupils with SEN(D) (Cab.6.2.2019/9) (Pages 321 - 330)

People (Safeguarding) Spokesperson

10. Ofsted Inspection of Local Authority Children's Services in Barnsley (2018) (Cab.6.2.2019/10) (Pages 331 - 350)

Joint People (Safeguarding) and Communities Spokespersons

11. Extending the Scope of Extra Care Provision (Cab.6.2.2019/11)
(Pages 351 - 362)

Place Spokesperson

12. Darton Academy and Outwood Academy Carlton - Work to Accommodate Additional Pupils (Cab.6.2.2019/12) *(Pages 363 - 372)*
13. Barnsley Active Travel Strategy 2019-2033 (Cab.6.2.2019/13) *(Pages 373 - 404)*
14. European Social Fund - Pathways to Success (Cab.6.2.2019/14) *(Pages 405 - 426)*
15. Exclusion of Public and Press
It is likely that the public and press will be excluded from this meeting during consideration of the items so marked because of the likely disclosure of exempt information as defined by the specific paragraphs of Part I of Schedule 12A of the Local Government Act 1972 as amended, subject to the public interest test.

Place Spokesperson

16. The Glass Works Development - Appointment of Phase 2 Works Contractor (Cab.6.2.2019/16) *(Pages 427 - 444)*
Reason restricted:
Paragraph (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information)

To: Chair and Members of Cabinet:-

Councillors Houghton CBE (Chair), Andrews BEM, Bruff, Cheetham, Gardiner, Howard, Miller and Platts

Cabinet Support Members:

Councillors Franklin, Frost, Daniel Griffin, Pourali, Saunders and Tattersall

Chair of Overview and Scrutiny Committee
Chair of Audit Committee

Diana Terris, Chief Executive
Rachel Dickinson, Executive Director People
Matt Gladstone, Executive Director Place
Wendy Lowder, Executive Director Communities
Julia Burrows, Director Public Health
Andrew Frosdick, Executive Director Core Services
Alison Brown, Service Director Human Resources and Business Support
Michael Potter, Service Director Business Improvement and Communications
Neil Copley, Service Director Finance (Section 151 Officer)
Katie Rogers, Head of Communications and Marketing
Anna Marshall, Scrutiny Officer
Ian Turner, Service Director, Council Governance
Corporate Communications and Marketing

Please contact Ian Turner on email governance@barnsley.gov.uk
Tuesday, 29 January 2019



MEETING:	Cabinet
DATE:	Wednesday, 23 January 2019
TIME:	10.00 am
VENUE:	Reception Room, Barnsley Town Hall

MINUTES

Present Councillors Houghton CBE (Chair), Andrews BEM, Bruff, Cheetham, Gardiner, Daniel Griffin (for Howard), Miller and Platts

Members in Attendance: Councillors Franklin, Frost, Pourali, Saunders, Sheard and Tattersall

168. Declaration of pecuniary and non-pecuniary interests

There were no declarations of pecuniary or non-pecuniary interests.

169. Leader - Call-in of Cabinet decisions

The Leader reported that no decisions from the previous meeting held on 9th January, 2019 had been called in.

170. Minutes of the previous meeting held on 9th January, 2019 (Cab.23.1.2019/3)

The minutes of the meeting held on 9th January, 2019 were taken as read and signed by the Chair as a correct record.

171. Minutes of the South Yorkshire Waste Partnership Board held on 1st October, 2018 (Cab.23.1.2019/4)

The minutes of the South Yorkshire Waste Partnership Board meeting held on 1st October, 2018 were noted.

172. Minutes of the Barnsley, Doncaster and Rotherham Joint Waste Board held on 1st October, 2018 (Cab.23.1.2019/5)

The minutes of the Barnsley, Doncaster and Rotherham Joint Waste Board meeting held on 1st October, 2018 were noted.

173. Decisions of Cabinet Spokespersons (Cab.23.1.2019/6)

The Record of Decisions taken by Cabinet Spokespersons under delegated powers during the week ending 4th January, 2019 were noted.

174. Petitions received under Standing Order 44 (Cab.23.1.2019/7)

It was reported that no petitions had been received under Standing Order 44.

Communities Spokesperson

175. Disabled Facilities Grant Policy Updates (Cab.23.1.2019/8)

RESOLVED:-

- (i) that the following amendments to the Disabled Facilities Grant (DFG) Policy, as detailed in the report now submitted, be approved:-
 - a) that a 'Help to Move' property provision be established (see page 19 of the Policy);
 - b) that provision be established for Shared Lives Carers providing Interim Care for Vulnerable Adults leaving hospital (see page 23 of the Policy);
 - c) that provision be made for waiving of the means testing for some Fast Track Adaptations where applicants qualify namely: Stair Lifts, Through Floor Lifts, Ceiling Track Hoists, Access Ramps in line with paragraph 4.1c (see page 20 of the Policy);
 - d) that the approach to Dual adaptations be improved (see page 22 of the Policy);
 - e) that the procurement framework for accessing level access showers be formalised (see pages 21 and 22 of the Policy);
 - f) that all the above amendments are subject to being implemented for 12 months, with regular review to ensure there are no unintended consequences and can be reversed if required;
- (ii) that the Communities Cabinet Spokesperson be authorised to approve any future minor changes to the approach to the Disabled Facilities Grant (see page 24 of Policy); and
- (iii) that a report on the impact of c) and e) above be presented to Cabinet in 12 months' time.

176. Town Centre CCTV Upgrade (Cab.23.1.2019/9)

RESOLVED:-

- (i) that the CCTV upgrade to the town centre, as detailed in the report, be approved at an estimated cost of £700,000 as the current system is now old, failing and provides limited functionality in order to support the development of the town centre;
- (ii) that the capital expenditure be approved for the upgrade of the system; and
- (iii) that the scheme be included in the Capital Programme and funding be released in accordance with Financial Regulations.

Place Spokesperson

177. Barnsley Physical Activity Plan (Cab.23.1.2019/10)

RESOLVED that the Barnsley Physical Activity Plan, at Appendix 1 to the report now submitted, be approved.

178. Community Asset Transfer Refresh (Cab.23.1.2019/11)

RESOLVED that the revised Community Asset Transfer Policy, at Appendix A to the report submitted, be approved for use in future Community Asset Transfers.

People (Achieving Potential) Spokesperson

179. Primary School Admission Arrangements for Summer Born Children (Cab.23.1.2019/12)

RESOLVED that the proposed Primary School Admission Arrangements for Summer Born Children, as detailed in the report submitted, be approved in order to ensure compliance with the Department for Education's guidance.

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Chair

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BARNSELY METROPOLITAN BOROUGH COUNCIL

CABINET SPOKESPERSONS' DECISIONS

Schedule of Decisions taken for week ending 25th January, 2019

<u>Cabinet Spokesperson</u>	<u>Item</u>	<u>Decisions</u>
*1. Place	Cannon Hall Cottages	(i) that approval be given to negotiate the lease/transfer of the property with Cannon Hall Farm, as outlined in the report; and (ii) that, if it is not possible to secure a market rate or agreeable terms in these negotiations, then the transfer ownership of cottages to Barnsley Museums and Heritage Trust (BMHT) to let on behalf of the Museum Service be progressed.

* Not for publication – contains exempt information, Local Government Act 1972, Part I, Schedule 12A Paragraph 3 apply.

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MEETING:	Cabinet
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2020 FUTURE COUNCIL – BUDGET PROPOSALS 2019/20

CONTENTS

- 1 Future Council 2020: Maintaining our Momentum for a Brighter Future and a Better Barnsley (*Pages 3 - 18*)
- 2 Local Government Act 2003 - Section 25 Report (*Pages 19 - 24*)
- 3 Revised Medium Term Financial Strategy (*Pages 25 - 154*)
Appendices
 - a) Updated Forecast
 - b) Capital Investment Strategy 2019/20
 - c) Treasury Management Strategy and Policy Statement 2019/20
 - d) Financial Resilience Position
- 4 2020 Updated Reserves Position (*Pages 155 - 166*)
- 5 Budget Recommendations (*Pages 167 - 170*)
- 6 Summary Revenue Budget Plans
 - 6a Summary of 2019/20 Council Revenue Budget Plans (*Pages 171 - 172*)
 - 6b Summary 2019/20 Efficiency Proposals (*Pages 173 - 174*)
 - 6c Summary 2020/21 Efficiency Proposals (Information Only) (*Pages 175 - 176*)
 - 6d 2019/20 Schools Delegated Budgets (*Pages 177 - 180*)
- 7 Summary 2019 - 2022 Capital Investment Priorities (*Pages 181 - 188*)
Appendix
 - a) Capital Investment – Accelerating Growth
- 8 Council Tax Options 2019/20 (*Pages 189 - 194*)
- 9 2019/20 Fees and Charges (*Pages 195 - 208*)
- 10 Directorate Key Priorities, Summary Spending Plans and Detailed 2019/20 and 2020/21 Budget Reductions
 - 10a Communities Directorate (*Pages 209 - 216*)
 - 10b People Directorate (*Pages 217 - 224*)
 - 10c Place Directorate (*Pages 225 - 236*)

- 10d Public Health Directorate (*Pages 237 - 244*)
- 10e Core Services Directorate (*Pages 245 - 252*)
- 11 Service Director Pay (*Pages 253 - 256*)
- 12 Scheme of Members Allowances - Indexation Formula (*Pages 257 - 266*)
- 13 HR Implications (*Pages 267 - 270*)
- 14 Aggregated Equality Impact Assessment (*Pages 271 - 276*)
- 15 Communications (*Pages 277 - 280*)

Section 1

BARNSELY METROPOLITAN BOROUGH COUNCIL

Report of the Chief Executive

FUTURE COUNCIL 2020: MAINTAINING OUR MOMENTUM FOR A BRIGHTER FUTURE AND A BETTER BARNSELY

1. Purpose of the report

- 1.1 To provide Members with an update on our continued momentum and progress and to outline the planned change, improvement and growth required to support and develop the organisation to become a modern and sustainable Future Council, for a brighter future and a better Barnsley.

2. Recommendations

- 2.1 **That Members note the progress outlined in this report, continue their support for Future Council 2020 and highlight any issues requiring future reports.**
- 2.2 **That Members note the future planning and development activity required throughout 2019/2020 to take us beyond 2020, including the development of a refreshed Corporate Plan and Organisation Improvement Strategy and an updated Medium Term Financial Strategy (MTFS) post the Government's Comprehensive Spending Review (CSR).**

3. Background

- 3.1 In 2017 a three year strategy was established to deliver improvement, growth and future sustainability, the key elements being a refreshed Corporate Plan and 2020 Outcomes Framework, an Organisation Improvement Strategy and a three year financial and business plan.
- 3.2 It was also recognised that there were a number of key drivers which would influence our improvement journey towards a brighter future, a better Barnsley:
- **Facilitating and accelerating growth**
 - **Early help**
 - **Local devolution and Area Councils**
 - **Supporting behaviour change**
 - **European Union Exit**
 - **Technology**
- 3.3 The strategy, plans and key drivers were also the foundations for the organisation to make decisions about which activities to stop, as well as which new activities to start and which existing activities to further invest in.
- 3.4 In 2018 we have continued our momentum and made excellent progress and performance towards our 2020 outcomes. This has been evidenced through inspections by Ofsted of Children's Social Care and Adult Skills and Community Learning and the Care Quality Commission (CQC) of Reablement Services and Shared Lives, peer reviews of Children's Social Care and of Adult Social Care use

of resources and an Equality Framework for Local Government mock peer challenge.

- 3.5 We also launched Town Spirit in 2018 recognising that if we 'Own It' and work together with our partners, businesses and communities we can achieve so much more and build a brighter future, a better Barnsley.

We launched the eight Town Spirit themes with the following key messages:

- We want to tell our story and showcase our ambition for Barnsley as a great place to live, work, invest and visit.
- We want to help our communities, customers and businesses to understand what we do and don't do to manage their expectations.
- We want to show our communities, customers and businesses how all of our work fits together – removing silos so people can see the links between the services they get from us.
- We want to inspire people to demonstrate community spirit, encouraging innovation and change through real action.

Town Spirit does not replace our corporate plan. It's a way of bringing our priorities, outcomes or brands to life in themes that our communities, customers and businesses will understand. The themes sit alongside our brands helping our customers to see the link between the services that we provide.

- 3.6 In February 2019 we have also invited the Local Government Association (LGA) to undertake a corporate peer challenge over a four day period. The standard areas the challenge will cover are understanding of our local place and priority setting; leadership of place, financial planning and viability, organisational leadership and capacity and capacity to deliver. Additionally we have asked the LGA to focus on our SEND provision, particularly what is driving the comparatively high numbers of children with Education, Health and Care Plans (EHCP) and does the Council's capacity, together with that of its partners, position it effectively to meet need, manage demand and secure good outcomes. We have also asked them that given the current Corporate Plan runs to 2020, what does the future hold and how can the Council grasp the opportunities ahead, whilst mitigating the risks?
- 3.7 The findings and recommendations from the corporate peer challenge, the raft of inspections and audits we have received in 2018 and into 2019, our performance against our corporate plan priorities and outcomes and our ongoing strategic needs assessments, will provide us with a rich base of data and intelligence to inform decision making and development of our new corporate plan and organisation improvement strategy which will both need to be implemented in April 2020.
- 3.8 As we move into this new important period in our planning for the future, this will be led by a new Chief Executive and there will also be other senior management re-alignments and service reviews undertaken between now and the arrival of the new Chief Executive in June 2019.
- 3.9 It is important now more than ever that we continue our momentum and drive for excellence. The next planning period will again be a time of change but we must harness the opportunity that change brings with it and we must be brave, bold and innovative in our decision making. This will no doubt bring with it challenges and difficult decisions but we must not shy away from making them if we are to realise

the cultural and behavioural shifts required both internally and within our communities.

4. Corporate Plan, 2020 Outcomes Framework and Key Drivers

What progress have we made?

4.1 We have continued to drive delivery against our corporate priorities and outcomes:

Thriving and vibrant economy – since April 2018 we have supported 190 businesses to expand and helped to create 712 private sector jobs and 23 existing businesses to move to Barnsley. We have supported and facilitated significant inward investment at Capitol Park Junction 36. Visitors to our museums and attractions and the contribution they make to the local economy continues to grow. Our performance in bringing empty homes back into use is above target. The Town Centre redevelopment is progressing well, with the new market now open for business and we are attracting new retail and leisure businesses to the Glassworks to expand the local offer. Our local plan has been approved which releases 300 hectares of land for employment and growth

People achieving their potential – our Children’s Social Care service has been judged as Good by Ofsted and 20 per cent of all childcare settings are rated as Outstanding, which is higher than the England and the Yorkshire and Humberside average. For the first time GCSE pupils in Barnsley are performing better at maths and English than the national average. 59.1% of school children achieved a score of between 4 and 9 at Key Stage 4 in both of these core subjects, higher than the national figure of 58.5%. The findings of a recent peer challenge on the use of resources and achieving value for money in Adult Services concluded that our service is in a good place and within budget, which is an excellent achievement. We are the first northern town to introduce a smoke free outdoor town centre zone and to introduce a smoke free market. All our key play parks across the borough are now smoke-free.

Strong and resilient communities – there has been continued growth in volunteering and community capacity which supports community resilience within our communities. We are on track to deliver our new Library @theLightbox and this state of the art building will become a hub for communities. Our Digital Champions continue to run regular sessions in community venues such as libraries or job centres, to help people gain the skills and confidence to access services and information online and in 2018 so far they have run 361 sessions and supported nearly 4,000 people. Our Innovative award winning fly tipping campaign #EverybodyThink has helped us to reduce fly tipping and we are working in partnership with coordinated action including waste carrier licence spot checks, clear ups and social media campaigns to publicise enforcement action.

One Council – our current Council Tax Collection Rate is 96.15%, our current Business Rates Collection rate is 96.6% and our directorates are reporting 100% delivery against the £4.4m efficiency savings.

4.2 Also since the last Future Council report we have made good progress against the key drivers, with some innovative solutions and projects being developed and implemented:

- **Facilitating and accelerating growth** – property investment fund phase 2, completion of phase 1 of the town centre programme, supported the delivery of over a thousand new homes, pet crematorium, completion of Barnsley Council led housing developments at Longcar and Belbrooke and the Tour de Yorkshire.
- **Early help** – improved waiting times for simple adaptations, establishment of a carers centre, creation of homeless alliance, re-organisation of early help 0-25 with improved reach to families, managing demand and escalation in adult and children’s social care and the successful restructure of the 0-19 public health nursing service
- **Local devolution and Area Councils** – continued growth in volunteering and community capacity supports our community resilience and targeted partnership project with Directorates such as fostering demonstrate why local matters. Community equality grants have enabled greater diversity of activities and projects such as the principal towns programme enable local solutions to local issues. We have also enabled a merger to deliver a stronger CVS organisation.
- **Supporting behaviour change** – mainstreamed the Safer Neighbourhoods Service resulting in reduction of Anti-Social Behaviour incidents, reducing fly tipping and increased enforcement, launched coaching conversations training programme, highly commended at 2018 LGC Awards for making smoking invisible work and a range of successful prosecutions have been delivered that include health and safety, animal welfare and illicit tobacco.
- **Technology** – created the Digital Leadership Team to drive the #DigitalFirst programme, go-live of income management and employee expenses systems, full IT upgrade of employee devices and implementation of E-bulk system for Disclosure and Barring Service checks resulting in an increased customer base

4.3 What is next for us?

4.3.1 In 2019 we will continue to drive hard, prioritise and target our organisational resources in pursuit of the delivery of our corporate priorities and 2020 outcome targets with cognisance being given to the key drivers that are influencing our improvement journey.

4.3.2 Facilitating and accelerating growth

We will:

- Improve skill levels across the borough and focus on improving outcomes and opportunities for employment for people with learning disabilities
- Develop and support the sustainability of adult social care market
- Continue to develop our property investment fund phase pipeline working collaboratively with the Sheffield City Region.
- Continue to invest in sector-led school improvement
- Deliver phase 2 of the Town Centre redevelopment including Market Gate bridge and also deliver the Digital Campus

- Establish the Property Investment Fund phase 3
- Implement the empty homes strategy

4.3.3 Early help

We will:

- Develop the Affordable Warm Homes Service
- Understand and continue to address challenges with private rented sector
- Further improve and support pathways for adolescents
- Implement the SEND strategy and action plan
- Develop both the public health alcohol and resilience plans
- Develop population health management approach and improve healthcare pathways for children, young people and families
- Strengthen the approach to peer support across the borough
- Further develop the early help offer for vulnerable adults in partnership with Adult Social Care
- Develop 'One Team' approach to safety in the Town Centre
- Strengthen the role of the District Libraries in delivering early help

4.3.4 Local devolution and Area Councils

We will:

- Work with our health partners to design integrated care & support
- Harness community capacity to address specific targeted challenges (e.g. reading levels)
- Implement phase one of the principal towns programme
- Reflect on the Area Council governance ensuring maximum value is gained from the model

4.3.5 Supporting behaviour change

We will:

- Implementation and ongoing development of Town Spirit
- Continue to take intelligence led enforcement for fly tipping, illicit tobacco and ASB
- Submit Barnsley's purple flag application
- Continue to make smoking invisible
- Implement the air quality action plan

4.3.6 Technology – Digital First

What progress have we made?

2018 has seen the commencement of our Digital First programme, seeking to modernise our internal systems to bring them in to line with our workforce's expectations whilst developing solutions for our customers that will make them 'digital by choice'.

In a short space of time the programme has already raised the profile of digital via activities including:

- Well attended Digital First themed Talkabout sessions
- Extensive use of easily accessed videos and Straight Talk to promote messages
- Digital First BLT and Leadership Conference sessions
- Members of the Digital Leadership Team promoting appropriate behaviours as part of their role

In terms of technology deliverables the Programme has so far:

- Commenced a data management project to improve the quality of our data resource
- Started to implement industry standard process improvements within the IT service
- Implemented a new cloud based expense claim system which seeks to promote how solutions 'can' look at no cost to the council
- Deployed more mobile devices than ever before, supporting our workforce mobilisation aspirations with 80% of our devices being laptops or tablets and over 2,000 mobile phones deployed with ever increasing functionality
- Commenced procurement of networking technology that supports WiFi connectivity in town centre buildings, and preparation of a business case to revolutionise how we connect our other centres
- Closed down our archive facility at Shortwood creating a financial saving and a more efficient process to access archived paperwork
- Worked hard with partners to understand the appropriate path to modernising our productivity applications and the right level of cloud computing adoption

What is next for us?

2019/20 will see work behind the scenes start to manifest in improved experiences for the workforce and our customers via delivery of multiple projects. To highlight a few:

- We'll be looking to finish work on our Digital Customer Services Platform which will start to see the creation of a true one stop experience rather than multiple logins and systems
- The programme will look to implement a series of digital policies to ensure we procure and build solutions that are future proof
- Our end user devices will be updated and we will start to gain access to the full suite of Microsoft productivity applications including improved remote access and collaborative tools such as Teams software
- Telephony will be updated to make more use of our mobile devices and remove another obstacle to a truly agile workforce while making improvements to the resilience of our contact centres
- End user computing will continue to be moved towards a wholly mobile estate

- Applications rationalisation will commence bringing savings on license and support
- We'll look to vacate the data centre, saving on energy consumption and building occupancy
- Work will commence on giving us intelligence and analytics from our wealth of data resource, moving us to being a data driven organisation
- Our drive to a digital culture will continue through paperless office initiatives, innovation space, promotions and the Digital Leadership Team taking a more central role

5. Organisation Improvement Strategy

What progress have we made?

- 5.1 The Organisation Improvement Board, Strategy and action plan were launched in April 2017. The newly established board identified a number of strategic organisation improvement and workforce development challenges and priorities. To ensure these are resolved and delivered, five task and finish groups were established with the following remits:
- Digital Skills – to improve IT literacy, digital skills and confidence of our workforce and Members
 - Manager's Toolkit – to develop a toolkit that includes useful guidance, links to corporate policies, procedures, forms, systems and training modules to help managers to manage effectively and to a consistent standard
 - Policies, Procedures and Processes – to undertake an end to end review of policies, procedures and processes that have been identified for improvement, to ensure we work efficiently, reduce costs, empower people to make timely decisions and be responsive to customer and business needs
 - Self-Development – to develop job shadowing, job rotation and secondment schemes and guidance and to implement a coaching and mentoring culture and scheme
 - Work Smart – to review our approach to agile and flexible working to ensure it continues to be responsive to customer needs and achieves business benefits
- 5.2 The task and finish groups have made excellent progress with a number of improvements and initiatives already delivered and others planned for 2019 through to 2020.
- 5.3 There have been a number of Organisation Improvement actions developed, completed and implemented since 2018, some of which are listed below:
- Self-development site now live on the intranet which includes guidance on job shadowing, job rotation, coaching and mentoring
 - New stream lined performance and development review system on POD
 - Future leaders apprenticeship programme launched and funded through the apprenticeship levy
 - Coaching conversations training programme launched
 - Application submitted to re-join the National Graduate Development Programme

- Launched procurement spend analysis tool
- Digital skills YouTube channel launched
- Undertaken digital skills assessments for approximately 1,300 employees and elected members
- CIPFA Financial Management survey and face to face interviews completed
- Solution implemented to enable cost centre changes to be made to ID badges when moving roles
- Introduction to commercial awareness training course delivered
- Creation of a commercial fund to support innovative commercial projects
- Introduced on-line recruitment approval form
- New process launched for new starter increments
- Launched our commercial clinics

What is next for us?

5.4 As well as the strategic organisation improvement and workforce development challenges and priorities being resolved and delivered by the task and finish groups, there are still many other developments and improvements planned to be delivered for our workforce up to 2020, such as:

- Development of a commercial skills toolkit and training programme
- Development of the elected members leadership programme
- Review of the essential elements of the elected member development programme
- Review of the Barnsley Offer – workforce development programme to ensure it is fit for purpose for a future council
- End to end review of the apprenticeship levy systems and processes
- Development of a workforce diversity action plan
- Procurement of more cohorts of the leadership and future leaders programmes
- Refresh of the employee wellbeing and mental health action plans
- Review of training charges across the organisation
- Re-launch of the work smart project bringing together assets, digital and organisation development to deliver future proofed workspace, technology, ways of working and culture

5.5 In 2019 we will refresh our Organisation Improvement Strategy as the current strategy runs to 2020. This will be in support of the new corporate plan which will also be developed within 2019 ready to launch in April 2020.

5.6 We will also continue to look past 2020 to ensure that we keep abreast of and are planning for future enhancements and improvements.

6. Financial and Business Planning

What progress have we made?

6.1 The further integration of operational and financial performance management into our business planning and reporting processes has provided the required transparency to challenge every aspect of Value for Money in our service delivery.

- 6.2 In addition, our Future Council strategy and financial planning processes have been developed to ensure that our finite resources are aligned to our priorities and with due consideration of our key drivers, targeted at those areas where the biggest impacts may be achieved.

What is next for us?

- 6.3 The Council has updated its MTFs through to 2021/22 but this has been undertaken against an outlook for Local Government funding beyond 2020 that remains very uncertain.
- 6.4 The Government are currently consulting on two key reviews that will impact on how local authorities will receive its funding. The first relates to a proposal to move towards 75% business rates retention (currently 50%) for Local Government in 2020/21. This will involve a significant change to the way local authorities currently receive funding including the 'rolling in' of the Council's remaining Revenue Support Grant (RSG) and Public Health Grant.
- 6.5 Linked to this, there is an ongoing review of the way in which resources are distributed across local government (the 'Fair Funding Review') which is also proposed to come into effect in 2020/21. The potential impact of both reviews is not yet known but we will continue to closely monitor the progress of both consultations and respond accordingly to ensure that Barnsley's views are appropriately represented.
- 6.6 The Government are also due to undertake a Comprehensive Spending Review during 2019 which dependent upon the progress of the above reviews may release further forecasted information beyond 2019/20.
- 6.7 In addition, the funding for Adult Social Care remains uncertain and is the subject of a delayed green paper that has not yet been published at the time of writing this report. The continuation of 'improved' Better Care Funding beyond 2020 has been assumed in the updated MTFs but remains a particular risk to the Authority until the Government outlines its plans.
- 6.8 Together with the potential upheaval that Brexit will cause to public finances, it is evident that local government is facing a particularly uncertain financial future both in the short and medium term. Moreover, the financial resilience and health of local authorities is increasingly coming under the spotlight with a number of local authorities already reporting financial difficulties – the most high profile example being Northamptonshire County Council.
- 6.9 Over the next 6-12 months, we will continue to monitor the national and local funding position and update our MTFs and reserves strategies accordingly to ensure that as a Council we remain an effective and sustainable organisation. As such, the need for a proactive and commercial approach is more important than ever to prepare ourselves for the uncertain planning period beyond 2020. We will achieve this in a number of ways but a key strand is our Commercial Strategy.
- 6.10 The Commercial Strategy aims to embed a more business like approach across the Council to ensure that we improve all the services that we provide to our customers and residents. The Commercial Board oversees the strategy and has put in place key strands to help ensure that our services are 'value for money', operate

effective procurement processes and maximise available income streams wherever possible.

7. Key Challenges

7.1 European Union Exit

7.1.1 We've been working with government and the wider region, such as the Industrial Alliance, to understand the potential impact and risks of the EU exit. It's very clear that we need government to commit to the new Shared Prosperity Fund to ensure that areas like Barnsley do not lose out if European investment funds are withdrawn. These funds have been crucial in helping to provide business growth, skills and employment opportunities.

7.1.2 We are proactive in bringing in further inward investment via the property investment fund, including a further injection of funding from the Council and the Sheffield City Region Jessica fund. We are also supporting businesses through Enterprising Barnsley on customs checks and supply chains.

7.1.3 Barnsley is taking a lead role in the Local Resilience Forum (LRF) and is responsible for chairing the regular strategic coordinating groups, in collaboration with the Sheffield City Region.

7.1.4 In addition, we have well-established community engagement arrangements through our area council and ward alliance structures. We track community cohesion tensions and have an extensive programme of community campaigns.

7.1.5 We'll continue to analyse the impact and risks of the EU exit moving forward and look to ensure a positive future for Barnsley and our residents.

7.2 Devolution

7.2.1 We are continuing to work with and be part of the Sheffield City Region. The outcomes of the LEP boundaries review will result in us withdrawing from the Leeds City Region in the near future.

7.2.2 Along with 17 other local authorities in Yorkshire and the Mayor of the Sheffield City Region, we're pursuing a devolution agreement with the Government, known as 'One Yorkshire'.

7.2.3 The One Yorkshire agreement would:

- see the creation of a Mayor of Yorkshire in 2020
- enable decisions currently taken by Government in London, to be made in the region
- allow Yorkshire access to funding and benefits similar to other areas with devolution agreements (like Greater Manchester and the West Midlands)

7.2.4 It's estimated that a One Yorkshire devolution agreement could help create 200,000 additional jobs and raise incomes by £500 per person over and above current economic forecasts.

7.3 Integrated Care

7.3.1 The Clinical Commissioning Group (CCG) is exploring the best way to develop integrated care which they hope will deliver a more seamless experience for residents. They recognise that residents receive care and support from different organisations and sometimes this care isn't delivered in a seamless way. The CCG's proposals for integrated care are seeking to do improve this by removing some of the organisational barriers that can exist for people.

7.3.2 The council supports the principle of integrated and seamless care, and is seeking assurance that any proposals will improve outcomes for people, and that any risks resulting from the different routes to achieving integrated care are fully assessed and mitigated. The council is working closely with its health partners to ensure the focus is always on improving the health and wellbeing of Barnsley residents and reducing health inequalities.

7.4 Performance

7.4.1 We will continue to be ambitious and focused on delivering our vision "Working together for a brighter future a better Barnsley" and our key priorities set out at 4.1. However, maintaining and/or improving our current levels of performance will be an ongoing challenge in a climate of increasing resource constraint and demographic pressures. Although we have a very strong track record of performance improvement despite significant budget reductions this will become more even more challenging over the next two years and beyond.

8 Achievements

8.1 Despite the challenges we face, we continue to be successful and receive recognition for our performance. In 2018 we received a number of awards and successful outcomes from inspections and audits:

- Our latest Ofsted inspection into Barnsley Council's Children's Social Care was judged good across the board
- Winner of the LGC award for best community involvement project for work on the Dearne Valley Landscape Partnership.
- Highly commended by the LGC for public health category for our 'make smoking invisible' work.
- Highly commended by the LGC for campaign of the year - #Everybodythink, the recent campaign that has reduced fly tipping by almost 20 per cent
- Highly commended by the LGC for the public/private partnership – the project to rescue and reuse bikes in Penistone, which was also shortlisted for a Public Sector Transformation Award
- Adult Skills and Community Learning rated as good across the board by Ofsted
- Yorkshire Property Awards - Industrial Deal of the Year award for the Gateway 36 scheme.
- Hearts for the Arts Awards 2018 - shortlisted for the best local authority arts initiative category.

- Markets won national award for Best Indoor Market in the Country at the National Association of British Market Authorities annual awards and is one of the top ten in the running for Britain's favourite market
- Elsecar has been shortlisted for the title 'England's favourite conservation area'; one of only 18 to be selected from nearly 250 nominations across the country.
- ADASS Mystery Shopper Report 17/18 found the Overall Access to Social Care advice, information and service rating has improved from Fair to Good in 2017/18
- Website Evaluation of Access via Barnsley.gov.uk is rated as Excellent
- Barnsley Fostering and Assessment Team were shortlisted as a finalist in the Social Worker of the Year Awards 2018 as a result of their outstanding work with children and families.
- Women in IT Excellence Awards 2018 – Shortlisted in 7 categories and Emma Jenkins won the Award for Software Engineer of the Year
- Cyber Security Compliance – PSN connection compliance certificate attained from the Cabinet Office

9. Implications

9.1 Employee Implications

- 9.1.1 The financial savings required between 2019 and 2021 will inevitably lead to a further reduction in our workforce but the organisation will do its utmost to avoid compulsory redundancies. Any reorganisations required will be dealt with consistently through the Managing Change Policy and process.
- 9.1.2 Through the work of the Organisation Improvement Board we will continue to develop and implement improvements that will enable us to become a future council and employer of choice. We will also continue to support our existing workforce through our workforce development offer, our employee wellbeing and mental health programmes and our employee benefits package Just4You.

9.2 Financial Implications

- 9.2.1 As mentioned at para 6.3, we have put in place our medium term financial plan for the period 2019-2022. This shows a balanced position until 2020/21 with plans already being drawn up to address the relatively modest and manageable deficit in 2021/22. We have managed to do this through the foundations of a Future Council framework that is based on an effective, efficient and sustainable model. This has enabled us to build on our existing strong financial planning processes and establish a relatively stable financial outlook.
- 9.2.2 However this position is constantly changing and there are some inherent risks in the underlying assumptions of the financial plan, not least the delivery of a further £15m of KLOE savings over the 2019-2021 period. We remain vigilant to our financial position and continually review these risks and our plans as part of updating our MTFS .
- 9.2.3 This approach is also complemented by an accompanying Reserves Strategy that seeks to utilise our reserves and balances on one off investments that deliver the

priorities of Future Council. This approach will also prudently set aside a contingency to deal with the general uncertainty facing local government as a result of Brexit and other major funding changes that are looming for local authorities.

- 9.2.4 An updated MTFs and Reserves Strategy will be submitted into Cabinet in due course and certainly after the Government's releases its CSR (currently scheduled for Spring 2019).

9.3 Member Implications

- 9.3.1 Local councillors are facing an environment of multiple challenges, opportunities and pressures, which means that the role of a councillor has changed. Being a 21st Century Councillor requires a specific skill set, which is not necessarily covered by existing training and development programmes. The skills of a 21st century councillor can be grouped into two sets: foundational skills (practical and knowledge based) which are those covered by most existing training and development, and relational skills (connective, digital and reflective skills). To support our elected members to become 21st century councillors, the council's member development programme will incorporate the key skills training within the two defined skills sets.
- 9.3.2 One of our future key areas of development is the Barnsley Leadership Programme for elected members. This will enable them to be leaders in every aspect, will help with future succession planning, and help them to be more confident and effective as political and community leaders, who are appropriately self-aware, self-managed, resilient and proactive.
- 9.3.3 Further to this, a key priority for the council's member development programme is to drive forward the digital leadership of its members, through developing members' own digital skills as well as developing their understanding of the importance of embracing new digital ways of working to enable the council to achieve its future digital ambitions. This key skill development area along with the Barnsley Leadership Programme for elected members will ensure that the right political leadership is in place to deliver meaningful transformation which will help the council to improve outcomes for the borough (now and in the future).
- 9.3.4 Successful achievement of The Member Development Charter / Charter Plus Award will also ensure that the member development programme provides the appropriate training and support to ensure members become effective 21st century councillors and are able to deliver within their various roles on the council.

9.4 Communications Implications

- 9.4.1 In April 2019, we are launching our communications and marketing strategy which sets out our approach to supporting the delivery of the council's priorities, outcomes and Town Spirit, to both internal and external audiences.
- 9.4.2 Our strategic approach to communications and marketing key campaigns is a crucial part of supporting behaviour change and service improvement across the council. It enables us to take a managed approach to campaign delivery, providing informed and planned activity with allocated resources and detailed evaluations.

9.4.3 Communications and Marketing have a vital role in making sure the key messages from high profile, external influences such as the Budget, Brexit, Devolution and HS2 are communicated to our customers in a clear and easy to read format.

9.5 Town Spirit

9.5.1 Our ambition is for Barnsley to be a great place to live, work, invest and visit. Town Spirit shows the work we're doing to make Barnsley a better place. 2019 will see the start of our work to introduce Town Spirit to our communities. We'll harness the enthusiasm from the launch and our talkabouts to embed Town Spirit as an integral part of the council working and we'll work with our partners to make Town Spirit part of our joint projects, helping to widen our reach of key messages.

9.5.2 Communications and Marketing will work closely with area-based teams and services across the council to disseminate key messages throughout their networks.

10. Promoting Equality, Diversity and Inclusion

10.1 As part of the future council improvement journey, we ensure that the equality impact of any proposals and changes are appropriately assessed and considered and we also propose how any potential inequalities can best be mitigated.

10.2 In order to understand the impact of our decisions on the most vulnerable groups and to inform our future planning and decision making, we commissioned a research project. This project has recently reported its findings and recommendations, suggesting ways we can improve our equality impact assessment process and support informed decision-making around budget efficiencies. This report is currently being considered by Senior Management Team and will result in the development of an Improvement Plan.

11. Risk Management

11.1 We will continue to identify, manage and mitigate our risks through a bi-annual review of the Strategic Risk Register but we will also encourage managed risk taking in order to develop the innovation and creativity that a future council requires.

12. List of Appendices

- Organisation Improvement Strategy 2017-20
- Future Council 2020 Outcomes Framework
- One Council 2020 Outcomes Framework

13. Background Papers

- Corporate Plan 2017-2020
- Organisation Improvement Strategy 2017-2020 Report (Cab.22.3.2017/7)
- Organisation Improvement Strategy Action Plan
- Future Council 2020: Improvement, Growth and Sustainability (7.2.2018/6)
- Future Council 2020 Report (Cab.21.9.2016.6)
- Future Council: Achieving Excellence (Cab.2.12.2015/6)
- Our Future Council Update (Cab.8.10.2014/6)
- Future Council Change Programme (Cab.15.1.2014/6)

- Our Future Council Cabinet Report (Cab.15.1.2014/6)
- Managing Change Policy
- 21st Century Councillor

Officer Contact: Chief Executive

Date: 16th January 2019

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Section 2

BARNSELEY METROPOLITAN BOROUGH COUNCIL

FUTURE COUNCIL 2020

LOCAL GOVERNMENT ACT 2003, SECTION 25 REPORT ON THE 2019/2020 BUDGET PROPOSALS

1. Purpose of the Report

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 2019/20 budget proposals.

2. Background

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good financial management within local government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, providing advice on the following issues:
- The robustness of the estimates included in the budget; and
 - The adequacy of the reserves the budget will provide.
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of future capital investment - given its impact on the revenue budget.

3. Advice of the Chief Finance Officer

- 3.1 This report is based on the Budget Recommendations as set out at **Section 5** of the Future Council 2020 report suite.

Robustness of the Estimates

- 3.2 As Members are aware, the setting of the 2019/20 Revenue and Capital budgets is part of the Council's Medium Term Financial Strategy that forms the framework for the budget for the period 2019-2022.
- 3.3 Emphasis has been given to ensure that any risks associated with the budget have been clearly identified so that properly informed and prioritised decisions are made. This is particularly relevant, given the difficult financial climate that local government continues to face, and especially in light of the ongoing political and economic upheaval surrounding Brexit.
- 3.4 In addition, the Government has not yet indicated what resources local government is likely to receive beyond 2019/20. This will be covered through the Government's Comprehensive Spending Review (currently due in the spring of

2019) which provides forecast spend for all Government Departments. There are also a number of other Government reviews that will impact on the Council's financial position, most notably the Fair Funding Review and the move to 75% Business Rate Retention, which are both currently scheduled to be implemented within this planning period. This makes it very difficult to assess the Council's future funding position beyond 2019/20 and is identified as a key risk facing the Council moving forwards.

- 3.5 In addition, there are other financial risks facing the Council that Members need to be aware of and, where necessary, provide for. One specific risk relates to the way the Council receives the majority of our income under the Business Rate Retention (BRR) model. Whereas previously, our funding used to be largely grant dependent, it is now much more localised and thereby increasingly dependent upon the actual rate of collection. This means our primary sources of income (e.g. Business Rates, Council Tax) are subject to greater volatility than prior to the introduction of the BRR model which, in turn, makes financial planning and forecasting more difficult to predict.
- 3.6 My Section 25 report reflects this changing financial environment, in addition to the specific proposals contained within the budget. In terms of the estimates which are included in the proposed 2019/20 budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95%. This remains at the same level as last year and reflects the anticipated ongoing impact of the revised Local Council Tax Support scheme and any potential impact of the move to Universal Credit (which again appears to be delayed). Although at this stage I have no reason to believe that this is not a robust assumption, given the changes, the position will need to be closely monitored during the course of the year.

(ii) ***Business Rates Income Assumptions***

Under the current Business Rate Retention scheme, Barnsley retains 49% of the total income collected. As previously mentioned, there is the potential for volatility around this income source, in relation to the overall level of businesses in the Borough and also in relation to any appeals that are already within the 'system' that will fall to the Council to fund. At this stage the expected income of £22.8M from retained business rates included within the budget is, I believe, based on prudent assumptions after taking account of the national revaluation position. However, the position will need to be closely monitored during the course of the year.

(iii) ***Pay Inflation Assumptions***

A provision for a pay award equating to a 2% increase has been included in the 2019/20 budget and the forecast for 2020-2022. This takes account of the Employers latest offer and the Government's general position on

public sector pay which includes the transition to a new NJC Pay Structure from 2019/20. Further consideration may need to be given to this provision if that position changes.

A provision has also been made in relation to the potential impact of the increase in the National Living Wage on external contracts. The full impact will need to be monitored and managed during the year.

(iv) ***Interest Rate Assumptions***

A prudent view of interest rates has been taken in constructing estimates for interest charges in 2019/20 and future years. Whilst these estimates are considered to be adequate at this point in time and take on board advice/ forecasts from our treasury advisors, there is the potential for volatility in relation to interest rates, especially in the current economic climate and within the context of the ongoing Brexit negotiations. As such, interest rates will need to be closely monitored by officers throughout the year and regular updates will be submitted into the Council's Treasury Management Panel, as well as Cabinet, to ensure timely action is taken to optimise the Authority's position.

(v) ***Service/ Demand Pressures***

Both the budget for 2019/20 and the forecast for 2020-2022 contain some significant increases in expenditure that result from increasing demand on services. Changes in demand / demographics are already particularly acute in adult and children's services and create financial pressures. It is highly likely that our financial position may also be impacted by current Government reviews of social care, when these are concluded. Moreover, similar impacts are being felt across other services, such as waste and home to school transport. Whilst these have been quantified as far as is possible, the nature of the services means that demand can be difficult to predict. I have no reason to believe that the current assumptions are not robust but it is vital that these areas are monitored closely during the year so that any action required can be taken in a timely manner.

Adequacy of Reserves

- 3.7 **Section 4** of the Future Council 2020 agenda sets out the Council's position in relation to the current level of provisions, reserves and balances available to the Authority.
- 3.8 As indicated in that paper, the current Minimum Working Balance held by the Authority remains at £15M as agreed last year. I consider that this level remains prudent.
- 3.9 The paper also indicates the current levels of all other earmarked reserves and provisions and a review of these has taken place to ensure their continued

validity and to make additional earmarking's where appropriate. I consider the current levels to be adequate, subject to my comment at paragraph 3.12 below.

- 3.10 The current strategic reserves strategy has identified resources that may be potentially available over the planning period of £59.2M. The Council's capital investment priorities over the period to 2022 have also been considered and it is recommended that £41.2M of these potentially available resources, be earmarked for the identified commitments, along with a further £1.9M that have specific spending conditions attached to them (Housing related). This leaves £16.1M remaining for strategic purposes.
- 3.11 Bearing in mind the financial uncertainty facing the Council, as outlined at paragraph 3.4, I believe it is prudent to set aside the remaining available strategic reserves of £16.1M as a contingency. This will assist the Council in preparing for the ongoing uncertainty of 'Brexit', particularly in light of the major economic regeneration schemes / projects, such as the Glassworks scheme, that the Council is committed to taking forward in this next planning period.
- 3.12 It should also be noted that not all resources have yet been received and available resources need to be 'banked' before being committed to future investments. I will ensure that this position is reviewed and reported through future monitoring reports. In addition, I also consider it appropriate and necessary to continually monitor reserve levels in the light of the changing circumstances facing the Council and as such, a further detailed review will be carried out as an integral part of the 2018/19 accounts closure and when the Council has final clarity around the cost of the Glassworks scheme.

Prudence and Affordability

- 3.13 The current Prudential Borrowing regime places a duty on the CFO to ensure that the financial impact of decisions to incur additional borrowing over and above that supported by Government, are affordable both in the immediate future and over the longer term.
- 3.14 Consideration of the revenue impact of all new capital schemes is therefore undertaken alongside other operational service issues to ensure that resources are allocated in accordance with the Authority's overall priorities and within the overall resources available.
- 3.15 The 2019/20 budget includes provision for £5.0M of prudential borrowing which has already been earmarked to support the Glassworks redevelopment. My advice is that due to the significant borrowing necessary to complete the Glassworks scheme, that only prudent and modest additional borrowing be considered for the remainder of the planning period, in order that the Council can effectively manage its risk exposure over the life of the MTFS.

Medium Term Financial Strategy (MTFS) and Budget Reduction Measures

- 3.16 A balanced 2019/20 budget can be delivered through the agreement of the proposals within the budget papers. However, this view is contingent upon the

additional matters identified at paragraph 3.6 above and paragraphs 3.17 to 3.20 below.

- 3.17 The draft budget for 2019/20 is again based upon a significant volume of budget reduction measures and there needs to be a strong and sustained focus on ensuring the timely and comprehensive implementation of these measures. This equally applies to the budget reduction measures proposed to deliver a balanced budget in 2020/21.
- 3.18 In addition, 2019/20 represents the final year of the Government's four year offer and there remains considerable uncertainty around the overall level of resources available to local authorities beyond this date - particularly in light of the various Government funding reviews mentioned at paragraph 3.4. There are also the ongoing risks around the economy, especially in relation to Brexit, that may impact on the assumptions set out in this report.
- 3.19 Although the medium term plan provides for known pressures over the planning period, any additional pressures that are identified will need to be considered as part of future budget processes. Members therefore need to be mindful that if these pressures cannot be contained, then the current balanced position (identified within the current MTFS paper at Section 3) is likely to deteriorate and necessitate an urgent review of both our MTFS and Reserves Strategy respectively.
- 3.20 The Council has a strong financial planning and control framework in place to deliver a balanced position both in 2019/20 and over the medium term. This has been evidenced by the recent Financial Resilience index that CIPFA have proposed to try to establish the financial health of individual local authorities in the light of a number of recent local authority failures. I have reviewed the Council's position using the CIPFA index and other factors and can report that, in my opinion, the Council is a financially resilient authority. However, I say this in the context of an uncertain and volatile outlook, arising from Brexit and ongoing Government reviews, and as a result I will keep our financial position under constant review and report any updates into Cabinet and the wider Council accordingly.

4. **Budget Recommendations**

- 4.1 As indicated in the 3 year forecast at **Section 3 Appendix A** based on the Budget Recommendations a balanced budget would be set for 2019/20.
- 4.2 This would see the Minimum Working Balance being maintained at £15.0M and a further £16.1M set aside as a 'Brexit' contingency after approving priority capital investment schemes over the planning period.
- 4.3 The proposals identified within the budget papers also provide the framework around which Future Council 2020 can be delivered and a balanced position achieved for 2019-2021, based on the current assumptions.

- 4.4 However, it is evident that these assumptions will change and therefore further action may be needed to ensure that the plan not only delivers a balanced position in 2019/20 but remains on track to deliver a balanced position over the full planning period.
- 4.5 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.17 – 3.20 and reiterated at paragraph 4.4 above being delivered.**

N Copley CPFA
Service Director Finance and S151 Officer

**MEDIUM TERM
FINANCIAL STRATEGY**

2019/20-2021/22

INDEX

SECTION	
A	OVERVIEW
B	THE NATIONAL CONTEXT
C	THE COUNCIL'S KEY PRIORITIES
D	THE COUNCIL'S RESOURCES
E	THE COUNCIL'S SPENDING PLANS
F	THE COUNCIL'S FINANCIAL PLANNING FRAMEWORK
G	KEY ASSUMPTIONS & RISK ASSESSMENT
H	THE COUNCIL'S RESERVES STRATEGY AND CAPITAL SPENDING
I	APPENDICIES
	A – DETAILED MEDIUM TERM FINANCIAL FORECAST
	B – CAPITAL INVESTMENT STRATEGY
	C – TREASURY MANAGEMENT STRATEGY
	D – FINANCIAL RESILIENCE POSITION

SECTION A – OVERVIEW

Never has the financial resilience and health of local government come under sharper focus. Local authorities have suffered extensive government funding cuts since austerity commenced in 2010 and there are now repeated headlines of local authorities facing severe financial difficulties. Northamptonshire County Council is the most obvious example but the cuts are being felt by authorities up and down the country.

Moreover, the financial future for local government remains decidedly uncertain. In addition to the political and economic upheaval around Brexit, there are some significant and ongoing Government reviews that will impact on the Council's financial position. More details are provided in Section B but the key reviews include:-

- Comprehensive Spending Review (CSR) due to be released in April 2019;
- Fair Funding Review – due for implementation in 2020/21;
- 75% Business Rate Retention (from 50% currently) - due for implementation in 2020/21;
- Adult Social Care Green paper – originally due in the summer of 2018 but not yet released.

Against this backdrop, the Council's Medium Term Financial Strategy (MTFS) is a vital tool in understanding our financial position and driving our financial strategy forward.

It is a key document in identifying how the Council will align its existing and future resources to the agreed priorities underpinning Future Council. Although our Corporate Plan is currently being updated to extend our Future Council strategy through to 2021/22, it will nevertheless continue to set a framework to enable our communities and stakeholders to help themselves whilst ensuring that our most vulnerable residents are looked after.

In addition, the Future Council model will also continue to put in place a structure to ensure that, as a Council, we are effective, efficient, high performing and sustainable. By doing this, we will reduce any unnecessary costs, maximise our income and ensure we focus our depleted resources on our key priorities.

The MTFS has been developed to put in place a solid financial platform to support and deliver our Corporate Plan against an uncertain financial outlook. As such, the following document sets out the context for our 3 year financial position and outlines our approach for ensuring that the Council can deliver its key priorities in a sustainable way.

SECTION B – THE NATIONAL CONTEXT

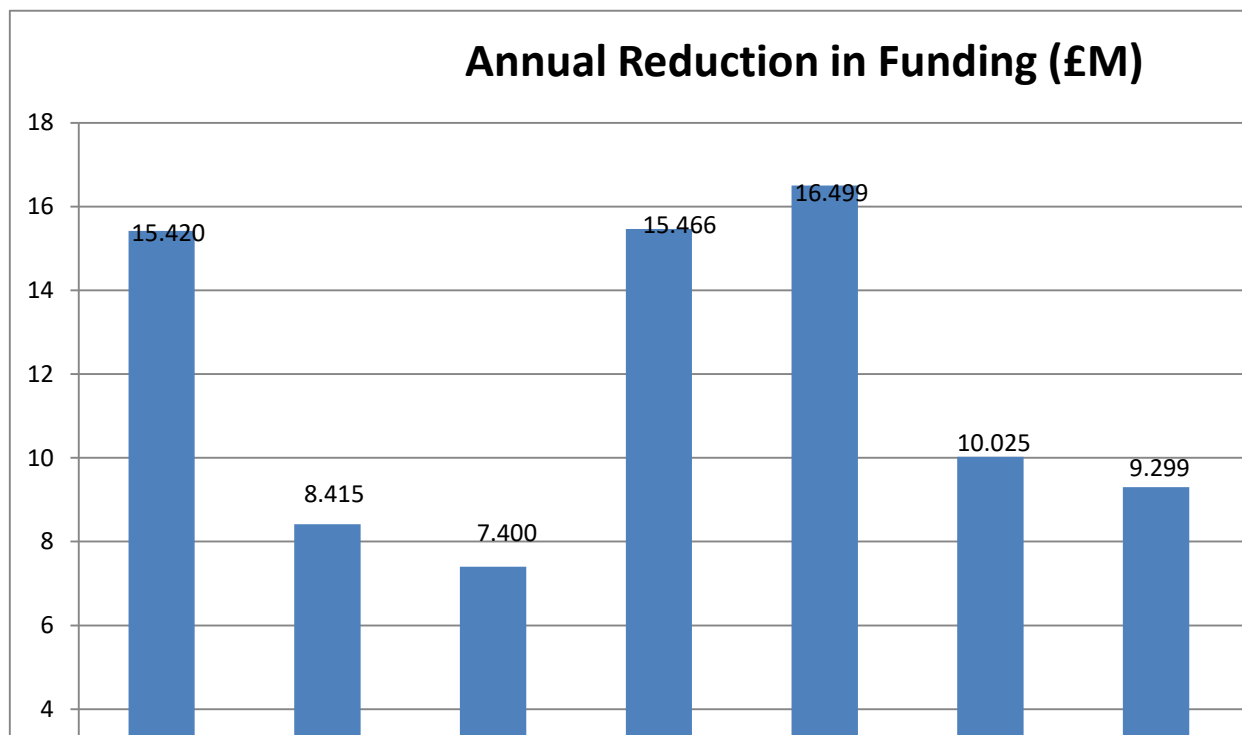
Whilst Barnsley's Future Council model seeks to establish itself as a sustainable organisation, we nevertheless remain dependent upon the national agenda and more specifically, central government decisions around our future funding.

As such, our MTFS is set within the context of Brexit and its impact on the economy as well the Government's challenging macro-economic policy and public sector expenditure plans. These have had, and will continue to have, a fundamental impact on Local Government with the key issues set out in more detail below.

2019/20 Local Government Finance Settlement

The Local Government financial settlement received in December 2018 confirmed the following:-

- Reduction in RSG of £6.276M which is in line with the 4 year offer. Since 2010 our RSG has fallen by some £95M (equating to a 58% cash cut);



In addition, the settlement also confirmed the following decisions (the majority of which were announced in the Chancellor's Autumn budget):-

- The flexibility for councils to increase council tax by a further 1% (from 2% to 3%) for core services before the need to hold a referendum;
- The basis for calculating the distribution of New Homes Bonus remains unchanged although we received a slight increase in the amount expected in 2019/20;

- Specific grant for winter pressures and other social care pressures confirmed at £3.3M and the improved Better Care Fund at £11.8M (£5.6M in 2019/20);
- Additional £0.9M one off funding announced from the Government's Business Rates Levy Account Surplus Fund;
- Additional funding announced for Special Educational Needs (SEN) of £1.1M for the period 2018/19 and 2019/20; and
- Further consultations released on the proposed fair funding formula and 75% business rate retention proposals.

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

- The national funding formula (NFF) for schools and high needs has been used to determine DSG funding allocations for 2019/20 and updated with the latest pupil numbers / data;
- Total provisional DSG allocation for Barnsley for 2019/20 is £180.5M (including funding for Academies and the additional SEN funding). This equates to an £6.9M increase in funding compared to the updated 2018/19 funding;
- The increase in funding can be explained by the following: impact of the new schools and high needs NFF (£3.7M) and increase in pupil numbers / other data changes (£3.2M);
- Pupil premium funding rates per pupil have been protected at the current level as follows: free school meals pupils £1,320 (primary), £935 (secondary); Looked after children and those previously in care £2,300 and military service children £300; and
- The recommendation to approve the 2019/20 schools budgets, particularly the changes to the Barnsley funding formula following the consultation with schools on the NFF, will be included in the budget papers.

Beyond 2019/20, the outlook is far more uncertain especially with Brexit as a backdrop. The Government are proposing some significant changes to the way local authorities receive their funding in future and these are outlined below.

Comprehensive Spending Review (CSR)

The Chancellor of the Exchequer has previously announced that there will be a full spending review across Government which is due to be published in 2019. This is a comprehensive re-assessment of the Government's spending plans with the aim of setting the national fiscal context for the next five years.

The spending review usually sets out the total level of public spending for the period from 2020 onwards as well as indicative spending allocations across Government departments. However, as the review of local government finance is ongoing (see below) and a resolution to the current Brexit situation is not yet known, it is highly possible that the CSR may either be delayed and/or be less detailed than previous spending reviews. This will only add to the financial uncertainty facing local authorities.

Fair Funding Review

The Ministry for Housing, Communities & Local Government (MHCLG) is currently in the process of reviewing the formula that determines baseline funding levels for all local authorities. The results of this review are currently uncertain for the Council.

There are potential drawbacks to our position if parts of the formula that currently benefit the Council (e.g. the funding for population density) are, in the round, decreased in favour of less-advantageous measures to Barnsley (eg sparsity). This, of course, could work in reverse and be to the Council's advantage.

Similarly the quantum of Government funding allocated to local authorities will also impact the Council's position irrespective of the final distribution formula/mechanism.

The new baseline funding model, currently under review, is scheduled to be implemented in 2020/21. Officers are continuing to represent the Council during each phase of consultation.

Business Rate Retention (BRR)

The Local Government Finance Settlement for 2018/19 announced the Government's intention to increase the retention of business rates by local authorities from 50% to 75%.

The Council's current MTFs prudently assumes that any growth in retained rates will be matched by reductions in Government grants or additional responsibilities i.e. a neutral effect.

An increased retention rate does present the Council with the opportunity of benefitting from additional growth. However, the downside is that the Council would suffer a greater impact of any BRR decline as well as picking up a larger share of any successful appeals. An increase to 75% will make the Council's future income streams even more susceptible to volatility than it is presently and make our financial projections harder to predict.

It is also our experience that the new BRR system hasn't really benefitted the Council compared to other authorities. We have experienced fairly low growth since its introduction in 2013 and whilst the new Glassworks project should help improve this position, the Council fundamentally does not believe that a model based on business rates retention is reflective of local needs. The Council has made/ will be making this point as part of our Fair Funding consultation responses.

Adult Social Care Green Paper

The Government intend to publish a green paper on care and support for older people. This was originally scheduled for the summer 2018 but has been delayed.

The paper will set out plans for how the Government proposes to improve care and support for older people and tackle the challenge of putting in place long term sustainable solutions for an ageing population. The Government has also recognised the possible funding implications of this policy by stating that they

intend to build on the funding they have already provided in the last 3 years.

Once the green paper is published, it will be subject to a full public consultation.

Children Services

The Council has seen a significant increase in demand for children services over the past few years, e.g. rise in looked after children, children / families in need of support, children with special educational needs etc. This increasing demand is exerting pressure on our budgets (e.g. high needs, home to school transport) despite increased investment by the Council in children's safeguarding.

The budget submission by the Local Government Association identified a national funding gap for children services in the region of £2bn. Whilst additional non-recurrent funding has been provided for children services by the Government in 2019/20, a long term funding solution to address the funding gap is still required but at this point in time, has not yet been announced.

Financial Resilience

Currently there is significant attention on the financial health of local government as a result of the stringent cuts faced since 2010 which is specifically focusing on how local authorities have dealt with the funding reductions from a financial management perspective. The National Audit Office produced a report on the 'financial sustainability of local authorities 2018' which highlighted a number of key conclusions such as:-

- The funding position for local authorities has deteriorated since their previous report in 2014;
- The financial resilience of local authorities varies considerably with some authorities having much reduced reserve levels to deal with unforeseen events;
- The demands on local authorities have radically increased especially around adult and children's social care issues;
- The Government need to introduce longer term proposals to address the funding and demand issues rather than the short term measures currently being adopted.

In addition, CIPFA have also proposed an index to assess the financial resilience of authorities. This is currently out to consultation but the Council has assessed its position against this index and other broader measures of resilience (listed below) to determine our own position:-

- Level of reserves. The Council has a Minimum Working Balance of £15M which represents 9% of our net expenditure. This is based on a recommendation by the s151 officer which takes into account the prevailing situation and risks faced by the Council and along with our Reserves Strategy, is deemed an adequate level for any unforeseen events;
- Use of reserves. The strategy is geared towards using reserves for one off

investment and not to be used to fund any ongoing costs or deficits. This is a prudent approach that is recommended by CIPFA;

- Delivering efficiencies . A track record of delivering efficiency savings in line with targets since the onset of austerity in 2010;
- Current year position. The Council's latest 2018/19 forecast is not only showing an overall underspend but crucially, is showing an underspend for our Service spend which demonstrates that 'in year' pressures are being effectively managed;
- Long term planning. Detailed proposals to deliver a balanced 2 year position for 2019/20 and 2020/21 are in place with plans in place to address the modest deficit forecast for 2021/22; and
- Commercial approach. This approach is the process of being embedded for all projects and services to ensure we maximise our income and minimise our costs e.g. returns from the Property Investment Fund (PIF) scheme are helping to contribute to the Council's financial sustainability.

On the basis of the above and our strong financial planning approach (see Section F), the Section 151 Officer believes that Barnsley is a 'financially resilient' Council. However in the current uncertain environment, this needs constant review to ensure that the current robust financial position and our strong financial standing is maintained.

SECTION C – THE COUNCIL’S KEY PRIORITIES

Future Council 2020

The Council continues to reshape our Future Council model to ensure we are both effective and adaptable and thereby capable of delivering our 4 key priorities:-

- A thriving and vibrant economy;
- People achieving their potential;
- Strong, resilient communities;
- One Council.

Our key priorities also seek to deliver 13 outcomes and these are the basis for determining our corporate objectives and re-aligning our budgets. The Council’s budgets are set on both a service basis and an outcome basis and budget monitoring is reported into Cabinet quarterly on both bases. This allows Members to review spend against key priorities and re-align funding where necessary to enable our objectives to be delivered (see section F).

As mentioned in the overview, our Corporate Plan is currently being updated and extended through to 2021/22 to ensure that it is adaptable to our ever changing environment. Our MTFS has also been developed on a similar flexible basis to incorporate any changes to our priorities as well as address the uncertain financial outlook.

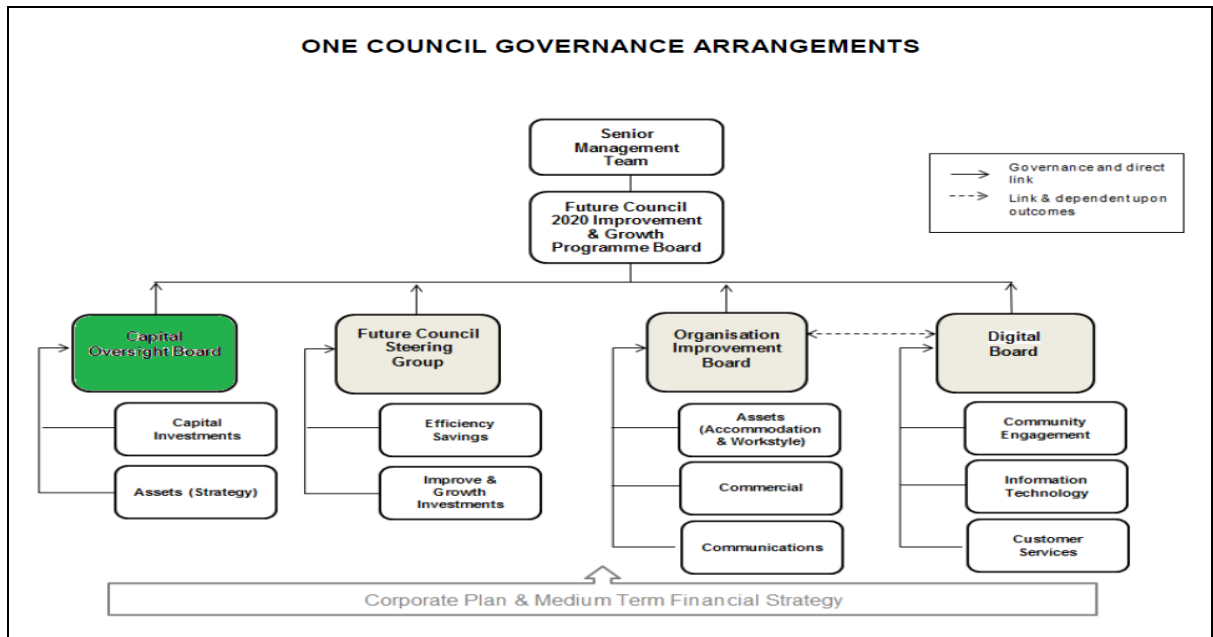
Our Future Council model is built upon an overarching objective that seeks to enable our communities and businesses to help themselves whilst ensuring that our most vulnerable are looked after. This is underpinned by key strategies that will deliver our priorities as summarised in the table below:-

The Council’s Key Strategies	Description
Barnsley SEND Strategy 2016-18	Working towards improving the delivery of Special Educational Needs and Disability (SEND) and helping to improve the lives of our children and young people in Barnsley with special educational needs and disabilities. This strategy is currently being updated.
Adults Social Care	The demand for adult social care services, based on current and future needs, is outlined in the Council’s <i>Market Position Statement</i> . This is informed by other corporate strategies/plans such as the: <i>Health & Wellbeing Board strategy</i> and the <i>Joint Strategic Needs Assessment (JNSA)</i> .
Carers Strategy 2017-2020	A strategy for carers by carers. Helping to support carers to recognise that they are one of our most valuable assets.
Children and Young People’s Plan 2016-19	Plans to make sure all Barnsley children and young people are given the best start in life and everyone enjoys a happy healthy life - regardless of who they are and where they live.
Community Engagement Strategy 2017-2020	Engages with our customers to help us to make decisions on the services that we provide. Working together with people that live in the borough to create a better Barnsley.

Employment and Skills Strategy: More and Better Jobs	Aims to create both more/ better jobs in Barnsley and increase people's skills, training and qualifications.
Health and Wellbeing Strategy 2016-2020	To enhance integration to improve our services and specifically join up care and support people in Barnsley to take control of their health and wellbeing. This approach strives to make sure people in Barnsley enjoy happy, healthy and longer lives in safer and stronger communities - whoever they are and wherever they live.
Health and Care - The Barnsley Plan 2016-2020	To help the people of Barnsley to take control of their health and wellbeing and enjoy happy, healthy and longer lives.
Housing Strategy 2014-2033	To support the building of new houses and reduce the number of empty homes. Support young adults, the elderly and the vulnerable to live independently.
Improving Education Strategy 2016-18	To improve the education and learning of children, young people and their families. By improving education it will help with good job prospects, better health and the well-being of people in Barnsley to help to create a thriving community. This strategy is currently being updated.
Placement and Sufficiency Strategy 2016-2019	Aims to make sure that the right children are admitted to care at the right time to secure the best possible outcomes for them. To support each of them as individuals to achieve their full potential.
Safer Barnsley Partnership Plan	To make continuous improvements to ensure people feel safe in their homes, neighbourhoods and communities.
Transport Strategy 2014-2033	To improve transport links and public transport offered in our area.

Section E outlines how the financial forecast incorporates the priorities arising out of our key strategies and ensures that our future demands are managed effectively.

The Future Council was also set up to ensure that we are an effective, efficient, high performing and sustainable Council. To deliver this, we have established a governance framework organised around the following structure:-



This structure oversees the key strategies that underpin the Council’s modernisation agenda which are outlined below:-

- Commercial Strategy. Embedding a more business-like culture to continually improve Council services for our customers and residents. This approach not only seeks to increase income and deliver value for money for the Council but also instil a more commercial mind set across the organisation.
- Asset Management Strategy. As part of the national one Public Estate programme, we have established a five year programme that seeks to assess the best use of our assets. Working with Directorates and partners, the programme aims to review our assets to determine the most appropriate way to deliver services in future. A disposal programme has also been established to sell any surplus assets as a result of the review of our One Public Estate.
- Digital First Programme. This is a fundamental redesign of our existing technology to digitally empower our citizens and employees and build a more confident and capable Council. The Digital First programme aims to put ‘digital’ at the heart of everything we do.

Accompanying this framework is a clear principle that we match ongoing spending requirements with ongoing income. This means that we will use our reserves for one off revenue or capital investment that supports our priorities and strategies. Any use of reserves as a short term bridging strategy will only be used in very exceptional circumstances and this has not been necessary for a number of years.

In addition, services strive to identify and deliver efficiencies and/or commercial opportunities on an ongoing basis not just at budget setting times. This approach not only aims to ensure that all our business units spend within their resource envelopes but also identify ongoing savings that can be ‘freed up’ to fund our corporate priorities. The Commercial Board, set up to deliver

the commercial strategy, oversees business cases for new investment and the Authority's leadership team oversees delivery of the Council's efficiency proposals on an ongoing basis.

The framework set out above seeks to ensure that we maximise our overall resources in support of our priorities. The Asset Management Strategy is a key facet of this approach but in addition, we are also developing the Council's external funding strategy. This will focus on funding opportunities that will support our priorities especially funding that has been allocated to other partnership groups. Building on the successes to date, we need to ensure we continue to have a strong focus on influencing and accessing resources that will become available to bid into especially in relation to devolution and health funding. This will include identifying/ establishing our investment priorities that will attract funding from these available resources and also lever in additional funding (ie private/ third party contributions).

Finally, a key principle of our financial planning framework is that all our capital and revenue decisions are fully integrated and made simultaneously. This is an important strand of our strategy since it ensures that Members understand and prioritise competing commitments irrespective of whether they are of a revenue or capital nature.

SECTION D – THE COUNCIL’S RESOURCES

Core Resources

The introduction of the Business Rate Retention (BRR) model in 2013/14 changed the way that local authorities receive their funding. Whereas business rates were previously pooled nationally and redistributed to local authorities based on need, the new system allows local authorities to retain 50% of locally collected business rates.

From 2013/14, Barnsley has received its core funding in 3 ways:-

- Government funding through the BRR model;
- Retained Business Rates; and
- Council Tax.

Our ‘core’ resource totals for the next 3 years are shown in the table below and covered in more detail in the following sections:-

	2019/20 £M	2020/21 £M	2021/22 £M
Government Funding (BRR)			
- RSG	12.7	8.5	6.1
- Top Up Grant	32.8	33.4	34.0
- S31 Grant	3.0	3.0	3.0
Retained Business Rates	22.8	23.6*	24.6*
Council Tax	97.7	100.3	103.7
Sub Total	169.0	168.8	171.5

*assumes a neutral impact of the 75% retention proposals

Government Funding (BRR model)

Government funding is received in line with calculations through the BRR model. The model makes an assessment of how much business rate income each local authority will raise and allocates grant on the following basis:-

- Revenue Support Grant (RSG);
- Top Up Grant; and
- Section 31 Grant.

Revenue Support Grant (RSG): This is the traditional way that Government has supported local authorities.

Assumptions: 2019/20 RSG is based on the draft 2019/20 Finance Settlement. The forecast for 2020-2022 is based on the same trajectory of cuts (%) as has occurred over the previous 4 year period (2016-2020). Despite the growing uncertainty, this projection is considered prudent by the s151 officer particularly in comparison to assumptions made with other neighbouring authorities.

Top Up Grant: When the BRR model was introduced in 2013/14 the new system benefitted some authorities at the expense of others. A self-financing

mechanism was introduced to ensure that the introduction of the new scheme would be broadly neutral with 'losing' authorities such as Barnsley receiving 'top up' payments from 'gaining' authorities who pay a tariff.

Assumptions: Top up grant is inflated based on September CPI figures. Estimates of 2% have been made for 2020/21 and 2021/22.

Section 31 Grant: This largely relates to compensation payments from Government when they introduce a policy change that leaves a local authority in a worse financial position than it would otherwise be in e.g. awarding business rate reliefs to small businesses.

Assumption: No changes to the 2019/20 allocation assumed for 2020/21 and 2021/22.

Retained Business Rates

Barnsley currently retains 50% of its locally collected business rates (including 1% that is paid over to the SY Fire and Rescue Authority) with the remaining 50% paid over to Central Government. Although the Government make an assessment around how much they expect the Council to collect, this is only undertaken to assess how much RSG to pay to local authorities. Our business rates income is derived from what we actually collect not via Government grant.

Compared to government grant, business rates income represents a much more volatile income stream for the Council.

The Council benefits if we collect more than we are estimated to (based on Government forecasts) although this has not been our experience since the BRR model was first introduced in 2013. We have witnessed very little growth in that time and had to contend with issues that affect how we plan for future business rate income. These include academies (and potentially NHS trusts) receiving charitable relief from paying business rates and appeals by businesses against their bills which can be backdated over a long period of time.

So not only have we failed to benefit from this system to date, it has made planning for our future resources much more difficult to forecast as a result of the issues outlined above. That said, the forecast does build in some growth within this planning period to reflect the implementation of the Glassworks scheme.

Assumptions: Limited growth in the business rate tax base and overall income assumed to be rising in line with inflation (calculated on the same basis as Top Up grant as above).

Council Tax

The revised projections in the updated forecast reflect the national context that the Government has set for Council Tax increases.

The Government establish a threshold to limit the level of future Council Tax increases by requiring local authorities to carry out referendums above a certain level of increase. The referendum threshold set by the Government for 2019/20 is 3%. This is the same as 2018/19 but for many years prior to 2018/19, capping has been set at a maximum of 2% with some years having a Council Tax freeze.

As part of the 4 year settlement, the Government also announced that they would allow Authorities with Adult Social Care (ASC) responsibilities to raise Council Tax by a further 6% over a 3 year period (2017-2020). Like other authorities, Barnsley has taken advantage of this additional flexibility to address its burgeoning ASC pressures and raised 4.5% over 2017/18 to 2018/19. It proposes to use the remaining allocation of 1.5% in 2019/20.

For illustrative purposes the current forecast assumes:-

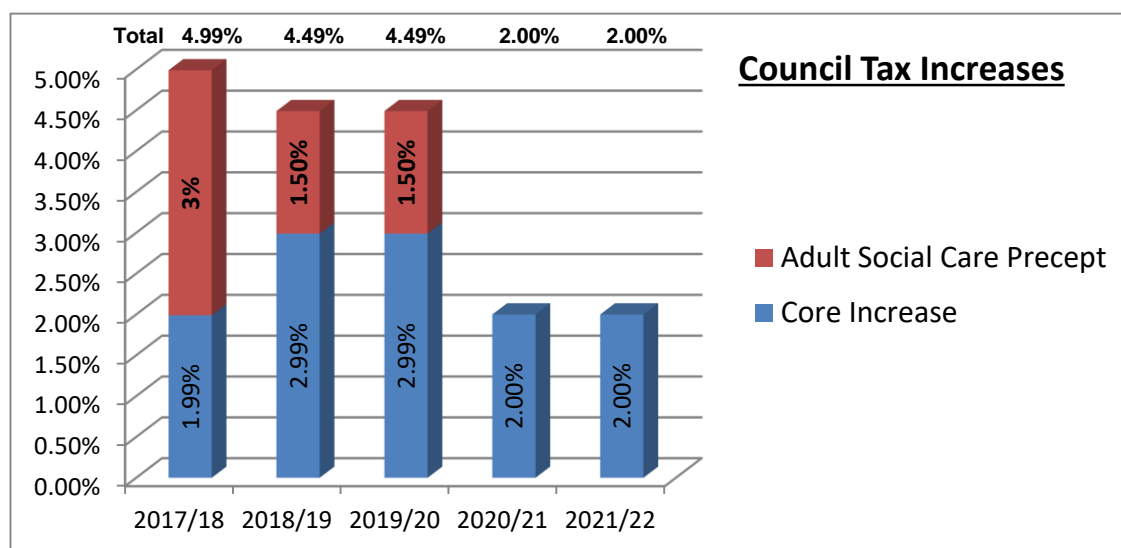
2019/20 4.49% (2.99% Core Services / 1.5% Adult Social Care);

There has been no further Government guidance for the following two years of the forecast and therefore as a prudent approach, the forecast assumes the following increases which are for Core Services only:-

2020/21 2.0%

2021/22 2.0%

The chart below shows the council tax increases forecast over the 5 year period from 2017-2022



A review of the Council's tax base has been carried out and the forecast assumes an increase of 1175 Band D equivalent properties in 2019/20 with a further growth of 800 Band D equivalent properties per annum assumed over the next 2 year period. This is deemed prudent especially in light of the imminent approval of the Local Plan which will release further development land for housing. The estimates for Council Tax Income are based on a collection rate of 95%.

In addition, a review of the Collection Fund Reserve has also been undertaken and it is recommended that the following sums can be prudently released into the forecast;

2019/20	£2.615M
2020/21	£2.000M
2021/22	£2.000M

Assumptions: The forecast assumes a 4.49% Council Tax increase in 2019/20 and 2% thereafter. The Council Tax base assumes an increase of 1175 Band D equivalent properties in 2019/20 and 800 per annum thereafter. The Collection Fund Reserve assumptions are as set out above.

Social Care (Better Care) Funding

The NAO report (previously mentioned under the Financial Resilience section) stated that Central Government's approach of allocating short term funding to address ongoing demands was a particular problem for local authorities.

The best example of this is the way the Government have funded Social Care over recent years which has repeatedly been one off in nature.

This is typified by the Chancellor's recent budget announcement to fund a further £650M of social care demands covering winter pressures and general adult and children's social care issues. This equates to some £3.3M for Barnsley in 2019/20 (in addition to £1.2M in 2018/19). We have assumed this funding is for one year only and the Council is currently drawing up plans on a programme of early help/ preventative schemes.

The biggest single grant from the Government for ASC is the improved Better Care Fund (iBCF). The Government has awarded iBCF to local authorities to address adult social care pressures in two tranches with the second tranche effectively front loading the initial allocations to take account of immediately pressing ASC requirements. IBCF funding has only been announced upto 2019/20 to coincide with Government planning cycles.

Assumptions: The Council's current forecast assumes the first tranche of grant (awarded in 2017/18) will continue beyond 2019/20 but that the second tranche will fall out. This assumption is in line with other local authorities that we have consulted with but remains a risk pending further spending announcements by the Government.

Fees and Charges & Other Non Core Income

The Council's fees and charges policy sets a corporate framework within which all decisions on the implementation and/ or changes to the levels of fees and charges can be considered and approved. A business case accompanies each proposal.

Fees and charges are either used to bridge the deficits in the MTFs or used for service mitigations.

SECTION E – THE COUNCIL’S SPENDING PLANS

The Council reviews its spending plans on a rolling basis. At a corporate level, it categorises future spend in three ways:-

- Fixed and ongoing commitments;
- Policy or investment decisions; and
- Demographic and/ or demand factors.

The incremental increases are shown below:-

	2019/20 £M	2020/21 £M	2021/22 £M
<i>Base Budget b/f</i>	169.0	174.8	184.1
Fixed & Ongoing	3.0	3.3	6.0
Policy / Investment	0.2	4.8	0.2
Demographic & Demand	2.6	1.2	1.2
Sub Total	174.8	184.1	191.5

Fixed and Ongoing Commitments

The Council has a number of ongoing commitments. These are largely linked to the inflationary impact of our spending commitments. The assumptions underpinning fixed and ongoing changes are as follows:-

- Pay award & contractual inflation 2% over the next 3 years;
- National living wage average increases assumed of 3.5% for residential care and 2.8% for non-residential care over the period 2019-2022;
- Pension reductions to deficit lump sum payments;
- Grant fallout relating to public health and housing benefit in 2019/20.

Policy & Investment Decisions

Whilst our resources have been significantly cut, it remains necessary to invest in our priorities to make sure that as a Council and as a Borough we are in the best possible place to deal with the future financial landscape (eg the funding reforms proposed by Government).

The most significant investment in our MTFs is to our town centre and our renowned markets. The Glassworks scheme will alter and significantly improve our town centre ‘offer’ with the aim of not only giving our residents a 21st market place but encouraging new businesses into the area. This is an investment that prepares us for the Government’s plan to allow local authorities to retain 75% of business rates from 20/21 and will help us to become more financially sustainable in future.

Demographic and Demand

In addition to fixed and ongoing commitments, there are a number of demand led costs that we need to provide for in the forecast. Such costs generally relate to population changes (eg no. of elderly people, no. of children in care

and requiring transport etc) but can also arise from global market changes that are incredibly difficult to foresee (eg income from recycled products).

The Council assesses these issues in a systematic, strategic way with plans in place to address their predicted impact. These plans include a financial impact assessment and an outline of our approach to mitigate key demographic issues. The key ones are set out below:-

Adult Social Care – Older People (OP)

Overview

Barnsley's population of adults aged 65+ has grown over recent years. There is an increasing demand and greater reliance on adult social services. Whilst the numbers receiving support may not increase significantly, the cost of care packages are rising due to complexity of needs.

Strategy/Plan to manage demand

The demand for adult social care services (based on current and future needs) and the service provision to meet such needs is outlined in the Council's *Market Position Statement*. This is informed by other corporate strategies/plans such as the: *Health & Wellbeing Board strategy* and the *Joint Strategic Needs Assessment (JNSA)*.

Approach to forecasting demand

The following approach has been used to project future demographic changes and costs namely:-

- population projections analysed by age ranges;
- a trend analysis of numbers of OP supported with care packages; and
- actual spend by the Council including changes in the average cost of care packages to reflect the complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against OP's net spend (i.e. residential / nursing, homecare and direct payments). It takes into account the level of client contributions and health funding. The impact of interventions has also been allowed for by using spend and activity data rather than ONS population analysis.

Adult Social Care – Learning Disabilities

Overview

There is a rise in the number of children with significant learning disabilities (LD) living longer and transitioning into adult services. Life expectancy of people with significant learning disabilities has increased. The complexity of needs is a challenge as it results in very high cost care packages.

Strategy/Plan to manage demand

Whilst the Council's *Market Position Statement* broadly outlines the service provision to meet identified needs of adults with learning disabilities, the *Transforming Care Plan / Strategy* specifically details the approach to addressing the long term care needs of adults with very complex / significant learning disabilities within a community based setting.

Approach to forecasting demand

Population projections together with trend analysis of activity and spend data has been used as a basis for projecting future demographic impact. Changes in average cost of care packages over the years are a good indicator of complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against LD's net spend which incorporates significant contributions from the Health Service (e.g. S117) towards high cost care packages. The impact of specific interventions has been incorporated (e.g. supported living, high cost placement reviews, step-down enablement provisions etc).

Children's Social Care – Looked After Children (LAC)

Overview

There is an increasing demand for children services partly driven by growth in population (aged 0 – 17). However, the main financial pressures facing the Council in relation to children social care results from the rising number of children in care and associated placement costs. A residential care placement (e.g. secure welfare) could cost anything between £2k to £5k per week (ie upto £250k in a full year for a single case).

Strategy/Plan to manage demand

The *Looked after Children Placement & Sufficiency Strategy* details the council's approach to addressing the current/ future accommodation and support needs of children in care in the most efficient / cost effective way possible. A copy of the current strategy can be found in the attached link: <https://barnsleymbc.moderngov.co.uk/documents/s34726/Appendix%201.pdf>

Approach to forecasting demand

Assumptions around the Council's LAC population in future years are forecast based on local (and regional) context, needs and trends. The strategy equally sets out an approach / action plan for managing LAC numbers with clear targets for the different placement types. Cost is forecast using average unit cost (local and benchmarking data).

Allowable cost (& tolerances)

Demographic growth has been applied to specific LAC placements e.g. residential care, fostering and other low cost placements. It takes into account the interventions / agreed actions to manage LAC numbers.

Special Educational Needs (SEN)

Overview

The Council continues to face increasing financial pressures (against the schools budget) in relation to SEN provision due to rising demand. There are increasing numbers of pupils with Education Health and Care (EHC) plans requiring additional educational support as well as a rising number of SEN pupils in 'Out of Authority' specialist placements.

Strategy/Plan to manage demand

The *SEN Pupils' Placement & Sufficiency Strategy* details the Council's approach to developing a more sustainable system for commissioning placements for pupils with EHC plans through investing in and improving the capacity of mainstream and specialist schools.

Approach to forecasting demand

Assumptions of the Council's future SEN needs are set out in the strategy based on local (and regional) context, needs and trends. The strategy equally sets out the commissioning actions for managing SEN numbers. This has also informed the assessment of the funding gap in future years.

Allowable cost (& tolerances)

Current / future funding from the Government and contributions from schools have been taken into account in assessing the funding gap facing the Council. Commissioning actions / interventions have been costed and the impact reflected in the financial forecasts for SEN.

Homelessness

Overview

Homelessness and rough sleeping is on the increase both nationally and locally. Prevention is key in reducing homelessness but this is reliant on people seeking assistance at an early stage as well as workers/ officers identifying the risk of homelessness and putting in place appropriate support plans before people actually lose their homes. This is the focus of the new Homeless Reduction Act that came into force in April 2018.

Strategy/Plan to manage demand

Barnsley's new Homeless Prevention and Rough Sleeping strategy has recently been approved at:-

<https://www.barnsley.gov.uk/media/9406/homeless-prevention-and-rough-sleeping-strategy.pdf>

Approach to forecasting demand

The current forecast estimates the increasing demand for housing advice and support. This takes into account a significant rise in the use of temporary accommodation over the last couple of years. The projections also reflect an increase in the numbers of single people presenting as homeless who have a range of complex needs (egs offending, mental health and substance misuse) which require a multi-agency response.

Allowable cost (& tolerances)

Spend on temporary accommodation is also set to increase next year although the Council is in the process of looking to potentially use vacant council house properties as a mitigation.

Travel Assistance/ Home to School Transport

Overview

The Council has a statutory duty under Section 508A and 508D of the Education Act 1996 to ensure travel assistance is made available to facilitate attendance at school for eligible children and students. Since 2016/17, there has been a significant increase in the number of children eligible for Home to School Transport which is linked directly with the increase in the number of SEN children.

Strategy/Plan to manage demand

As a result of the above and to fulfil its duty, Cabinet introduced an updated Home To School/College Travel Assistance Policy in February 2018 (link to the [Home to School Policy](#)).

This policy sets out the framework under which eligible children and students will be supported including the different travel options available for consideration to assist with managing demand.

Approach to forecasting demand

A detailed review of ongoing demand has been undertaken including a review of the following factors:

- Pupil school census;
- % of SEN pupils;
- Population data;
- % of pupils requiring travel assistance for SEN;
- Out of Borough Placements for SEN;
- Mileage Reimbursement numbers;
- Average travel cost per school day;
- Number of vehicles used per school day;
- Number of escorts used per school day.

The review has enabled the Council to accurately forecast future demand together with calculating an associated cost.

Allowable cost (& tolerances)

Different forms of Travel Assistance transport are considered and selected based on suitability, cost and availability. Route optimisation is regularly

considered. The Council is also currently seeking to introduce a dynamic purchasing system for transport providers.

Other Demographic/ Demand - Waste Pressures

Overview

The Council, as part of its Local Plan, has housing growth aspirations to build additional properties within the Borough which will create additional demand for local services. Whilst some of this demand will be supported by the additional council tax income generated from these properties, additional investment is inevitably required for the services impacted by additional housing such as waste collection and disposal.

Strategy/Plan to manage demand

The Council in conjunction with three other South Yorkshire authorities, have adopted the South Yorkshire Municipal Waste Strategy. This strategy's has 5 key priorities covering; 1. educating South Yorkshire residents to recycle more; 2. providing a more reliable service; 3. delivering value for money; 4. improving technology and 5. influencing decision-making on waste at a European, national and local level in order to drive further investment into waste infrastructure in the Sheffield City Region economy.

Approach to forecasting demand

Using data gathered from a variety of sources (including current and forecast waste tonnage levels, recycling rates and current national policies such as plastic reduction), an annual assessment is made of the likely financial impact of the requirement for additional waste collection, disposal and recycling. A corresponding investment is made in the service to reflect the estimated demand.

Allowable cost (& tolerances)

The additional cost of waste collection and disposal is allowed for in the forecast.

SECTION F – THE COUNCIL’S FINANCIAL PLANNING FRAMEWORK

Having set out all the key assumptions around our future core resources and spending plans (see Sections D & E above) the revised financial forecast shows the following gaps:-

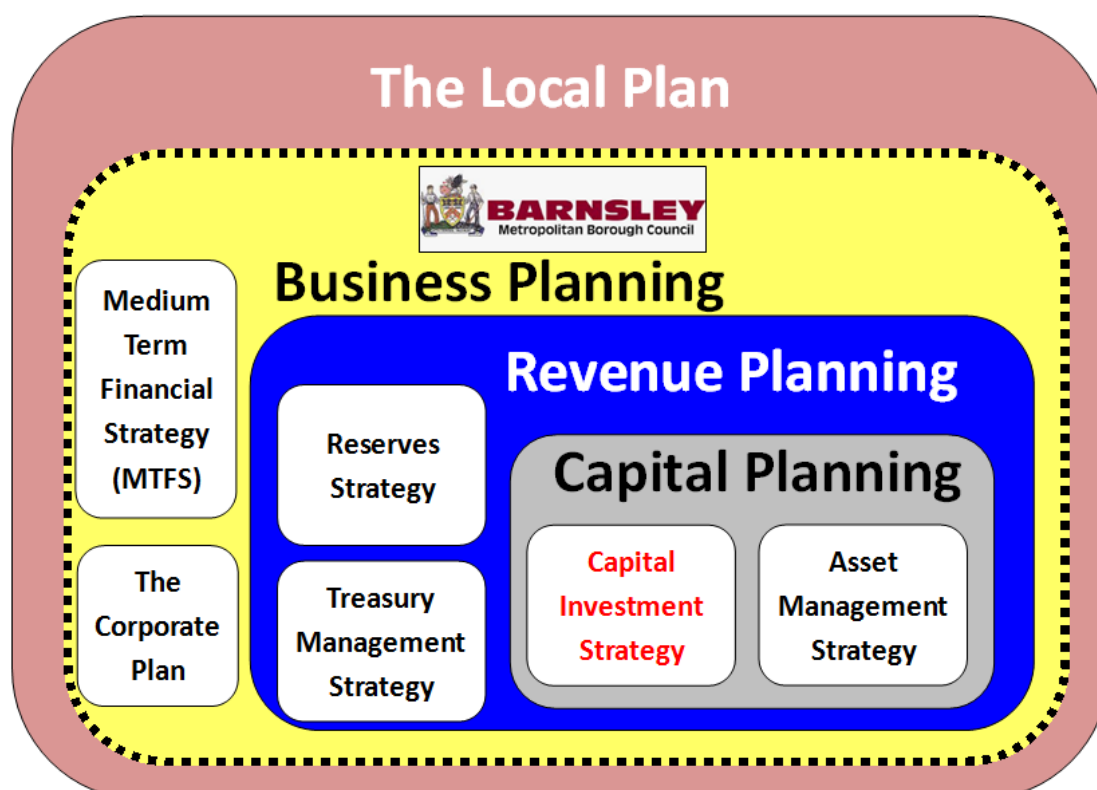
	2019/20 £M	2020/21 £M	2021/22 £M
Core Spending (Section E)	174.8	184.1	191.6
Core Resources (Section D)	-169.0	-168.8	-171.5
Deficit – prior to savings	5.8	15.3	20.1

The following section describes our financial planning framework and the process for delivering a balanced position both in the short and medium term.

Our Financial Planning Framework

The Council has a strong financial framework in place that aligns ongoing resources to priorities. It is a fully integrated process that considers and approves our key financial strategies / budgets (capital and revenue) at the same time so the impact of considering relative priorities is transparent to members.

The process has been outlined in previous sections which the diagram below summarises:-



The forecast is rolled forward as soon as the previous year's budget has been approved. This commences an iterative process to identify issues and pressures along with a plan to deal with them.

Integral to the financial planning process is a robust budget monitoring process where we report our financial and non-financial performance into Cabinet on a quarterly basis. This also includes a 'Financial Outlook' section to report any underlying issues.

This is a vital and, to date, successful process for ensuring that our underlying position is robust and where issues or overspends arise, a project focused approach is put in place.

A particular example of this approach relates to Adult Social Care. Quarterly monitoring reports into Cabinet had been reporting a burgeoning overspend in ASC over a prolonged 18 month period. A working group of finance, performance and service senior officers was set up to review the overspend and investigate the underlying causes. The review identified the main causes of the overspend and as a result, the 'in year' position was corrected to eliminate the forecasted overspend. In addition, an action plan was put in place to address demand issues affecting ASC and ensure that future projections are both robust and evidence based.

A further reflection of our financial health is the external scrutiny we receive. This is ultimately embodied in the external audit opinion. We have had unqualified opinions on both our accounts and VFM statements for a number of years which is again reflective of a robust financial planning framework.

Balancing the MTFS

Since 2015/16 the financial strategy has sought to put in place a balanced position for, at least, a minimum 2 year period. This is no different for this planning period and actions have been put in place to ensure that the 2019/20 and 2020/21 budgets are balanced with plans well underway to address the outstanding 2021/22 deficit.

As mentioned in the Overview section, a key feature of our strategy is to ensure that there are ongoing resources/ savings to fund ongoing spending commitments. This is done by breaking down our key priorities into 13 outcomes and seeking to put in place transformational programmes that will deliver these outcomes and drive out efficiencies and savings. The Council's strategy for 2019-2021 is split into two key facets:-

- Cross cutting programmes such as digitalisation, commercialisation and accelerated growth programmes that span most services and are key themes for our Future Council model; and
- Service efficiencies that reflect the outcome framework / transformational programmes.

As a result of the above process, proposals have been identified to effectively bridge the forecast deficits in the next two years. These proposals are subject to extensive challenge and scrutiny.

The revised forecast position, following the approval of the savings proposals, is set out below:-

	2019/20	2020/21	2021/22
	£M	£M	£M
Deficit (prior to efficiencies)	5.8	15.3	20.1
<i>2019/20 Efficiencies</i>	-5.8	-5.8	-5.8
<i>2020/21 Efficiencies</i>	-0.0	-9.5	-9.5
<i>Sub Total – Efficiencies</i>	-5.8	-15.3	-15.3
Revised Forecast (post efficiencies)	0.0	0.0	4.8

SECTION G – KEY ASSUMPTIONS & RISK ASSESSMENT

Key Assumptions

As outlined in the body of this report, the forecast is underpinned by a number of key assumptions for the planning period 2019/20 – 2021/22. These are subject to change particularly in light of the uncertain economic landscape and the proposals to reform local government funding.

The key assumptions are outlined in the table below:-

Forecast Item	Assumption
<i>Expenditure Items</i>	
Pay Awards & Contracts	Pay and contractual inflation is included at 2% over the full planning period. All other inflation is contained by services.
Interest Rate Fluctuations	Currently interest rates are very low and are only likely to increase. Whilst some protection has been awarded by locking in rates, interest rate rises do pose a cost risk.
<i>Income Items</i>	
Business Rates	Inflated in line with actual and estimated inflation. Limited future growth assumed to reflect the Glassworks scheme.
Core Government Grant	2019/20 as per draft finance settlement and 2020/21-2021/22 based on the same trajectory of cuts (%) as the preceding 4 years (2016-2020).
Council Tax	Inflated by 4.49% in 2019/20 (2.99% core and 1.5% Adult Social Care) and 2% for 2020/21 and 2021/22.
Fees & Charges	Increased on a case by case basis within the Council's overall fees and charges framework
Improved Better Care Fund/ Social Care Grants	Continuation of the iBCF (at @£10.2M) into 2020/21 & onwards but all other social care grants assumed to be one off and therefore fall out after 2019/20.
New Homes Bonus	Not included in MTFS. NHB is treated as one off funding and included in our reserves position / strategy.

Sensitivity Analysis

A sensitivity / risk assessment of the 2019 - 2022 forecast has been produced which clearly identifies the key areas that may have a significant impact on delivery of the Medium Term Financial Strategy.

2019/20 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% £M	-2.50% £M	Forecast Item	+1.00% £M	+2.00% £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+2.020	+4.040
N/A - prevailing interest rates too low to bear a 5% reduction	-0.875	Interest Rate Fluctuations	+0.350	+0.700
INCOME				
+1.140	+0.570	Business Rates	-0.230	-0.460
+0.640	+0.320	Core Government Grant	-0.130	-0.260
+4.900	+2.450	Council Tax	N/A as referendum cap reached	N/A as referendum cap reached
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200
N/A as amount confirmed	N/A as amount confirmed	New Homes Bonus	N/A as amount confirmed	N/A as amount confirmed

2020/21 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% £M	-2.50% £M	Forecast Item	+1.00% £M	+2.00% £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+2.020	+4.040
N/A - prevailing interest rates too low to bear a 5% reduction	-0.875	Interest Rate Fluctuations	+0.350	+0.700
INCOME				
+1.180	+0.590	Business Rates	-0.240	-0.480
+0.430	+0.210	Core Government Grant	-0.085	-0.170
+4.900	+2.450	Council Tax	-0.980	-1.960
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200

N/A as amount confirmed	N/A as amount confirmed	New Homes Bonus	N/A as amount confirmed	N/A as amount confirmed
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2021/22 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% £M	-2.50% £M	Forecast Item	+1.00% £M	+2.00% £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+2.020	+4.040
N/A - prevailing interest rates too low to bear a 5% reduction	-0.875	Interest Rate Fluctuations	+0.350	+0.700
INCOME				
+1.230	+0.615	Business Rates	-0.250	-0.500
+0.300	+0.150	Core Government Grant	-0.030	-0.060
+5.100	+2.550	Council Tax	-1.000	-2.000
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200
N/A as amount confirmed	N/A as amount confirmed	New Homes Bonus	N/A as amount confirmed	N/A as amount confirmed

Risk Assessment

The key risks underpinning the forecast (based on value) are shown in more detail below:-

Forecast Item	Budget £M	Comment/ Mitigation
Future Council Budget Reductions	15.3	Delivery plans in place for 2019/20 and 2020/21 with a final efficiency programme to address the 2021/22 deficit to be agreed during 2019/20.
Government Funding	6.2	Budget shown is the estimated position as at the end of 2022. Government funding for 2019/20 has been confirmed and future projections for 2020/21 and 2021/22 are prudently based around previous Government allocations on a % basis.
Improved Better Care Fund	10.2	No indication to date that Government will reduce/remove this funding. More information expected during 2019/20 as part of the Fair Funding Review and green paper on ASC.
Council Tax	103.7	Budget shown is estimated position as at the end of 2022. Future years estimated council tax increases are assumed to be 2% together with a prudent

		assumption on tax base growth. The Government may continue to relax the referendum cap meaning options may be available for further increases.
Pay Awards	7.9	Provision made for a 2% pay award in each year from 2019/20 – 2021/22.
Demography / Demands	5.0	Budget shows provision made in MTFS over the full planning period through to 2022. Demography demands are monitored rigorously throughout each year with forecasts being updated as necessary and separate mitigations being put in place

It is considered that the underlying assumptions of the current MTFS are prudent given the level of future uncertainty and potential for change.

SECTION H – THE COUNCIL’S RESERVE STRATEGY & CAPITAL SPENDING

Reserves Position/ Strategy

The Council builds up income streams that result from, for example, capital receipts (eg sale of assets) and/ or year-end underspends. Such resources tend to be 'one off' in nature and the Council has a specific strategy in place for using/ retaining this type of income.

The position on our level of reserves is regularly reviewed and updated. A report on our reserves position is submitted alongside the MTFs and will detail all funding streams (capital and revenue) that are available for strategic priorities across the 2019 -2022 period.

As outlined previously, our strategy for using one-off resources is split between:-

- Investing in priority one off / capital investment schemes that focus on delivering economic regeneration or social value;
- Revenue 'invest to save' priorities. An example of this is the investment in our SEN-D programme. The SEN-D programme has been reporting an ongoing and increasing year end shortfall over the past 3-4 years. As part of our strategy, one off funding is now being used to address the deficit and support the service in putting a plan in place to deliver a sustainable financial position in future.

NB In very exceptional circumstances reserves may be used as an overall bridging strategy for the Council's budget however this has not been necessary for a number of years.

An updated reserves position has been reported into Cabinet which shows the following position.

	£M
General Fund Resources:	
General Fund Resources	108.0
Existing Capital Programme	(71.8)
Revised Revenue Contingencies	(6.0)
Glassworks Contingency	(2.0)
General Fund Resources Available for Immediate Investment	28.2
HRA / Berneslai Homes Surpluses	21.8
General Fund / Housing Resources Available for Immediate Investment	50.0

Since this time, further reserves have been identified for release as follows:-

- Reserves totalling **£4.4M** were initially set aside as a 'one off' contingency to deal with burgeoning ASC pressures and other future Council priorities. These are no longer required, as in the interim period, the ASC monitoring position has significantly improved. In addition, the Government has also recently announced further one off allocations of £4.5M to address ASC/ CSC pressures;
- The quarter 2 monitoring position is showing a year end outturn of **£2.8M** which can be prudently released into general reserves for one off use;
- Additional one off funding announced in the 2019/20 finance settlement of **£0.9M** relating to the Governments' Business Rates Levy Account Surplus Fund;
- Additional NHB grant of £0.3M for 2019/20 and an additional adjustment to our 2017/18 allocation of £0.2M. On the basis of this, we have prudently increased the assumption on our future NHB allocations by a further £0.6M in 2020-22;

It should also be noted that there are currently a number of funding bids that are currently being progressed particularly in relation to submissions into Sheffield City Region. It is intended to incorporate the outcome of these funding bids into the ongoing review of the MTFS and reserves strategy which will be reported into Cabinet in due course.

The updated reserves position is therefore:-

Updated Reserves Position	£M
General Fund / Housing Resources Available for Immediate Investment	50.0
Uncommitted additional ASC grant	4.4
Q2 forecasted underspend	2.8
Surplus Business Rates Levy Account	0.9
New Homes Bonus	1.1
Revised Position	59.2

Prior to releasing these balances for use, the Council (on the advice of the s151 officer) establishes an appropriate level of retained balances. In advising on an appropriate level there are a number of issues that need to be taken into consideration:-

- Excessive balances can be an opportunity cost to the tax payer with additional spending on services not taking place or Council Tax increases being higher than they would otherwise be;
- Retained balances earn income and can provide internal funding for capital expenditure rather than borrowing;
- Balances that are too low may put the organisation at risk if unexpected demands occur at short notice.

The Council has already established a Minimum Working Balance (MWB) of £15M for General Fund services. It is recommended that the MWB remains at

£15M especially in light of the future uncertainty facing the Council (as outlined throughout this document) as well as the increasing difficulty of implementing the scale and nature of savings required to balance the forecast. This leaves the full £59.2M available for strategic use.

Capital Strategy

The approach for utilising available reserves is captured in our Capital Strategy.

The Capital Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over the medium term (five year) planning period with the Council's [Corporate Plan](#) and its key priorities.

This Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. This also links to the Council's other strategies and plans eg Treasury Management and Reserves Strategies.

On the basis of this strategy, services have submitted outline capital investment proposals for consideration against the total resource available. To assist with the prioritisation process, these proposals have been organised into three main categories due to the restricted nature of some elements of the funding and to take on board the s151 officer's advice in relation to taking on additional borrowing.

The three categories are:-

- **Accelerated Growth schemes;** Accelerating growth schemes are proposals that will stimulate economic development with accompanying future income streams. Such schemes will ensure the borough maintains a level of regeneration that ensures it is not left behind whilst producing an economic return on its investment. It is proposed that the Council considers modest additional borrowing for these types of schemes mainly to provide gap funding to developers where the balance of risk lies away from the Council.
- **Non-accelerating growth schemes;** Non-accelerating growth schemes are schemes that do not necessarily generate economic growth or produce a financial return to the Council but serve to fulfil the Council's wider corporate objectives. It is proposed to utilise the Council's own general fund resources as and when these become available.
- **Housing schemes;** Schemes specifically relating to housing investments are focused on increasing the Council's housing stock and stimulating the private housing market. The proposed funding of such schemes is to use the Council's HRA reserves, BH surpluses and regional/ national funding opportunities. It should be noted that the HRA Reserves element of the funding is restricted to purely Council Housing proposals and therefore will be solely used on these types of schemes.

Cabinet have put forward the following priority schemes for approval in principle as set out below:-

Theme	Value of Capital Proposals (£M)
Accelerating Growth	16.4
Non Accelerating Growth	4.9
Housing	19.9
Total	41.2

The approval of the above schemes results in the following available reserves position:-

Updated Reserves Position	£M
General Fund / Housing Resources Available for Immediate Investment	59.2
Priority Schemes (as above)	41.2
Net Available	18.0
Less: HRA / housing related resources	-1.9
General Fund / Non Ring Fenced Resources Available for Immediate Investment	16.1

The above position includes ring fenced HRA reserves that need to be used to meet specified conditions. Netting down all housing related reserves from the overall total results in £16.1M remaining for General Fund purposes.

At this stage, it is recommended that this amount of £16.1M is set aside as a contingency from the ongoing 'Brexit' uncertainty particularly in light of the major economic programmes / projects that the Council is committed to taking forward in its capital programme.

SECTION I APPENDICES

Appendix A – Detailed Medium Term Financial Forecast

Appendix B - Capital Investment Strategy

Appendix C - Treasury Management Strategy

Appendix D - Financial Resilience Strategy

**2020 FUTURE COUNCIL
DETAILED MEDIUM TERM FINANCIAL FORECAST 2019-2021**

	FORECAST 2019/20		FORECAST 2020/21		FORECAST 2021/22	
	£m		£m		£m	
EXPENDITURE:						
1. Base Net Expenditure (Net of Schools)						
Revised Base Position		168.988		169.064		168.871
2. Fixed and Ongoing (already reported)						
Pay Award, National Insurance and NJC Pay Review in 19/20	2.385		2.000		2.000	
Increments	0.735		0.401		0.401	
National Living Wage /Inflationary Increases	1.715		1.832		1.832	
Other Inflation (inc BSF)	0.923		0.965		0.965	
Financing Capital New Starts Programme (including FYE from Previous Years)	0.270		0.350		0.850	
Housing Benefit admin subsidy grant reduction	0.300					
Public Health loss of grant	0.451					
Improved Better Care Fund (BCF)	-4.200					
Reinvestment of Better Care Fund potentially required	0.800		-2.000			
One off Adult Social Care Grant	-0.546					
Change in Minimum Revenue Provision (MRP) policy	0.000					
Budgeted in year surplus	0.194		-0.194		0.000	
		3.027		3.354		6.048
3. Investment & Other Policy Issues						
Improved Better Care Fund (FYE of investment decision already made)			1.188			
Cost of Care (Residential Fees)	0.449		0.750			
Town Centre Issues (Market Rents and Glassworks - Shortfall in Income)	-0.474		2.300			
MRP Provision	0.220		0.220		0.220	
Provision for Youth Zone			0.300			
		0.195		4.758		0.220
4. Demographic and Demand						
Waste	0.200		0.200		0.200	
Home To School	0.200		0.200		0.200	
Adults Social Care (Demographics and other pressures)	0.419		0.605		0.604	
Additional Service Pressures - SEN(D) and Home to School Transport	0.700		0.000		0.000	
Children's Social Care (Demographics/base issues)	0.200		0.195		0.195	
Demographics Contingency	0.900					
		2.619		1.200		1.199
TOTAL EXPENDITURE BEFORE EFFICIENCIES		174.829		178.376		176.338
5. Efficiency Proposals						
2020 Efficiency Programme	-5.765		-9.505			
		-5.765		-9.505		
TOTAL EXPENDITURE		169.064		168.871		176.338
RESOURCES:						
8. Core Resources						
Council Tax						
Council Tax Income inc Base	89.311		95.063		98.263	
Council Tax Collection Fund Surplus	3.115		2.615		2.000	
		92.426		97.678		100.263
Business Rates Retention (BRR) scheme						
Local Share - Business Rates (net 50% share)	22.314		22.814		23.614	
Local Share - Top Up Grant	31.640		32.240		32.840	
S31 Grant for 2% Capping - Top Up	0.552		0.552		0.552	
Revenue Support Grant (RSG)	19.021		12.745		8.539	
		73.527		68.351		65.545
S31 Grant Per NNDR1 form (Business Rates)						
S31 Grant for Small Business Rate Relief	3.035		3.035		3.035	
		3.035		3.035		3.035
Core Resources b/f		168.988		169.064		168.843
9. Change in Resources						
Council Tax						
Council Tax increase in tax base	1.667		1.200		1.300	
Council Tax Collection Fund Surplus	-0.500		-0.615			
Council Tax increase (@ 4.5% 19/20 inc ASC & 2 thereafter 19/20 inc ASC)	4.085		2.000		2.100	
		5.252		2.585		3.400
Business Rates Retention (BRR) scheme						
Increase in local Share to 75%						
Local Share Business Rate Growth @ 50% share	0.500		0.800		1.000	
Additional S31 Grant for Policy Changes						
Top Up Grant @ 2%	0.600		0.600		0.600	
S31 grant for CPI cap - Top Up						
Revenue Support Grant	-6.276		-4.206		-2.362	
		-5.176		-2.806		-0.762
TOTAL RESOURCES		169.064		168.843		171.481
NET SHORTFALL		0.000		0.028		

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**THE CAPITAL INVESTMENT STRATEGY
2019/20**

INDEX

SECTION	CONTENTS
1.	EXECUTIVE SUMMARY
2.	STRATEGY FRAMEWORK
3.	CAPITAL EXPENDITURE
	<ul style="list-style-type: none"> • What is Capital Expenditure? • Capital Programme Governance & Prioritisation Process • Capital Planning & Approvals Process • Capital Planning Strategy • Capital Programme 2019/20
4.	THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS
	<ul style="list-style-type: none"> • What Type of Capital Assets Does The Council Control? • Asset Management Strategies / Plans • Planned Asset Maintenance
5.	CAPITAL FUNDING
	<ul style="list-style-type: none"> • How is Capital Expenditure Funded? • The Council's Funding Types • External Funding Opportunities • Capital Funding Strategy
6.	TREASURY MANAGEMENT
	<ul style="list-style-type: none"> • What is Treasury Management? • The Treasury Management Strategy • The Council's Borrowing Need, The External Debt Position & Associated Debt Limits • Borrowing Strategy • Debt Repayment Policy • Other Long-Term Liabilities
7.	COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITE
	<ul style="list-style-type: none"> • What is Commercialism? • Treasury Management Investment Strategy • Commercial Strategy • Non Treasury Investments • Risk Appetite Statement
8.	KNOWLEDGE AND SKILLS
	<ul style="list-style-type: none"> • Internal Resources • External Resources • Members
9.	REFERENCES

1 EXECUTIVE SUMMARY

1.1 This Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017 which local authorities must 'have regard to' when carrying out their duties in England under Part 1 of the Local Government Act 2003.

1.2 The Capital Investment Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's [Corporate Plan](#) and the three core priorities that it looks to achieve:

- thriving and vibrant economy;
- people achieving their potential;
- strong and resilient communities; and
- one council.

1.3 This Capital Investment Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. It is also linked and cross referenced to the Council's other strategies and plans.

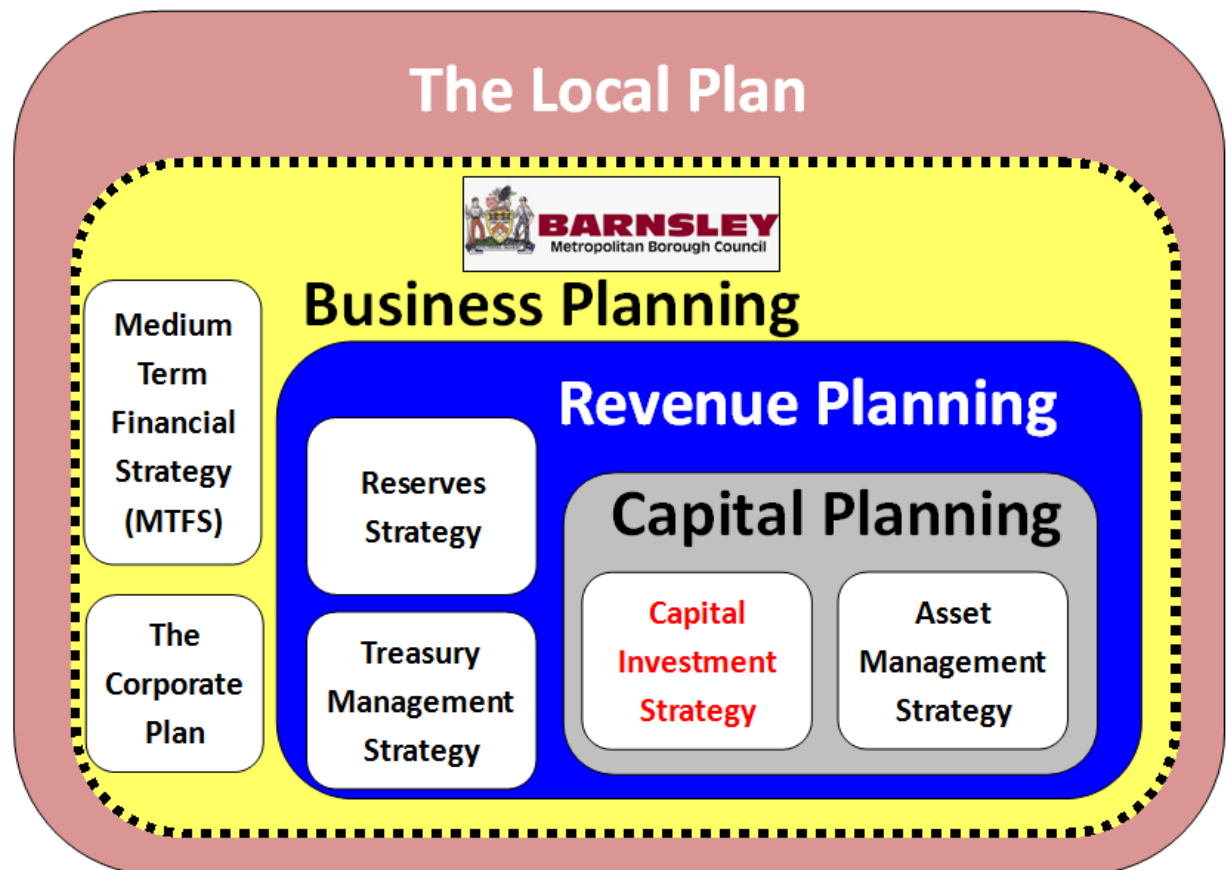
1.4 The objectives of the Capital Investment Strategy are to:

- Provide a framework together with a clear set of objectives, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities within the Council's Corporate Plan;
- Set out how the Council identifies, programmes and prioritises funding requirements and proposals arising from business plans submitted through its Capital Oversight Board, following a stringent gateway appraisal mechanism comprising of Outline Business Case (OBC), progressing to Full Business Cases (FBC) before the necessary approval;
- Consider options available for funding expenditure and how resources may be maximised to generate investment in the area. To determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;
- Identify the resources available for investment over the MTF5 planning period;
- Ensure the strategy has an overall balance of risk on a range of projects over time, funding mechanism and rate of return; and

- Establish effective arrangements for the management of expenditure including the assessment of project outcomes, budget profiling, deliverability, outcomes, value for money and security, liquidity and yield of investments.

2. STRATEGY FRAMEWORK

- 2.1 The framework established by the Prudential Code supports local strategic planning, local asset management planning and proper option appraisal.
- 2.2 This Capital Investment Strategy has been considered within the overarching context of the Council's adoption of the Local Plan, which sets out the long term, strategic plan for the Borough as a whole, delivered by the private sector, other public sector agencies and the Council.
- 2.3 The Local Plan considers the future use of all land within the borough, including Barnsley Town Centre, and establishes policies and proposals up to the year 2033. The Local Plan sets the framework that considers planning applications and coordinates investment decisions that affect the towns, villages and countryside of Barnsley.
- 2.4 The Local Plan includes policies to deliver:
- housing;
 - retail, leisure and commercial development;
 - education, health, police and community facilities;
 - support for transport, minerals, energy, telecoms, water supply and sewage treatment;
 - energy, including renewable sources;
 - the protection and improvement of historic and countryside areas; and
 - the protection of homes and properties from flooding.
- 2.5 The Capital Investment Strategy forms an fundamental part of the Council's overall planning process and, like the other budget papers, is formulated within the context of the overarching Future Council Strategy which establishes the principles by which the Council will achieve the overall Corporate Plan, including the Medium Term Financial Strategy framework
- 2.6 The Capital Investment Strategy is an integral part of the Medium Term Financial Strategy as it complements and informs various elements of the budget setting cycle, predominately the Treasury Management and Reserves strategies respectively.
- 2.7 The graph below shows how the Capital Investment Strategy fits into the wider planning framework and the links into the budget process.



2.8 There are extensive connections between the Council's various strategies and plans due primarily to the way they interrelate with and inform each other. Where applicable, these are cross-referenced throughout the Capital Investment Strategy and vice versa.

3 CAPITAL EXPENDITURE

What is Capital Expenditure?

3.1 An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential Framework.

3.2 The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure.

Instead it:

- Refers to “expenditure of the authority which falls to be capitalised in accordance with proper practices; and
- Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.

3.3 The Council defines capital expenditure/investment as “Expenditure on the acquisition, creation, or enhancement of non-current assets”. Non-current

assets include those items of land, property and plant/equipment, which have a useful life of more than one year.

3.4 The following categories of expenditure will require capital resources to fund their purpose:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures;
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- The acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels;
- The making of advances, grants or other financial assistance towards expenditure or on the acquisition of investments;
- The acquisition of share capital or loan capital; and
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year.

3.5 Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of or in connection with the functions of the Council.

3.6 There are two additional situations where expenditure may be capitalised:

- The Secretary of State makes a direction that the expenditure is permitted to be treated as capital expenditure. For example, the Secretary of State issued a capitalisation direction to allow local authorities the opportunity to apply for redundancy expenditure to be treated as capital instead of revenue. These directions are only issued in exceptional circumstances; and
- Expenditure incurred on works to any land or building in which the Council has no future direct control or benefit from the resultant assets, which would be capital expenditure if the local authority had an interest in that land or building. This is commonly known as (Revenue Expenditure Funded by Capital Under Statute) (REFCUS).

3.7 Unless expenditure qualifies as capital, it will normally fall outside the scope of the framework and therefore be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunity to finance the outlay from available

resources (reserves / receipts) or by spreading the cost over future years' revenues (borrowing) where it is prudent to do so.

De Minimis

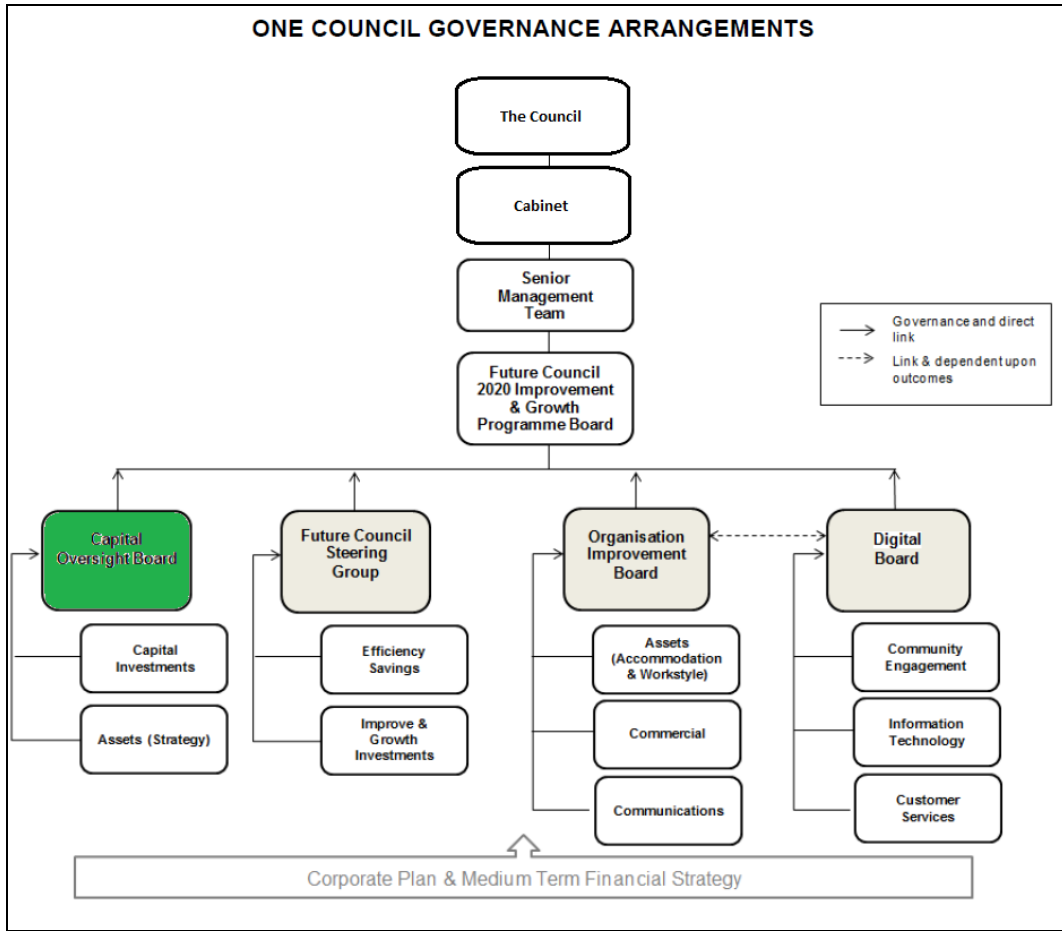
- 3.8 The Council operates a de-minimus limit of **£10,000**. This means that, whilst expenditure may meet the definition of capital expenditure, the Council will treat that expenditure as revenue, if the amount is below the de-minimus threshold.

Flexible Use of Capital Receipts

- 3.9 The Council also has the opportunity to utilise its capital receipts (which are ordinarily to be used on capital expenditure), on revenue expenditure relating to service transformation projects that are expected to generate revenue savings to the Council.
- 3.10 Some examples include: funding the cost of service reconfiguration, restructuring or rationalisation, sharing the costs of senior management, improving systems and processes to tackle fraud and corruption and setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue.
- 3.11 The Council has, at this time, not exercised this flexibility.

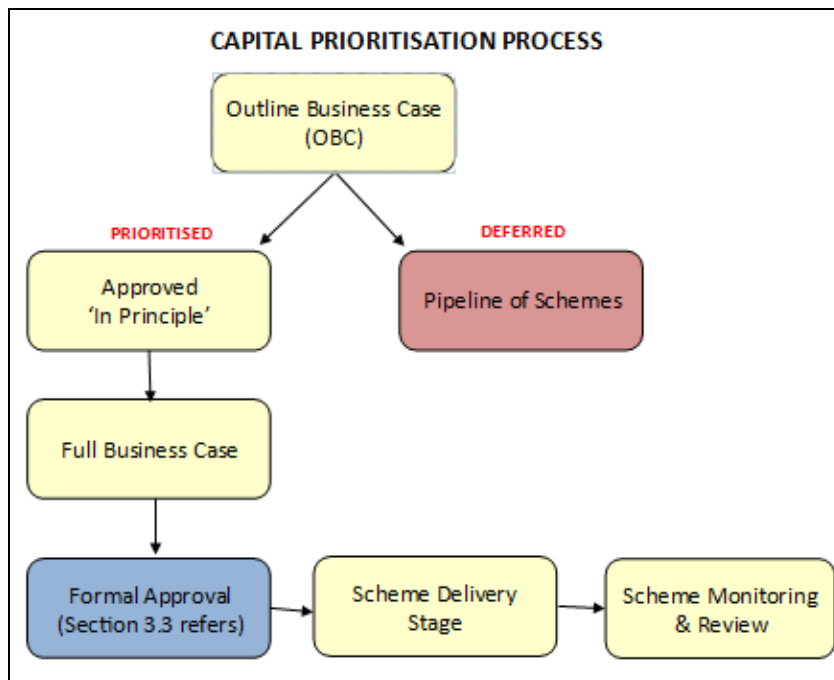
Capital Programme Governance & Prioritisation Process

- 3.12 The nature of capital schemes means that they are often, complex, high risk, high profile and are delivered over a multi-year period. Additionally, the implications and legacy of capital schemes are far reaching.
- 3.13 For these reasons, it is important that the Council adopts and maintains a consistent and robust approach to the development, prioritisation and delivery of capital schemes.
- 3.14 As part of the governance arrangements embedded within the One Council Framework, the Capital Oversight Board is an established body within that overall governance structure – as shown below.



3.15 The main responsibility and focus of the Capital Oversight Board is to review, challenge and ultimately prioritise capital projects as they work through the capital framework (outlined in the paragraphs below), ensuring alignment to the Council’s overall corporate priorities within the finite resources that are available.

3.16 The prioritisation process is shown in the figure below and each stage is explained in the subsequent paragraphs.



Outline Business Case

- 3.17 At this stage, services complete an outline business case, which demonstrates their proposal from a high-level point of view including, for example, the indicative financial requirements, the anticipated financial and non-financial returns and how the proposal would contribute to the Council's objectives.
- 3.18 Members of the Capital Programme Oversight Board then rank each outline business case based on the initial assessment against four scoring and three non-scoring criteria as described below:

No.	Scored Criteria	Scoring Weighting	No.	Non-Scored Criteria
1	Does the proposal deliver efficiency (financial and non-financial) and / or clear return on investment?	30%	1	Impact on corporate priorities
2	Will the proposal lever in other funding sources and investment? E.g. voluntary sector, private sector, SCR	30%	2	Is the investment required for staffing?
3	What are the measurable outputs / outcomes?	20%	3	Timing of return on investment
4	Is there a clear and robust evidence base for doing the scheme?	20%		

- 3.19 The outline business cases are ranked into score order and considered against the total resources identified at that time which results in two lists:
- Pipeline of schemes; and
 - Schemes approved in principle.

Pipeline of Schemes

- 3.20 The pipeline of schemes represents those schemes that are not currently prioritised under the above process and are in effect deferred in terms of progression at that point. Where future resources are identified, these schemes are considered together with all other identified schemes including any new emerging priorities to derive a live pipeline of schemes.

Approved 'in Principle' Schemes

- 3.21 Once schemes have been prioritised, they are deemed approved 'in principle' which means that, given the outline business case, the project is approved to progress through to the full business case stage. The terminology of 'approved in principle' is to distinguish between this and formal Cabinet approval.
- 3.22 Ordinarily, the 'approved in principle' schemes are included in the budget papers that are considered by Cabinet. At this stage, Cabinet would be provisionally approving the setting aside of the resources for such schemes whilst awaiting subsequent reports outlining the detailed business case and associated funding implications.
- 3.23 It should be noted that this list is not intended to be a static position, it is meant to be fluid to allow flexibility in terms of dealing with any unforeseen

emerging priority that becomes apparent. A reprioritisation exercise would be undertaken to include the revised priority if it was deemed more of a priority than other schemes, obviously managed within the finite financial envelope at that point in time.

Full Business Case

- 3.24 Each scheme is then subject to a full and detailed business case, that gives further information around the particulars of the scheme. These business cases are presented to the Capital Oversight Board and SMT respectively, where they are scrutinised and challenged on their robustness and the assumptions therein. Any amendments are weaved in, where applicable and subsequently signed off as approval to progress to the next stage by the Board.

Formal Approval

- 3.25 A formal approval report is then sought outlining the proposal to be considered by the appropriate approval level. The type of formal approval is dictated by the overall capital value of the scheme and follows the Authority's governance and approval arrangements, as outlined in paragraph 3.14.

Scheme Delivery Phase

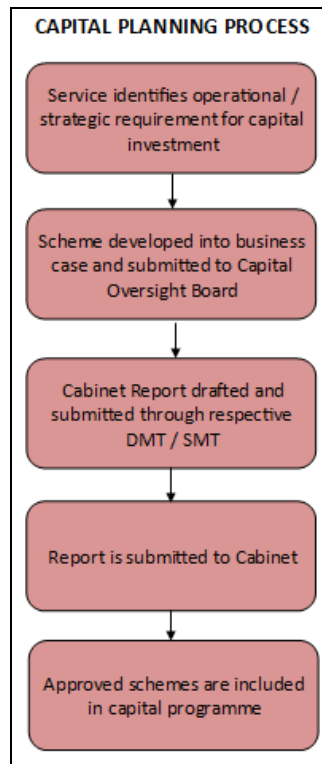
- 3.26 Once approved, the scheme is consolidated into the Council's capital programme and budget assigned as per the approvals accordingly. Project managers can commence incurring expenditure against that budget and the scheme is in delivery phase.

Scheme Monitoring & Review

- 3.27 During the delivery phase, project managers work closely with finance staff to monitor the financial position over the life of the scheme and identify any potential issues relatively early to allow mitigation actions to be implemented.
- 3.28 Updates on both the operational and financial performance of each scheme are given to the Capital Oversight Board on a quarterly basis as well as being included in the overall Council capital programme quarterly budget monitoring reports that are presented to Cabinet throughout the financial year.
- 3.29 Upon completion of the scheme, an investment benefits template is completed by the project manager and submitted to the Capital Oversight Board with the intention of presenting the realised benefits from the scheme and any learning points, positive or negative, for consideration on future schemes.

Capital Planning & Approval Process

- 3.30 The Council's capital planning process is shown in the figure below and each stage is explained in the subsequent paragraphs. The process is continuous throughout the financial year with the main budget-setting element at the start of the financial year seen as the major component to it.



Service Identifies Requirement

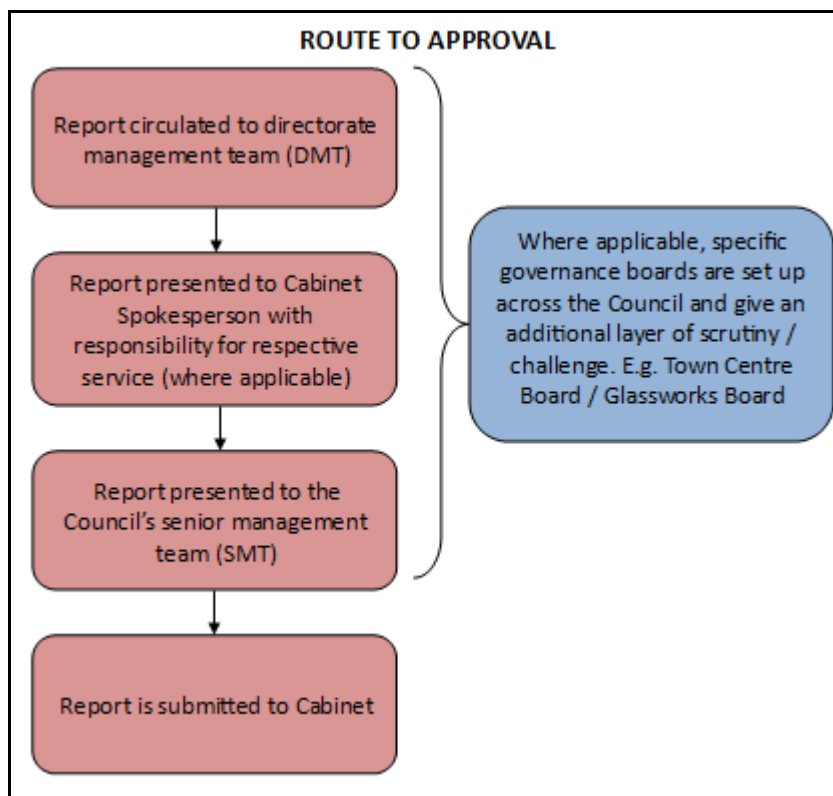
- 3.31 Through the Council strategic planning arrangements, individual business units are responsible for setting their own objectives, aligned to the Council's overall corporate plan. Where a requirement is identified, whether it be strategic or for service delivery, these requirements are built into both operational and financial plans and duly considered.

Scheme Developed to Business Case

- 3.32 Schemes that are deemed priority, whether specific funding has been sourced, or whether the requirement is a call on the Council's overall available resources, identified through the Reserves Strategy, a business case is compiled in conjunction with the process explained in paragraph 3.16. The implications from both capital and revenue perspectives are considered using a whole life cycle costing methodology.

Cabinet Report Produced

- 3.33 Once the business case is established, formal approval is sought and drafted for consideration through the Council's reporting framework, which ordinarily goes through the following route:



Reports Submitted for Approval

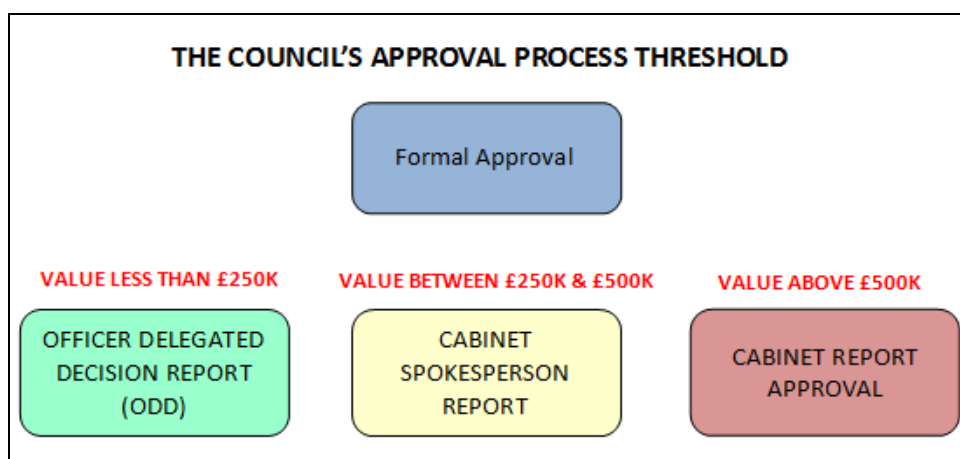
- 3.34 The annual budget papers for both the General Fund and the HRA are submitted to Cabinet for approval in January (HRA) and February (General Fund) respectively. These papers include indicative capital programmes for both areas, which include a combination of a high-level split between high-level work programmes and detailed schemes at this stage. Cabinet are, at this stage, approving the high-level resource allocations matched to the respective work programmes.
- 3.35 The budget papers incorporate both recurrent external resources that the Council receives, typically via government grants and the Council's own one off resources as identified through its Reserve Strategy and Borrowing Strategy. The Council updates its Reserves Strategy periodically throughout the financial year as the budget monitoring position develops and other issues emerge.
- 3.36 Where external funding bids are to be considered in the context of the above, the Council follows the principles set out in its Capital Funding Approach (section 5.38 refers) in respect of the holistic approach adopted. Furthermore, additional elected member consultation is sought at this point via the respective Cabinet representative for the service preparing the bid.
- 3.37 Individual services that are responsible for those work programmes then submit subsequent Cabinet reports that outline, on a more granular and detailed basis, how the resources set aside intend to be used on a scheme by scheme basis. This is based on a business plan that has been through the capital oversight board process. Cabinet are, at this stage, approving the capital expenditure plans.

Approved Schemes Included in Capital Programme

- 3.38 Following approval by Cabinet, these proposals, and their financial plans are included within the Council's Capital Programme and the individual schemes can commence in terms of delivery. See paragraphs 3.27 to 3.29 for commentary on the monitoring and review process.

Capital Programme Approval Thresholds

- 3.39 The Authority's constitution, financial regulations and governance arrangements set out the approval process, which governs the Council's capital programme.
- 3.40 The figure below sets out the type of approval required for each respective range thresholds for values of individual capital schemes. It should be noted that these thresholds are applicable only for schemes that are fully funded. Where the proposal is unfunded, such schemes require Cabinet approval regardless of value.



- 3.41 Where a proposal is politically sensitive, then, at the discretion of SMT, these particular reports may be submitted to Cabinet, regardless of value.

Capital Planning Strategy

- 3.42 The Council will therefore pursue an active strategy of:
- Where specific, external, ring-fenced resources are received, the responsible service prioritises the resources to the areas of greater need (using highways asset condition survey for example) within the requirements and stipulations within those specific funding agreements (e.g. School Condition Grant);
 - Where the Council receives general funding that have no restrictions, including its own resources, due consideration is given to the prioritisation process as described in paragraphs 3.16 through to 3.29 in the financial envelope identified. Reprioritisation exercises can take place as and when priorities emerge;
 - Consideration for using borrowing / leasing will be undertaken for specific gap funding requirements only where the risk resides with the developers and not with the Council. The significant investment in the

Glassworks Scheme in the medium terms means that only prudent and modest additions to the borrowing requirement will be considered and such schemes will be subject to a rigorous analysis to ensure that there is a strong evidence base for the expected future income streams/ economic return.

2020 Capital Programme

- 3.43 The Council is required to present to Cabinet for approval, its capital investment programme on an annual basis for both the general fund and HRA, that are included in the papers to Cabinet in February (GF) and January (HRA) respectively.

Area	Date Approved	Cabinet Ref
General Fund	On the agenda with this Capital Investment Strategy	N/A
Housing Revenue Account	9 th January 2019	Cab.9.1.2018

- 3.44 These papers outline the position for the forthcoming financial year then give an indicative position for the subsequent four years to give an outlook over the medium term 5-year period. The respective programmes are set within the context of this Capital Investment Strategy.
- 3.45 In addition, the capital plans from previous financial years are still included in the programme as multiyear capital projects finalise and complete.
- 3.46 Each project, for reporting purposes is aligned to the council priority that it contributes towards. The table below shows the capital programme including the 2019/20 budget setting papers for an indicative snapshot of the entire approved programme.

3.47 Indicative Capital Programme for 2018/19 through 2022/23 per Corporate Priority

<u>Corporate Priorities</u>	<u>Corporate Outcomes</u>	Existing GF Capital Programme £M	New Approvals - GF £M	Existing HRA Capital Programme £M	New Approvals – HRA £M	New Approvals – Specific Funding £M	Total BMBC Capital Programme £M
THRIVING & VIBRANT ECONOMY	(1) Create More & Better Jobs & Good Business Growth	16.790	4.770	-	-	-	21.560
	(2) Increase Skills To Get More People Working	-	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	143.818	11.643	-	-	-	155.461
	(4) Strengthen Our Visitor Economy	8.724	-	-	-	-	8.724
	(5) Create More & Better Housing	10.736	2.548	143.796	17.313	2.758	177.151
	Sub Total	180.068	18.961	143.796	17.313	2.758	362.896
PEOPLE ACHIEVING THEIR POTENTIAL	(6) Every Child Attends a Good School	6.667	-	-	-	9.742	16.409
	(7) Early, Targeted Support For Those That Need It	-	-	-	-	-	-
	(8) Children & Adults Are Safe From Harm	0.359	-	-	-	-	0.359
	(9) People Are Healthier, Happier, Independent & Active	7.474	-	-	-	-	7.474
	Sub Total	14.500	-	-	-	9.742	24.242
STRONG & RESILIENT COMMUNITIES	(10) People Volunteering & Contributing Towards Stronger Communities	-	-	-	-	-	-
	(11) Protecting The Borough For Future Generations	32.273	4.900	-	-	8.725	45.898
	(12) Customers Can Contact Us Easily & Use More Services Online	0.530	-	-	-	-	0.530
	Sub Total	32.803	4.900	-	-	8.725	46.428
	Total	227.371	23.861	143.796	17.313	21.225	433.566

4 THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS

What Type of Capital Asset Does The Council Control?

- 4.1 The Council is responsible for a wide variety of capital assets, which are located physically throughout the Borough. The Authority controls, but not necessarily legally owns these assets, for a number of reasons:
- firstly, the Council may have inherited them as part of local government reorganisation and by virtue of the existence of the Council in its legal capacity as a local authority e.g. the road network and heritage assets;
 - secondly, the assets could have been purchased or enhanced by the Council through capital investment via its capital programmes over the years e.g. Industrial Sites and software packages such as SAP;
 - thirdly, the Council could have leased or financed the assets via PFI agreement e.g. BSF Schools and leased fleet vehicles; or
 - finally, the assets could be held as a strategic decision made by the Council e.g. loans made to third parties of financial assistance.
- 4.2 These assets are shown in the table below, with their respective value to the Authority as at the 31st March 2018, in accordance with the regulatory reporting requirements. It must be noted that these values does not necessarily constitute what the Authority actually paid for these assets as the asset base are valued regularly to their current existing use value and depreciated over its useful life.
- 4.3 It is important to understand the make-up of the overall Council asset base when considering this Capital Investment Strategy from the contextual viewpoint that ultimately the Council's capital (and revenue) programmes contribute towards maintaining, enhancing and adding to this asset base. A synopsis of each category, together with illustrative examples and commentary of any specific issues is shown in the subsequent paragraphs.

Asset Category	Value as at 31st March 2018 £M
Council Dwellings	543.003
Other Land & Buildings	341.663
Vehicles, Plant, Furniture & Equipment	5.979
Infrastructure Assets	252.227
Heritage & Community Assets	10.427
Assets Under Construction	15.909
Surplus & Held for Sale Assets	9.802
Intangible Assets	1.383
Long Term Investments	4.767
Long Term Debtors	2.728

Council Dwellings

- 4.4 Council dwellings represent the Council's social housing stock held in its role as housing authority, which are held in the Council's HRA and are required to be separately treated from GF activity as per the statutory ring-fence arrangements.
- 4.5 The Council's dwellings are subject to a decency standard, called the Barnsley Home Standard, which continues the Decent Homes Standard as previously set out by Government. Within this context, as part of the HRA budget process, significant capital investment plans are proposed, in conjunction with the 30-year HRA business plan that ensures that this decency standard is maintained.
- 4.6 A further issue in respect of the council dwelling stock is the Right to Buy (RTB) agenda introduced by Government, which allows, within certain parameters, council tenants the right to buy their council home at a discount. To part mitigate the impact of this, again, as part of the HRA budget setting process, capital investment is planned in purchasing empty homes and new build programmes within the Borough to recycle back into housing stock.
- 4.7 In respect of the maintenance of the Council's dwellings, the HRA revenue budget sets aside a significant maintenance budget to ensure the upkeep of its dwelling portfolio. The HRA planned maintenance programme is outlined in paragraphs 4.59 through to 4.63.

Other Land & Buildings

- 4.8 Other land and buildings represent other operational assets of the Council, used in the provision of services, with examples including industrial estates, leisure centres and maintained schools.
- 4.9 The Asset Management Strategy sets out the Council's approach in respect of the management of its land and buildings, and is explained in further detail at paragraphs 4.28 and 4.29.
- 4.10 With respect to maintenance of these assets, the Council has a planned maintenance programme that ensures the upkeep of these assets, which is outlined in paragraphs 4.55 through to 4.58.

Vehicles, Plant, Furniture & Equipment

- 4.11 The vehicles, plant, furniture & equipment category is relatively self-explanatory and includes both leased and owned assets including wheeled bins, waste disposal vehicles and computer hardware.
- 4.12 The Council has a vehicle replacement programme and an IT Technology Refresh programmes to cater for future requirements in those areas. The vehicle replacement programme is applied in the context of the Fleet Strategy, which provides the overarching approach to how the Council disposes, and acquires its fleet vehicles (paragraphs 4.38 through 4.41 refers). Both of these programmes are managed in line with customer requirements and service needs accordingly.

- 4.13 In terms of replacement / renewal, where a priority is identified relating to VPF&E and necessitates an additional call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Infrastructure Assets

- 4.14 Infrastructure assets are assets relating to roads, cycleway and footpath networks as well as its structures, street furniture, traffic management systems, street lighting and highway land.
- 4.15 The Highways Asset Strategy, as summarised in paragraphs 4.32 through to 4.37 below, demonstrates how the Council manages these assets over the medium term in respect of both maintenance and adoption of whole lifecycle costs that determines the approach of renewal and appropriate treatment.

Heritage & Community Assets

- 4.16 Heritage assets are assets that have historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture. Community assets are assets held in perpetuity by the Council for the benefit of its residents, often with some restriction to disposal.

Assets Under Construction

- 4.17 Assets under construction are capital assets that have yet to become operational at the reporting date i.e. they are still under construction and are not currently delivering services.

Surplus & Held for Sale Assets

- 4.18 Surplus assets are assets that are deemed surplus insofar as they are no longer providing services on the Council's behalf, but they are not designated held for sale.
- 4.19 Assets Held for Sale are assets that are, in financial reporting terms, designated held for sale which means they are actively being marketed and there is an expectation that these assets will be sold within the next 12 months.
- 4.20 The Asset Management Regeneration & Growth Plan, outlined in paragraph 4.30 to 4.31 would consider such assets against potential disposal requirements.

Intangible Assets

- 4.21 Intangible assets are non-physical; capital assets held by the Authority, examples include software packages.
- 4.22 In terms of replacement / renewal, where a priority is identified relating from an intangible asset point of view, if the proposal meant an additional

call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Long Term Investments

- 4.23 Long-term investments in this context relate to strategic decisions made by the Council to invest in certain special purpose vehicles (SPV's) that support front line service delivery, which used capital resources to originally fund them – as opposed to treasury management investments that are purely for cash flow activity.
- 4.24 Where these shares/investments are redeemed, the receipt is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those receipts on a prudent basis.

Long Term Debtors

- 4.25 Similar to the long-term investments as outlined in paragraph 4.23 above, long term debtors in this context relate to strategic decisions made by the Council in respect of granting financial assistance and support to partner bodies as long term loans, again, using capital resources to originally fund these.
- 4.26 When these loans are repaid to back to Council, the receipt is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those receipts on a prudent basis.

Asset Management Strategies / Plans

- 4.27 The Council has a number of strategies relating to its assets to ensure that they are still fit for purpose and are as efficient as they can be as a strategic asset base, designed to support services in providing services to the taxpayer. Each of the following strategies has significant influence on the Council's capital programme and assists in shaping its priorities moving forwards.

Asset Management Strategy

- 4.28 Asset Management Strategy seeks to demonstrate that the Council is employing good practice in the management of its assets and is supporting the Council's strategic goals.
- 4.29 The Asset Strategy sets out the Council's key ambitions for the borough, taking into consideration six main themes:
- *Theme 1 - Opportunity Gap* - identifying and addressing the barriers and challenges to eliminate the opportunity gap and release the full potential in the Council's assets. Developing clear pathways to supporting the goals of other corporate plans and strategies;
 - *Theme 2 - Accelerated Growth Sites* - supporting regeneration and growth strategies to accelerate development opportunities. Building strong and lasting relationships with developers;

- *Theme 3 – Communities* - building strong and inclusive communities using asset based community development. Galvanising the strengths that already lie within communities to bring people together;
- *Theme 4 - One Public Estate* - supporting joint working across the public sector organisations to release land and property and boost economic growth, regeneration and integrated public services;
- *Theme 5 - Accommodation & Workstyle* - ensuring that our accommodation supports flexible and agile working. To provide reliable and efficient technology to mobilise employees and enable better and more efficient ways of working;
- *Theme 6 - Energy Management* - minimising our energy consumption and promotion of energy efficient design in new and refurbished buildings. Promotion of renewable energy.

Asset Management / Regeneration & Growth Plan

- 4.30 Following from the context set out in the Asset Management Plan, the Regeneration & Growth Plan outlines and identifies a rolling programme of potentially surplus land and property assets for future year's disposals and/or regeneration.
- 4.31 The Regeneration & Growth Plan supports the Medium Term Financial Strategy and Reserves Strategy respectively by identifying the potential level of one off resources that may be available to support the overall Capital Investment Plan through maximisation of capital receipts and development opportunities through the ongoing review of the Council's assets.

Highway Asset Management Strategy

- 4.32 A high quality highway network asset will contribute to the Council's corporate priorities for growth and prosperity by supporting economic growth through business, commuting and leisure activities.
- 4.33 To achieve this ambition, a whole-life approach to the management of the highway asset has been embraced by building in best-practice methods to deliver the optimum value for money. This output-based approach allows consideration of wider strategic objectives whilst factoring in local priorities. The resulting analysis seeks to ensure that our forward maintenance programme meets the needs of the council and its wider community.
- 4.34 Using this intelligence based approach for the identification and prioritisation of planned maintenance, we will develop long (5+ years), medium (3 year) and short-term (annual) programmes for the asset with prioritisation being transparent and evidence based.
- 4.35 Life cycle plans will consider the condition of the asset and assess its future performance by applying agreed risk and investment policies, which

will be used to develop the works programmes and strategies required to achieve our service objectives.

4.36 The Council will seek to maintain a record of the entire asset, from creation to disposal, which will encompass the main work activities used in the management of a highway network:

- 1) *Operations and Maintenance*: Activities undertaken to ensure the efficient operation and serviceability of the asset;
- 2) *Renewal*: Provision for progressive replacement of individual assets that have reached the end of their useful life and which cannot be sustained by routine maintenance alone; and
- 3) *Development*: Improvement of systems that currently perform below set target service standards or that need upgrading to meet future demand.

4.37 From this collated information, appropriate maintenance interventions are derived in accordance with the principles of whole life costs with the aim of maximising our resource to extend the life of the asset.

The Fleet Strategy

4.38 The Council currently operates and maintains a fleet of over 440 vehicles, plant and equipment. These assets range from a waste disposal vehicle, to a tractor, to a simple car.

4.39 On average, Council vehicles have a useful life of between four and eight years. The actual useful life depends for example the type of vehicle required, how well the vehicle is maintained, service requirements and cost of financing.

4.40 A rolling programme of replacement is undertaken in line with the assets useful life and available resources. Before a vehicle is to be replaced, consideration is also given to a number of other factors. These include:

- Current and future service delivery needs;
- Alternative options e.g. does the vehicle have multiple uses or is there another way in which the service can be delivered without the use of the vehicle;
- Consideration of technological advances including introduction of electric vehicles;
- Financing options including lease or buy.

4.41 In order to seek approval to undertake vehicle replacement(s) a report is presented to Cabinet periodically, which identifies those vehicles to be replaced as well as highlighting what considerations have been given to the factors above.

Housing Strategy

4.42 The Council's Housing Strategy builds on housing and regeneration initiatives that have been delivered across the borough. It also builds on

the progress that Barnsley has made over a number of years towards achieving the long-term goal for the borough as ‘a successful, uniquely distinctive town that offers prosperity and a high quality of life for all’.

- 4.43 It sets out the Council’s ambitions for housing provision, investment and management in the borough over the next 20 years. The Council is prioritising actions with a series of four-year delivery plans, including the issues that are expected to be tackled first and the issues we expect to address over the long term. The plans will also show how we will use our resources and influence partners, particularly the private sector, to achieve our goals.
- 4.44 The housing delivery plan considers five main strategic objectives:
- Support new housing development;
 - Build high quality, desirable and sustainable homes;
 - Make best use of and improve existing housing stock;
 - Develop strong and resilient communities; and
 - Support younger, older and vulnerable people to live independently.

Transport Strategy

- 4.45 The Transport Strategy identifies and prioritises transport interventions associated with sustainable development to meet aspirations as set out in the Council’s Local Plan, the Jobs and Business Plan, the Housing Strategy, Economic Strategy and the Energy Strategy.
- 4.46 Many of the local accessibility and highway interventions will be delivered by the Council, but it is necessary to also work with partner organisations at a local, regional and national level to deliver this strategy. These will encompass other local authorities, local community groups, transport operators, health agencies, the South Yorkshire Passenger Transport Executive, Local Enterprise Partnership, Sheffield City Region, Leeds City Region, Highways England, Network Rail and Government Departments.
- 4.47 It is the Council’s priority for transport investment to support economic growth and to achieve a safe, sustainable community. The Council will utilise funding from a variety of sources, which are needed to realise our ambitions, with these supported by robust modelling and evidence base.
- 4.48 The four key transport priorities within the Transport Strategy sets out how the Council will achieve our vision to promote economic growth and improve the quality of life of Barnsley’s residents and are shown below:
- Promote Economic Growth and Strategic Connections;
 - Promote Inclusion, Accessibility, and Better Quality of Life;
 - Promote High Quality Natural Environment, Local Air Quality and Climate Change; and
 - Promote Safety, Security and Health.

Jobs & Business Growth Plan

- 4.49 The Jobs and Business Growth Plan was launched in 2014 and sets out a framework that sought to deliver a number of key projects, which would set Barnsley on the path of reshaping its economy to close the jobs and business gap.
- 4.50 The strategy has five key programme areas (Attracting Inward Investment, Investing in Infrastructure, Improving the Town Centre, Growing Existing Businesses and Higher Value Start-Ups), within these, 25 key projects were originally identified.
- 4.51 The key headlines are shown below:
- **Invest in Infrastructure** - Property Investment Fund (PIF) is a package of support, which is in place to help address market failure and encourage speculative development in key strategic employment sites;
 - **Town Centre** – a clear strategy for the regeneration of the town centre is being implemented and significant progress has been made in the demolition of redundant buildings, the development of a temporary market building and the commencement of the refurbishment of the Metropolitan Centre;
 - **Inward Investment** – an inward investment team has been established to co-ordinate the Barnsley Offer to potential inward investors and indigenous businesses looking to expand. Investment into the borough is increasing and is now at its highest level for eight years;
 - **Grow Existing Businesses** – the award winning Enterprising Barnsley programme of business support has continued to deliver significant private sector job growth and remains a key product in delivering future economic growth in Barnsley; and
 - **Launchpad** – significant progress has been made in delivering a universal business start-up programme, the establishment of the Sheffield City Region Launchpad helps to ensure a unified approach to start-up provision across the region.

Social Value Policy

- 4.52 The Council has recently adopted a Social Value Policy, which sets out how it approaches its actions and ultimately how it makes decisions, in the context of the wider, social benefits within the Borough.
- 4.53 This policy dovetails and aligns to the Council's overall vision of a Better Barnsley whilst also directly contributing towards the achievement of its core priorities. In respect of achieving the overall vision of a "Better Barnsley" from a Social Value perspective, the Council's philosophy is "Social Value – We Can Do Better".
- 4.54 The Council will achieve this vision through:
- **Supply Chain Management** – utilising local suppliers;
 - **Employment and Skills** – encouragement of local employment, use of apprentices;

- **Sustainability** – ensuring the longevity of the economy / jobs market etc. over both the medium and long-term horizons;
- **Economic Regeneration** – aligns and complements with the Jobs & Business Growth Plan in respect of growing and developing the Borough's economy.

Planned Asset Maintenance

General Fund Planned Asset Maintenance

- 4.55 The planned maintenance programme is based on the principles of good asset management practice supported by an asset management planning system in accordance with both Government and RICS guidelines.
- 4.56 The Assets team use a prioritisation methodology as to how best to utilise their resources through the planned maintenance programme, which is explained below:
1. A comprehensive list of the Authority's priorities is compiled from business unit plans. Due to the scale of the Council's maintenance backlog, this list always exceeds the resources available;
 2. A risk management system is used to prioritise the maintenance proposals against the available resources, i.e. worst first. Some items are prioritised by services alone because they are urgent health and safety risks;
 3. Assessment of available condition data is undertaken to globally prioritise all identified maintenance needs for the Authority in priority order.
- 4.57 The result of this exercise is that a schedule of maintenance priorities, originating from Service Plans, is produced.
- 4.58 A full review of cyclical maintenance in Council buildings is carried out annually, to ensure that the Council is meeting statutory and insurance obligations. A key benefit of a comprehensive cyclical maintenance programme is that by maintaining stock effectively, efficiency will be maximised and the life of components within buildings will be prolonged.

HRA Planned Asset Maintenance – The Social Housing Property Repairs & Improvement Contract (PRIP)

- 4.59 The Council is committed to investing in both its housing stock and its communities and considers an efficient and effective housing repairs, maintenance and capital improvements service across the Borough a top priority, and one of the keystones of Council policies.
- 4.60 Over the last decade, the Council has had excellent results from its Property Repairs and Improvement Partnership (PRIP) Contract with the appointed contractors.

4.61 The Contractor is required to deliver large-scale social housing maintenance and improvement works to the Council's housing stock including:

- Emergency and Out of Hours Repairs;
- Reactive Day-to-Day Repairs;
- Gas Repairs and Servicing;
- Cyclical and Planned Maintenance;
- Void Properties Maintenance;
- Major and Minor Adaptations Work; and
- Whole House / Elemental Capital Improvements.

4.62 The HRA revenue budget has a significant element set aside of its total budget for repairs and maintenance to its housing stock which, together with the Barnsley Homes programme from a capital perspective, ensure that the housing stock is to the decency standards.

4.63 The level of repairs and maintenance, in respect of the 30-year business plan, is sustained over that period which safeguards the Council's stock from disrepair and ultimately maintains a valuable income stream to the Council, through dwelling rents.

5 CAPITAL FUNDING

How is Capital Expenditure Funded?

- 5.1 The Council's Capital Programme is currently funded from a variety of sources, which are explained in the paragraphs below, together with the process by which these sources are used/prioritised and any wider implications moving forwards.
- 5.2 The Council's overall strategy with regards capital funding is to bring together the resources that it has it can control i.e. not ring-fenced / time limited, and considers them collectively against the Council's capital priorities holistically. Section 5.38 demonstrates this in greater depth and detail.
- 5.3 Each funding source and the specific variants on each funding source that the Council utilises are discussed in sections 5.4 to 5.30 below.

Funding Sources

Capital Receipts

- 5.4 The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. There are differing types of receipts that the Authority receives that are treated in different ways – these are explained in the paragraphs below.
- 5.5 *Earmarked Capital Receipts* – such receipts are that, once received, are earmarked for a specific purpose or use. Earmarkings are ordinarily stipulated at the point of approval relating to the disposal of certain assets. For example, the receipts from the disposal of the former secondary school sites are earmarked for writing down the Council debt requirement following the Building Schools for the Future (BSF) programme.
- 5.6 *Dwelling Receipts* – such receipts are those generated from the sale of the Council's dwellings (Council Houses). There are stipulations by Government about the use of these receipts. The gross receipts are split between:
- Contribution to Council's transaction costs (to revenue);
 - Government's share (payable to Government);
 - The Council's general share (retained by the Council – no restrictions to use);
 - Allowable Receipts (retained by the Council – no restrictions to use, though an internal adjustment would be required between GF and HRA CFR's if used on non-housing/economic regeneration schemes). These receipts notionally relate to the debt incurred by the Council in constructing/acquiring the council houses that have been sold;
 - 1-4-1 Receipts (retained by the Council – restrictions to use). The 1-4-1 receipts are restricted to: 1) use on increasing housing stock, 2) use within 3 years of receipt and 3) restricted to fund no more than 30% of the cost of such schemes.

- 5.7 *General Receipts* – such receipts are received with no restrictions as to their use. These ordinarily are receipts received from the adoption of the Asset Disposal Programme (as referred to in the Asset Management Strategy 2017-22). These resources are held corporately, pending the Authority’s Reserve Strategy and MTFs, which makes them available for consideration against the Council’s corporate capital priorities.

Reserves

- 5.8 The Council holds both general fund and HRA reserves on its balance sheet respectively, that are generally as a result of an accumulation of previous years’ underspends against approved budgets.
- 5.9 Both HRA and General Fund reserves can be applied to either revenue or capital expenditure though HRA reserves must be spent on housing activities as per the ring-fence arrangements, as stipulated by legislation.
- 5.10 The reserves held ordinarily fall within one of these three categories:
- Service Earmarkings – these are resources held for specific service delivery reasons that will complete in future years;
 - Minimum Working Balance – as determined by the Section 151 Officer for unforeseen events / contingency from both GF and HRA perspectives; or
 - Corporate Priorities – these are resources held for future identified prioritised schemes / pressures, of which the capital priorities are included.
- 5.11 The respective reserves strategies for GF and HRA follow the same principles, which are outlined below:
- Reserves are only used for one off investments, which tend to be typically capital in nature;
 - Any available resources identified, over and above service specific reserves are considered holistically together with the view to prioritise accordingly;
 - The level and type of reserves held is periodically reviewed for adequacy and necessity with any reserves no longer needed, considered against the wider prioritisation requirements.

Revenue Funding (RCCO)

- 5.12 The Council can use revenue resources to fund capital projects on a direct basis and ordinarily, this is done on a specific scheme/project basis, usually of relatively small scale. This is due to the impact of austerity measures imposed by the Government, which has seen the Council’s revenue budget reduced and therefore, has limited options in this area.

Capital Grants

- 5.13 A large proportion of the capital funding that the Council receives relates to capital grants, of which there are generally two main types, recurrent and one-off.

- 5.14 *Recurrent Grants* – these external grant allocations are received by the Council annually and relates to major areas of the Council’s capital programme e.g. Highways funding via Sheffield City Region, School Condition & Basic Needs Grant from the Department for Education and Disabled Facilities Grant from the Ministry of Housing, Communities & Local Government.
- 5.15 *One-off Grants* – by definition, these grants are received for one off projects/schemes and are usually subject to a bidding / application process. Certain grant bodies require a ‘match’ funding element, which ultimately means that the Council has to contribute its own resources as a commitment to the scheme. Where the responsible service has specific resources available for the match element, then this can be used. Where it does not, then the match element is treated like a capital call on the Council’s own capital resources and therefore included in the prioritisation process accordingly.
- 5.16 Both types of grants (recurrent / one off) may have conditions and restrictions regarding what it can be used on and the time limit in doing so, where applicable.
- 5.17 *Grants with Restrictions* – where restrictions are applied to grants, this means that the Council is restricted as to what they can spend the grant on. Therefore, the Council aligns these specific grants to the schemes that satisfy the inherent conditions of the grants.
- 5.18 *Grants with No Restrictions* – where the Council receives any grant that is not subject to any conditions or restrictions, these resources are held corporately, pending the Authority’s Reserve Strategy and MTFs, which makes them available for consideration against the Council’s corporate capital priorities.
- 5.19 The Council is part of the Sheffield City Region. This is a relatively newly formed public administration that is part of the devolution of power agenda of the Government with powers transferred at a regional level to local government. The Council has and continues to receive a significant amount of grant from Sheffield City Region. Sections 5.31 to 5.37 explains the relationship between the Council and Sheffield City Region in terms of funding opportunities over the medium to long term.

Capital Contributions

- 5.20 The Council receives a significant level of capital contributions that fund elements of the capital programme. An example of this is Section 106 contributions that are received by developers as condition of award of planning permission, usually for spend on the betterment of the immediate area.
- 5.21 In a similar manner to grants, capital contributions can be either recurrent or one-off and they can either be subject to restrictions and conditions. Typically, most contributions tend to be restricted and one-off in nature, though these characteristics are determined by each individual agreement.

- 5.22 Where contributions are received with conditions, specific schemes are proposed to spend the contribution accordingly, in line with the restrictions stipulated. In the event of an unrestricted contribution being received, these resources are held corporately, pending the Authority's Reserve Strategy and MTFs, which makes them available for consideration against the Council's corporate capital priorities.

Leasing

- 5.23 The leasing route in respect of funding capital expenditure allows those capital costs to be spread over a number of years where prudent and affordable to do so, and is commonly compared with borrowing in respect of a value for money assessment over the life of a scheme.
- 5.24 Leasing is a series of rental payments in exchange for use of an asset and they tend to be specific to certain elements of the capital programme, specifically buildings, vehicles and equipment.
- 5.25 In accounting terms, there are currently two types of lease, an operating and a finance lease, the treatment of which are very different in the context of capital financing.
- An operating lease is one where the risk and reward remains with the lessor and therefore the asset remains on the lessor's balance sheet, with the annual rentals being expensed through the revenue budget. The Council is party to a number of these arrangements; and
 - A finance lease is one that does transfer the risks and rewards to the lessee, and therefore the asset does transfer to the lessee's balance sheet via a capital transaction. At the point of inception of the lease, a liability is created to finance the asset over the lease term, with the annual rental being split notionally between interest and principal.
- 5.26 The implications on the capital position of the Council of finance leases is that the debt requirement is increased as a result, albeit, it's a funded credit facility in its own right, nevertheless it does increase that requirement.
- 5.27 In 2020/21, the accounting requirements are changing in respect of leasing, through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases – all leases will be now effectively finance leases which means that the Council's debt requirement will increase. Decisions to lease in the future will be considered against this new accounting standard.

Prudential Borrowing

- 5.28 The introduction of the Prudential Code in 2004 allowed the Council to undertake government funded borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities, which ensures that any unsupported borrowing is affordable, prudent and cost effective. This type of borrowing has revenue implications

for the Council in the form of financing costs from both an MRP and interest point of view.

- 5.29 Within the current MTFS, there is an ongoing revenue budgetary provision to support an additional £5M of capital investment funded from borrowing, per annum. This roughly equates to a base budget provision of approximately £0.270M for 2019/20.
- 5.30 Any further contemplation of increasing the Council's debt requirement through additional borrowing, over the £5M as outlined in paragraph 5.29 above, is only considered based on schemes that have a strong evidence base to support stimulation of economic development in the Borough, together with the accompanying future income streams back to the Council.

External Funding Opportunities

- 5.31 Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom with powers being transferred at a regional level to local government, in the Council's case via the Sheffield City Region.
- 5.32 The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, acres of countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.
- 5.33 It is important that the Council retains a key role in the SCR to ensure that it can feed into and benefit from the SCR especially any funding opportunities. The SCR is the lead organisation for the following key strategic programmes:
- *Growth Plan*: sets out the Sheffield City Region's plans to transform the local economy over the next decade;
 - *LEP Board*: Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs;
 - *Combined Authority*: The term "Combined Authority" means the bringing together of two statutory bodies - the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.
- 5.34 The Sheffield City Region currently represents perhaps the most significant funding source to the Council in terms of supporting the delivery of its major capital investment plans. With the wide variety, nature and size of the funding streams already at its disposal and funds that it will be responsible for in the near future, it is vital that the Council ensures its priorities are fed into SCR planning and programme development.
- 5.35 In July 2014, the SCR secured £297M of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting

business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21.

5.36 Incidentally, the Council has already benefited by securing funding via SCR for developments at M1 Junctions 36 and 37. A number of bids are also actively being progressed including funding to support the Glassworks Development and Digital Campus.

5.37 Within the Council, a refreshed external funding strategy is currently being developed to provide Elected Members, Officers and our Partners with a robust framework that will enable them to identify and optimise available external funding opportunities in a co-ordinated, dynamic, and innovative manner, the key aims of the strategy being:

- To provide a strategically “synched” framework for the identification, evaluation, and optimisation of external funding opportunities for the Council and its Partners;
- To facilitate a consistent, standardised and co-ordinated approach to support the pursuit and subsequent management of external funding including the establishment of processes to trigger consideration of financial, procurement and legal requirements;
- To provide the resources necessary to effectively identify / communicate / signpost and access funding opportunities; these to be made available both across the Council and to its partners;
- To actively support the development of skills and expertise of the Council and its partners in funding optimisation and management; and
- To develop collective awareness of the status / intent of external funding opportunities, bids and awards to prevent duplication of bids and support holistic, intelligent optimisation of funding.

Capital Funding Approach

- 5.38 The Council will look to actively follow an approach to capital funding as set out below, although the Council may make changes to this approach if it is deemed necessary in order to deliver priority outcomes and/or maximise its resources.
- Time limited funding – funding that must be used within a specified time period will usually be applied first, assuming that there is expenditure that it can be legitimately be applied to. This is subject to any requirements for match funding.
 - Ring-fenced funding – funding linked to a particular scheme or type of scheme will be allocated in full to the relevant capital projects. One example is Government funding for Disabled Facilities Grants.
 - Where the Council has discretion over how the funding can be spent, including non-restricted grants and contributions, affordable prudential borrowing allocations and its internally generated resources (capital receipts, revenue contributions, reserves etc.), these resources are considered holistically together and prudently used against the Council's corporate priorities via the prioritisation process as described in paragraphs 3.16 through to 3.29.
 - Match funding – where match funding of the Council's own resources are required to lever in external funding, the match element will be considered as a capital priority in its own right and is therefore subject to the same capital prioritisation process as other capital priorities.
 - Leasing / Borrowing – Over and above an annual £5M prudent and affordable allocation of borrowing, only prudent and modest proposed schemes that have a robust case for stimulating economic growth in the Borough will be duly considered. The scrutiny and due diligence on such schemes is intensified and subject to further robust challenge, together with phasing of the scheme to actively spread the risk to the Council.
 - External Funding – The Council is in the process of adopting a new external funding strategy, which aims to identify and view external opportunities on a holistic basis. This strategy will seek to review all available external funding sources open to the Council and implement the key processes and procedures that need to be adopted when considering / making an application for funding from an external source.

6 TREASURY MANAGEMENT

What is Treasury Management?

6.1 CIPFA defines treasury management as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

6.2 The definition above immediately explicitly links this Capital Investment Strategy (“*capital market transactions*”) to the Council’s Treasury Management Strategy (“*Borrowing, investment and cash flows*”). The Capital Investment Strategy and Capital Programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Treasury Management Strategy

6.3 The Council’s Treasury Management Strategy, which is prepared in accordance with the requirements of the Local Government Act 2003, that stipulates that local authorities must ‘have regard to’ a number of statutory codes, including the CIPFA Prudential Code & Treasury Management Code, is approved annually by full Council, as part of the budget setting process.

6.4 In broad terms, the TM Strategy sets out the following:

- the Council’s Treasury Management Policy (the key objectives for its treasury management activities);
- the Council’s capital expenditure plans and related indicators;
- the Council’s MRP Policy (how its debt repayments will be provided for over time);
- the Council’s borrowing strategy (how the Council’s borrowings are to be organised);
- the Council’s Annual Investment Strategy (the parameters on how investments are to be managed).

The Council’s Borrowing Need, The External Debt Position & Associated Debt Limits

The Council’s Borrowing Need (The CFR)

6.5 The measure that the Council assesses its debt position is the Capital Financing Requirement (CFR), which is essentially a measure of the Council’s underlying borrowing need. Included in the Treasury Strategy, Members are asked to approve the CFR projections below, which include both approved and anticipated capital expenditure that are not financed by using available resources i.e. Prudential Borrowing:

Estimates of Capital Financing Requirement (CFR)	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Opening CFR	949,904	959,783	1,000,971	1,045,983	1,036,612	1,026,394
Add Schemes Funded from Borrowing / Finance Lease	19,296	50,964	56,155	466	0	0
Less Amounts Set Aside to Repay Debt	(9,417)	(9,776)	(11,143)	(9,837)	(10,218)	(10,582)
Closing CFR	959,783	1,000,971	1,045,983	1,036,612	1,026,394	1,015,812
GF	691,967	737,380	787,034	780,663	773,445	765,863
HRA	267,816	263,591	258,949	255,949	252,949	249,949

6.6 By the end of the 2021/22 financial year, it is estimated that the Council's debt requirement will total £1.016bn, an overall net increase of £15M from the forecast 2019/20 position.

6.7 The capital expenditure decisions that are made in the context of this Capital Investment Strategy inform the estimated CFR position in future years, which are only approved if they meet the prudent and affordable criteria.

External Debt

6.8 The table below measures the Council's overall external debt position (including leasing) against its underlying estimated borrowing need or CFR.

Gross Borrowing and CFR	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Borrowing CFR	719,107	762,022	809,236	802,175	794,464	786,565
Gross Borrowing*	(666,815)	(618,478)	(592,576)	(585,183)	(557,446)	(544,012)
Under-Borrowed Position	52,292	143,544	216,660	216,992	237,018	242,553
Support from Useable Reserves	(52,292)	(40,606)	(36,226)	(38,226)	(38,226)	(20,200)
External Borrowing Requirement	-	102,938	180,434	178,766	198,792	222,353
GF	-	60,688	135,563	135,903	152,913	170,673
HRA	-	42,250	44,871	42,863	45,879	51,680

6.9 This measure is designed to ensure that total debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

Debt Limits

6.10 *The Operational Boundary* is the Council's limit beyond which external debt is not normally expected to exceed. This limit is set to match the Capital Financing Requirement as shown above:

Operational Boundary	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Debt	762,022	809,235	802,175	794,464	786,564
Other Long Term Liabilities (Excluding Transferred Debt)	238,949	236,747	234,437	231,930	229,247
Total	1,000,971	1,045,982	1,036,612	1,026,394	1,015,811

- 6.11 *The Authorised Limit* represents a control on the maximum level of borrowing and provides an absolute limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Debt	792,022	839,235	832,175	824,464	816,564
Other Long Term Liabilities (Excluding Transferred Debt)	238,949	236,747	234,437	231,930	229,247
Total	1,030,971	1,075,982	1,066,612	1,056,394	1,045,811

Borrowing Strategy

- 6.12 The Council's general policy objective is to ensure its level of debt is prudent and sustainable (i.e. keeping financing costs to a minimum) whilst addressing the key associated risks:

- Interest Rate Risk; and
- Refinancing Risk

- 6.13 To protect the Council from interest rate and refinancing risk, the recommended strategy is to:

- **De-risk the Council's debt portfolio** by reducing future interest rate exposure towards the following targets:
 - ≤ 15% of the Council's debt portfolio
 - ≤ 30% of the Council's CFR
- Whilst using the above targets as the primary measures, **still maintain an under-borrowed position for the Council** to keep financing costs to a minimum.

Debt Repayment Policy

- 6.14 The method by which the Council's underlying borrowing requirement is reduced over time, is through a number of policies that been adopted by the Council.

Minimum Revenue Provision (MRP)

- 6.16 The Minimum Revenue Provision (MRP) is a charge to the revenue account in relation to (current and residual) General Fund capital expenditure financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) Regulations 2003. The Council is required to determine an amount of MRP, which it considers prudent - this amount reduces the CFR.
- 6.17 The Council has approved the MRP Policy on an ongoing, annual basis which sets out the rationale and approach to the MRP charge, which is submitted as an appendix to the Treasury Management Strategy and considered accordingly

Earmarked Capital Receipts

- 6.18 In some cases, specific approval was given to use the generated capital receipts from certain asset disposals to write down the debt requirement accordingly. The biggest example of this forms part of the Council's Building Schools for the Future programme where the Council's estate of secondary schools was replaced by brand new facilities, which deemed the old sites surplus.
- 6.19 As these old sites are sold, and the receipts are received by the Council, they are used to write down the underlying debt requirement in accordance with the original Cabinet agreement.

Capital Loans & Investments

- 6.20 Where the Council has made a strategic decision to provide financial assistance to a third party body, or invest in a partner organisation, using capital resources, where the Council receives repayments of those loans or redemptions of those shares/investments, it is the Council's policy to write down the underlying debt requirement accordingly.

Other Long-Term Liabilities

- 6.21 The Council also holds a significant value of other long-term liabilities on its balance sheet, which mainly relate to financing of Private Finance Initiative (PFI) schemes and leasing schemes.
- 6.22 In accounting terms, finance leases and most PFI agreements are accounted for as 'on balance sheet', which means that the Council, though not legally owning the associated assets, recognise them on its balance sheet as they have deemed control – which increases the CFR as they haven't yet been financed fully.
- 6.23 What the accounting rules also requires is that a liability is recognised at the time of control to recognise that these arrangements are effectively funding the capital cost of the asset over the length of the lease / PFI agreement. In effect, the long-term liability is a credit facility in its own right.

7 COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITIE STATEMENT

What is Commercialism?

- 7.1 Since 2010, Central Government's austerity measures have hit local authorities' financial position particularly hard, with most losing at least 50% of government funding over that period. Whilst difficult decisions have, and continue to be made, this pressure has also acted as a driver for creative solutions right across the country.
- 7.2 Councils are identifying and are using approaches that are more enterprising in nature, in order to balance their budgets. These include actively seeking new and innovative revenue streams.
- 7.3 As a concept for delivering public services, 'commercialisation' is by no means a new idea, but how it has been interpreted and adopted over the years has varied widely. In essence, it comes down to income generation or, at least, a return on investment, which is being used to plug the gaps left by the cuts in funding.
- 7.4 In response to this activity, the Government decided to reissue a piece of statutory guidance around investments, that was originally issued as part of the 2003 Local Government Act, in an attempt to try and improve transparency and openness relating to some of the non-traditional local authority investments.
- 7.5 A range of new disclosures and reporting mechanisms were introduced as a result, which included a requirement for local authorities to clarify how "non-core investments" contribute towards their core objectives to deliver services to residents.
- 7.6 Councils will also be required to consider a list of quantitative indicators, which will highlight the total risk exposure from borrowing and commercial investment decisions and aid the decision making process for members. Where a local authority is, or plans to become dependent on yield bearing investment activity to achieve a balanced revenue budget, disclosures should be made detailing the extent to which funding expenditure to meet the core functions of the local authority is dependent on achieving the expected net yield.

Treasury Management Investments

- 7.7 The investments made in respect of the Treasury Management Strategy relate to ones that assist the Council in managing timing issues concerning general, day-to-day management of its cash and bank balance positions. These investments are not included within the Council's capital programme and therefore do not form part of the capital financing requirement.
- 7.8 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of associated risks. The Authority's investment priorities (in order) are as follows:

- the security of capital;

- the liquidity of investments; and
- optimum yield commensurate with the above.

The Commercial Strategy

- 7.9 Central Government have made a clear statement of intent that Local Authorities should ultimately become self-financing by raising funding local through taxation, fee and charges and other income sources.
- 7.10 To support this in 2017 the Council adopted its Commercial Strategy. This strategy is more than just about generating income it is about adopting a more business like mind set by developing and embedding commercial expertise and acumen.
- 7.11 There are a number of key elements that the Council and its officers need to remain focused in order to continue on our journey to becoming more commercially focused. These elements include:
- Consideration of whole life costs of decisions;
 - Improving efficiency by reducing costs and streamlining processes;
 - Benchmarking our costs and performance;
 - Making evidenced based decisions; and
 - Identifying new opportunities.
- 7.12 In order to ensure we will do the above the Commercial Strategy sets out four key themes:
- Developing a Commercial Culture;
 - Demonstrate Value for Money across all activities;
 - Effective Procurement and Commissioning; and
 - Maximise Income Generation.

Non-Treasury Investments

- 7.13 On the contrary to the treasury management investments, the non-treasury investments are included in the Council's capital programme and are subject to the capital financing regulations as set out in law. If such investments are funded from borrowing, then like any other scheme, they would increase the Council's capital financing requirement and the revenue budget would incur an ongoing obligation for both MRP and the interest charge over the long term.

Accelerating Growth

- 7.14 The Council is committed to playing a pivotal part in the regeneration of the borough. With this in mind, careful consideration is given to regeneration schemes that accelerate growth which generate future income streams. Such schemes will ensure the borough maintains a level of regeneration that ensures it is not left behind whilst producing an economic return on its investment. These schemes may also produce a financial return that can potentially support wider Council priorities.

- 7.15 Following a rigorous assessment of such schemes to ensure that there is strong evidence of expected future income streams/ economic return; consideration will be given to prudentially borrow for these schemes.
- 7.16 In addition to applying strong due diligence to each individual scheme, such proposals are to be phased over a period of time to allow time to review existing schemes, manage risk and also assess the overall debt position of the Council.
- 7.17 Furthermore, the Council looks to spread the risk on such schemes by prudently implementing such schemes on a phased basis over time. This then ensures that the Council is not subject to any significant risk inherent in a number of schemes, at any one time.

Risk Appetite Statement

- 7.18 This outlines Barnsley Metropolitan Borough Council's risk appetite with regard to its investment and commercial activities.
- 7.19 For the purpose of this statement, we have adopted the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time." It is important to note that risk will always exist in some measure and cannot be removed in its entirety.
- 7.20 Additionally, in order to realise investment and commercial gains, one has to take some measure of risk. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation or can be brought to bear.
- 7.21 The Council's risk appetite statement sets out how it balances risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well, thought through risks to aid successful delivery of its services and obligations, while also understanding the adverse aspects of risk undertaken and taking appropriate measures to mitigate these in line with its stated goals. Thereby, the Council's risk judgements are more explicit, transparent and consistent over time.
- 7.22 The risk appetite statement forms a key element of the Council's governance and reporting framework and is set by full Council, which also reviews the statement annually. In addition, the risk appetite will be considered annually and monitored on an ongoing basis by senior management, external risk advisors and the Audit Committee as appropriate.
- 7.23 The following points give indication of the Council risk appetite:
- The Council does not invest in any assets / investments purely for commercial return. All investments are made within the context of

the Corporate Plan and corporate priorities to stimulate economic growth in the Borough;

- The Council does not invest in any assets / investments that are outside of the Borough with all investments contributing towards the corporate priorities for the residents of the Borough;
- Certain schemes such as Property Investment Fund (PIF) are specifically designed to stimulate particular parts of the Borough by assisting external developers;
- Further consideration will be given to schemes to support such developments across the Borough where the risk sits wholly with the developers.

8 SKILLS & KNOWLEDGE

In House Resources

8.1 The successful implementation of the Capital Investment Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects;
- acquiring and selling properties;
- commissioning partners to deliver the capital programme;
- managing properties as a landlord;
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

Asset Management

8.2 The Council Asset Management team within the Place Directorate is responsible for managing the current operational and non-operational asset portfolio. This team comprises:

- Head of Property;
- Group Leader - Assets
- Building Surveyors, Inspectors and Estate Officers

Economic Regeneration & Housing Growth

8.3 Whilst all services are integral to delivering this Capital Investment Strategy to achieve the Council's overall objectives, two services within the Place Directorate are pivotal to the strategies delivery.

The Economic Regeneration service is specifically responsible for stimulating economic regeneration and business growth within the Borough. The Housing Growth service on the other hand is responsible for stimulating growth in specifically in the housing sector from both private and social perspectives.

Finance

8.4 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

8.5 The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing CPD programme.

8.6 All of the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required, external professional advice is taken.

Capital Oversight Board

- 8.7 The members of the Capital Oversight Board have a wealth of experience and knowledge across this, and other local authorities. There are a number of the Council's senior officers that sit on the Board, including the Executive Director for Place and the S151 Officer. Furthermore, a wide variety of services from across the Council are represented to ensure that all relevant decision shapers are present and are able to contribute.

Externally Available Resources

- 8.8 The Council also makes use of external advice in developing projects or undertaking due diligence. Good examples include the appointment of development management organisations on the town centre redevelopment as well as using regularly utilising the Council's asset management partners NPS Barnsley who provide construction procurement, quantity surveying and design services. Other advice is commissioned as and when required.
- 8.9 The Council also uses external treasury management advisors, Link Asset Services for bespoke advice and guidance.

Members

- 8.10 Members are familiar with the budget process and approve the Treasury Management Strategy and overall Council Budget. Any additional training requirements will be discussed with the Council Governance team.
- 8.11 Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.
- 8.12 The Council's Treasury Management Panel (Members and senior officer group) are briefed regularly on treasury activity and are kept abreast of any developments that may affect the risk influencing the Council's portfolio.
- 8.13 The knowledge and skills of officers and members are commensurate with the Council's risk appetite.

9 REFERENCES

DOCUMENT	
1.1	<u>Budget Papers:</u>
	2019/20 Capital Programme Report – GF
	2019/20 Capital Programme Report – HRA
	Medium Term Financial Strategy (MTFS)
	Reserves Strategy
	Treasury Management Strategy
1.2	<u>Asset Management Strategies:</u>
	Asset Management Strategy
	Highways Asset Management Strategy
	Housing Strategy
	Planned Maintenance
1.3	<u>Other Financial Documents:</u>
	2018/19 Capital Monitoring
	2017/18 Statement of Accounts

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**TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT
2019/20**

INDEX

SECTION	
1	EXECUTIVE STRATEGY
2	STRATEGY FRAMEWORK
3	ANNUAL BORROWING STRATEGY
4	ANNUAL INVESTMENT STRATEGY
	APPENDICES
	Appendix A - Treasury Management Policy Statement 2019/20
	Appendix B - Treasury Management Scheme of Delegation
	Appendix C - MRP Policy Statement 2019/20
	Appendix D - Policy on Use of Financial Derivatives
	Appendix E - Prudential and Treasury Indicators 2019/20
	Appendix F - Additional Investment Strategy Information and Limits
	Appendix G - Risk Schedule / Approach to Risk Management
	Appendix H - Link Economic & Interest Rate Forecast November 2018

1 EXECUTIVE SUMMARY

1.1 This document has been prepared in accordance with the requirements of the Local Government Act 2003, which stipulates that local authorities must 'have regard to' the following statutory codes:

- CIPFA Prudential Code (2017);
- CIPFA Treasury Management Code (2017);
- Ministry for Housing, Communities and Local Government (MHCLG) Guidance on Minimum Revenue Provision (2018); and
- MHCLG Guidance on Local Authority Investments (2018).

1.2 In broad terms it sets out the following:

- the Council's **Treasury Management Policy** (the key objectives for its treasury management activities) – see Appendix A;
- the Council's **capital expenditure plans** and related indicators – see Section 2;
- the Council's **MRP Policy** (how its debt repayments will be provided for over time) – see Appendix C;
- the Council's **borrowing strategy** (how the Council's borrowings are to be organised) – see Section 3; and
- the Council's **Annual Investment Strategy** (the parameters on how investments are to be managed) – see Section 4.

BORROWING STRATEGY

1.3 Within the context of an increasingly uncertain economic outlook, the proposed borrowing strategy in section 3 is to actively reduce the Council's exposure to interest rate risk by fixing out more of its debt. However, the Council will still seek to maintain a small under-borrowed position in order to keep its financing costs to a minimum.

NB: The term 'under-borrowed' is used throughout this strategy and refers to the temporary use of cash resources (e.g. reserves earmarked for future capital expenditure or grants received in advance of expenditure) to avoid borrowing immediately, which seeks to reduce investment counterparty risk and create a short-term budget saving. The Council will replace these cash resources with external borrowing as these spending commitments occur.

ANNUAL INVESTMENT STRATEGY

1.4 Whilst our previous investment strategy has sought to keep our investment balances low to reduce counterparty risk, they will inevitably increase as we take on more fixed term debt. Within this context, the objectives of the investment strategy are to:

- **Invest our balances in secure counterparties**, to mitigate security risk;
- **Maintain a minimum balance of liquid funds** to address liquidity risk, and
- **Within this context, seek to optimise performance** in terms of yield.

2 STRATEGY FRAMEWORK

- 2.1 The statutory codes referred to in paragraph 1.1 provide a framework for the Council's treasury management activities. This section covers the **key indicators and limits** set out within these codes, maintaining separate disclosures for the General Fund (GF) and Housing Revenue Account (HRA) where applicable. The full suite of indicators can be found in Appendix E. Further details on the statutory codes are provided below:-

Code / Guidance	Purpose
CIPFA Prudential Code (2017)	Provides a framework for local authority capital investment decisions. It sets out a number of indicators to assess the prudence and affordability of the Council's capital expenditure plans and external debt.
CIPFA Treasury Management Code (2017)	Provides a framework of best practice for local authority treasury management. It also recommends a range of treasury indicators which assess the Council's exposure to interest rate and refinancing risk.
CLG Guidance on the Minimum Revenue Provision (MRP)	Outlines the principles that local authorities should consider when setting a prudent provision for the repayment of debt, including four recommended methodologies for calculation.
CLG Guidance on Local Authority Investments	Covers the practices that local authorities should consider when making investment decisions, including the investment priorities of Security, Liquidity and Yield .

CAPITAL EXPENDITURE

Estimates of Capital Expenditure (General Fund and HRA)

- 2.2 This Prudential Indicator looks at the Council's capital expenditure plans, which are a key driver of its treasury management activity.
- 2.3 The following table outlines the Council's capital expenditure plans (in line with the Council's 2019-2022 Capital Programme) and the extent to which these will be funded from borrowing or finance lease.

Estimates of Capital Expenditure	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Estimated Capital Expenditure	131,728	119,006	111,557	27,142	21,928	22,205
General Fund (GF)	99,243	83,146	84,602	5,466	0	0
Housing Revenue Account (HRA)	32,485	35,860	26,955	21,676	21,928	22,205
To be Funded from Borrowing / Finance Lease	19,296	50,964	56,155	466	0	0

- 2.4 The table indicates an increasing net financing need over the period (GF only), which is one of the drivers behind this year's borrowing strategy (as discussed in section 3).

Estimates of Capital Financing Requirement (General Fund and HRA)

- 2.5 The second prudential indicator is the Capital Financing Requirement (CFR), which is essentially a measure of the Council's underlying borrowing need.
- 2.6 In accordance with best practice, the Council does not link borrowing to specific capital schemes and adopts an integrated treasury management strategy. In day to day cash management terms, no distinction is made between revenue cash and capital cash and external borrowing may arise as a consequence of all the financial transactions of the Authority.
- 2.7 In contrast, the CFR is based on historic and future capital expenditure. Capital expenditure which has not been financed from one off resources such as grant or capital receipts will produce an increase in the CFR.
- 2.8 The Council is asked to approve the CFR projections below:

Estimates of Capital Financing Requirement (CFR)	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Opening CFR	949,904	959,783	1,000,971	1,045,983	1,036,612	1,026,394
Add Schemes Funded from Borrowing / Finance Lease	19,296	50,964	56,155	466	0	0
Less Amounts Set Aside to Repay Debt	(9,417)	(9,776)	(11,143)	(9,837)	(10,218)	(10,582)
Closing CFR	959,783	1,000,971	1,045,983	1,036,612	1,026,394	1,015,812
GF	691,967	737,380	787,034	780,663	773,445	765,863
HRA	267,816	263,591	258,949	255,949	252,949	249,949

- 2.9 Included within these projections are other long term liabilities such as PFI schemes and finance leases, a summary of which is provided below:

	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Other Long Term Liabilities	240,676	238,949	236,747	234,437	231,930	229,247

MRP

- 2.10 The Minimum Revenue Provision (MRP) is a charge to the revenue account in relation to (current and residual) General Fund capital expenditure financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) Regulations 2003. The Council is required to determine an amount of MRP which it considers prudent, which in turn reduces the CFR.
- 2.11 The amounts set aside in the table above are based on the latest MHCLG guidance published in February 2018. The proposed MRP Policy for 2019/20 is set out in Appendix C.

EXTERNAL DEBT

The Authorised Limit for External Debt (General Fund and HRA)

- 2.12 A further key prudential indicator represents a control on the maximum level of borrowing. This reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It represents a limit beyond which external debt is prohibited (as determined under section 3(1) of the Local Government Act 2003). The Government retains an option to control borrowing although this power has not yet been exercised.
- 2.13 This limit must separately identify borrowing from other long term liabilities such as PFI and leasing schemes. Whilst these other long term liabilities increase the Council's overall CFR, each arrangement contains its own borrowing facility; therefore the Council is not required to borrow separately.
- 2.14 Members are asked to approve the following Authorised Limit; and to delegate to the S151 Officer to borrow within the total limit to obtain best value for money for the Authority:

Authorised Limit	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Debt	760,928	792,022	839,236	832,175	824,464	816,565
Other Long Term Liabilities (Excluding Transferred Debt)	236,348	238,949	236,747	234,437	231,930	229,247
Total	997,276	1,030,971	1,075,983	1,066,612	1,056,394	1,045,812

HRA Debt Cap

- 2.15 Until recently the Council was limited to a maximum HRA CFR through the HRA self-financing regime (£301M), however during 2018, the Prime Minister announced the removal of this cap in a bid to drive forward new builds. As such, the Council is no longer required to report on this indicator.

Gross Borrowing and the Capital Financing Requirement (General Fund and HRA)

- 2.16 The table overleaf measures the Council's expected borrowing position against its underlying borrowing need or CFR.
- 2.17 This indicator is designed to ensure that total debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

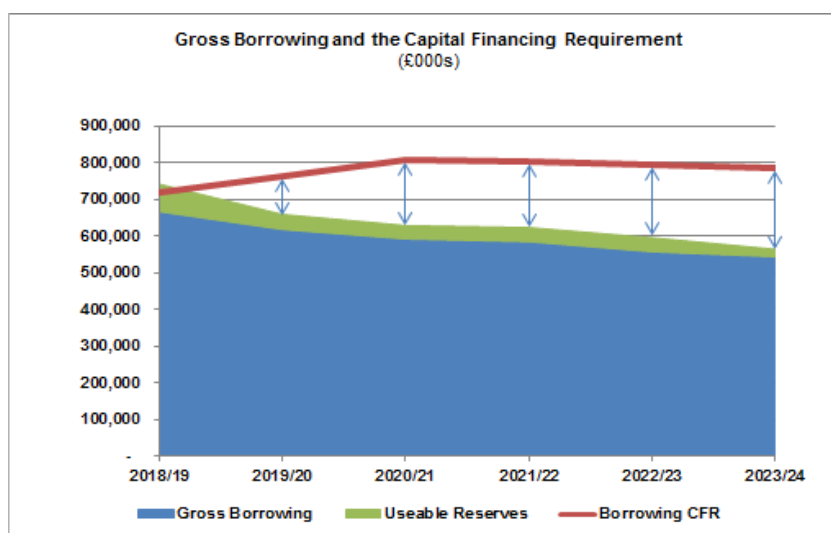
2.18 As shown in the table below, the Council is expected to be under-borrowed at the end of 2018/19 (**also referred to as internal borrowing**). Whilst this is a cost effective position which can help to reduce investment counterparty risk, it is one that should be actively managed particularly in the current economic climate (see section 3 for further details).

Gross Borrowing and CFR	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)	2022/23 (£000s)	2023/24 (£000s)
Borrowing CFR	719,107	762,022	809,236	802,175	794,464	786,565
Gross Borrowing*	(666,815)	(618,478)	(592,576)	(585,183)	(557,446)	(544,012)
Under-Borrowed Position	52,292	143,544	216,660	216,992	237,018	242,553
Support from Useable Reserves	(52,292)	(40,606)	(36,226)	(38,226)	(38,226)	(20,200)
External Borrowing Requirement	-	102,938	180,434	178,766	198,792	222,353
GF	-	60,688	135,563	135,903	152,913	170,673
HRA	-	42,250	44,871	42,863	45,879	51,680

* Reflects the two forward loans (totalling £40M) to be drawn down in 2019/20

2.19 To highlight the extent of our future borrowing requirements, these figures assume that the Council's long term loans will fall out without being replaced. In addition, they assume that the Authority's "banked" reserves will be utilised over the reporting period, except for £20.2M which relates to a minimum working balance and other statutory functions (£15M GF and £5.2M HRA).

2.20 The chart below provides an illustration of the external borrowing requirement referred to in the table at paragraph 2.18 (represented by the blue arrows):



3 ANNUAL BORROWING STRATEGY

CONTEXT

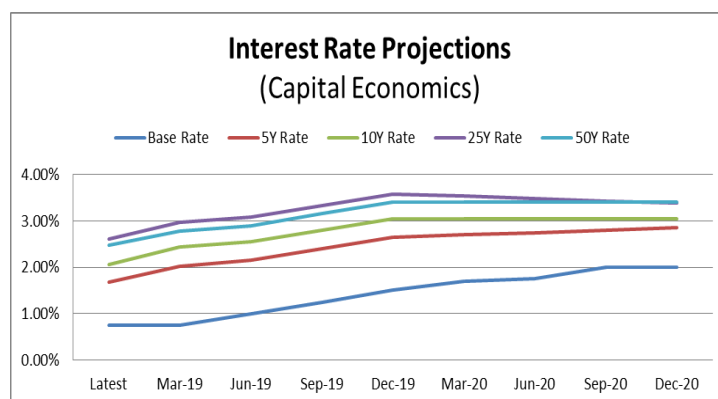
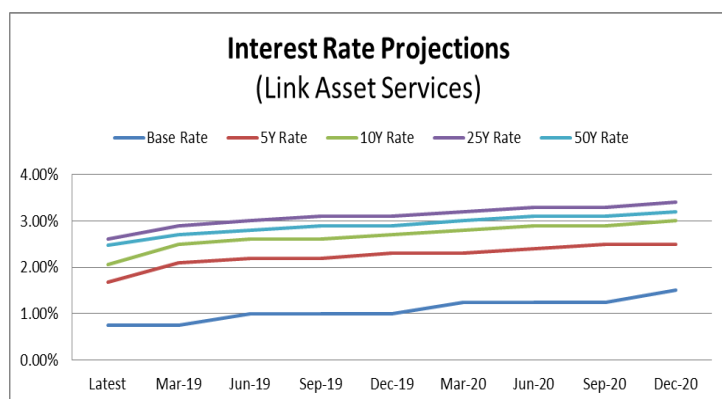
3.1 The Council's general policy objective is to ensure its level of debt is prudent and sustainable (i.e. **keeping financing costs to a minimum**) whilst **addressing the key associated risks**:

- Interest Rate Risk
- Refinancing Risk

3.2 Prior to 2018/19, the strategy had been to maintain the Council's under-borrowed position, **UNLESS** it was felt that there was a significant risk of a sharp RISE in long and short term rates. As outlined below, interest rates are expected to rise in the near future and therefore the last two strategies have adopted a subtle change of approach.

Prospects for Interest Rates

3.3 The table below outlines the latest interest rate projections from the Council's treasury management advisors (Link Asset Services), and an independent advisory group (Capital Economics). A more detailed economic and interest rate forecast provided by Link is attached at Appendix H.



3.4 Whilst their views differ slightly, the suggestion from both parties is that long term rates could exceed 3% within the next 12-18 months (an increase of around 0.5%), which demonstrates the importance of managing the Council's interest rate and refinancing risk exposures. Based on the Council's borrowing requirement of £222M, this increase would equate to additional borrowing costs in excess of £1M per annum.

3.5 Adding to this uncertainty is the ongoing BREXIT uncertainty and the possibility of another general election in the next 12 months. As a result, interest rates are becoming increasingly volatile which makes them very difficult to forecast going forwards.

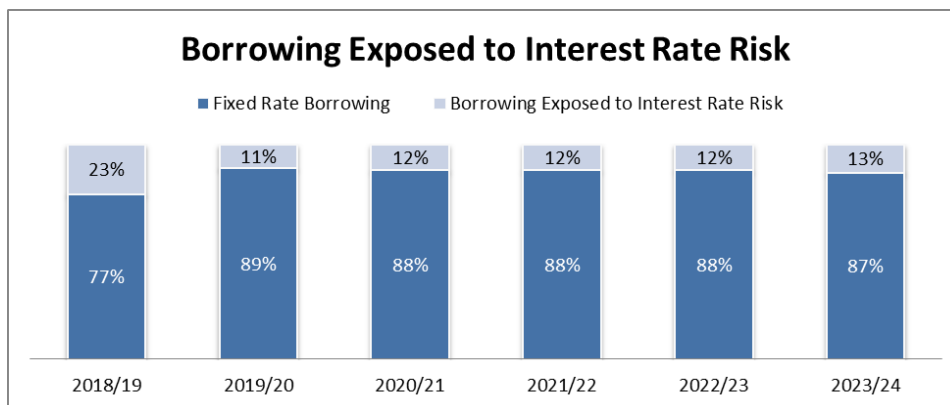
Interest Rate Risk

3.6 In the context of borrowing, this is the risk of an adverse movement in interest rates, leading to an increase in financing costs or lost opportunity costs. Interest rate risk is assessed against our variable rate loans, temporary borrowing and the Lender Option, Borrower Option (LOBO) loans which - although unlikely - could see an increase in interest rate at their next review date in 6 months' time. The two indicators relevant to assess interest rate risk are:-

- i. our exposure to interest rate risk on existing borrowing; and
- ii. our exposure to interest rate risk against our borrowing CFR which includes existing debt as well as any internal borrowing.

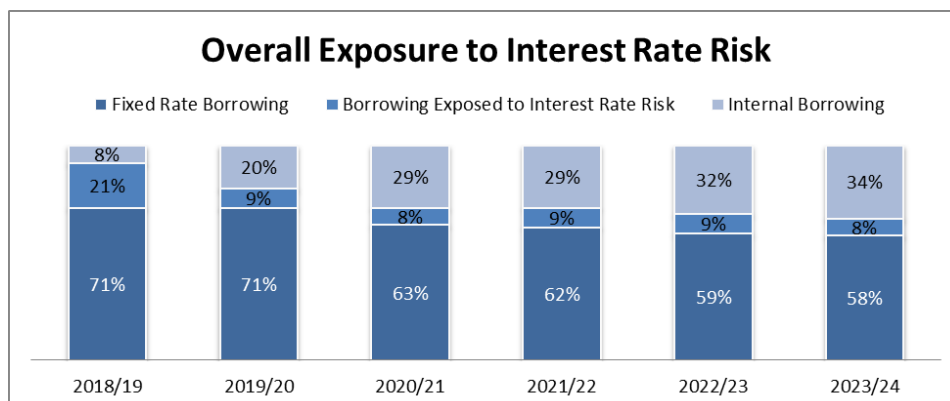
i. Existing Debt

3.7 As illustrated below, it is estimated that 23% of the Council's existing debt will be subject to interest rate risk at the end of 2018/19. This figure will fall in future as two variable rate loans mature in 2019/20 but this also assumes that these maturing loans are not replaced and the value of our existing debt will reduce accordingly:



ii. Overall CFR

3.8 As illustrated below, the Council's overall exposure to interest rate risk is expected to stand at 29% at the end of 2018/19. This figure increases in line with our future financing requirement and maturing debt which for the purposes of this comparison are assumed to be unfunded:

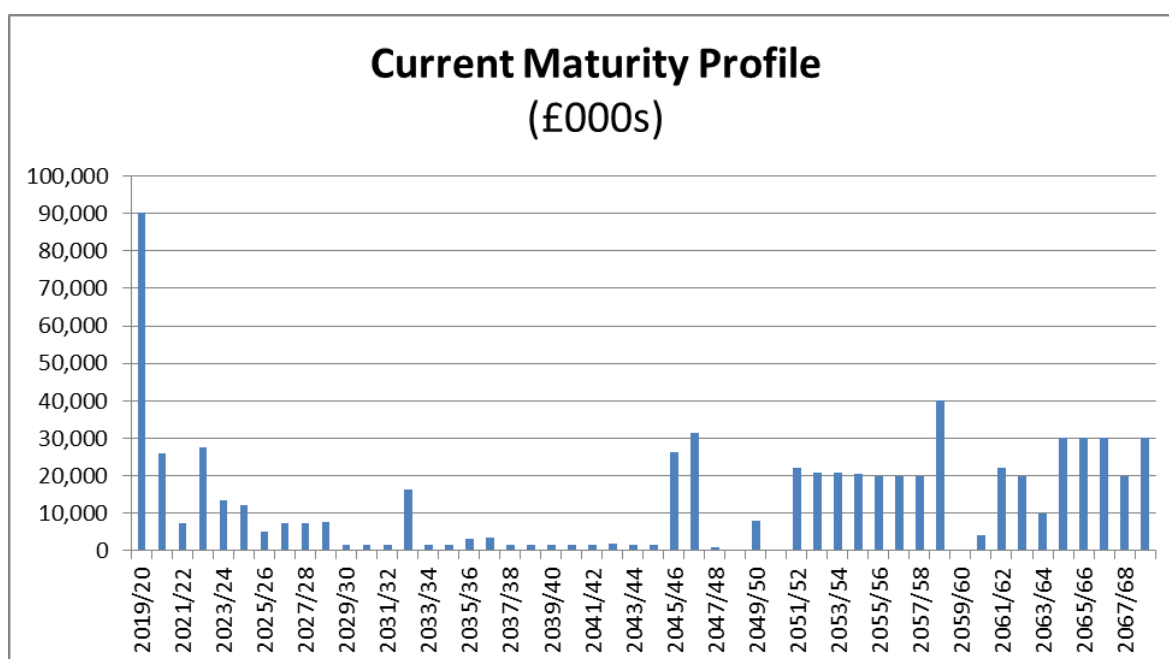


3.9 As interest rates are becoming increasingly volatile, it is vital that the Council maintains a prudent stance towards interest rate risk in the foreseeable future. It is therefore recommended that the Council's interest rate risk exposure is maintained within the targets set out at paragraph 3.19 below.

Refinancing Risk

3.10 Refinancing risk is the risk of refinancing debt on unfavourable terms, due to either a lack of availability of replacement financing or an increase in interest rates. The key indicator relevant to refinancing risk is the maturity structure of borrowing. This indicator was amended in 2018/19 to include variable rate debt.

3.11 As shown below, a large sum of borrowing may need replacing in the next few years. Given that interest rates are expected to increase in the near future, it may be prudent therefore to borrow in advance of their maturity dates whilst interest rates are still relatively low.



3.12 The key issue to address is the variable rate debt maturing in 2019/20 (totalling £81M). These loans are currently running at less than 1%, therefore any replacement financing is likely to incur additional costs. The Council has secured two forward loans to date in relation to this debt (totalling £40M). Options for replacing the remaining £40M are set out in paragraphs 3.20-3.26.

3.13 Another potential issue to address is the Council's LOBO loans, in which the lender has the option to increase the interest rate at any 6 month interval. Should this option be triggered (which is considered unlikely), the Council has the option to repay the loan without penalty. However this would mean having to borrow an additional £55M within the next few years to replace the principal repaid.

3.14 Officers have recently replaced the Council's LOBO from KA Finanz with an £8M maturity loan from the PWLB. This followed news that the lender was looking to sell their LOBO portfolio. As a result, the Council is set to save around £100k per annum over the remaining 30 years. There may be similar opportunities in the near future for our remaining LOBO portfolio which officers will continue to explore.

STRATEGY

3.15 The Council is currently maintaining an under-borrowed position (see table above at paragraph 2.18), which means that the Council's borrowing need (CFR) has not been initially funded from loan debt as the Authority's reserves, balances and cash flow has been used in the first instance as a temporary financing measure.

3.16 Prior to the first base rate increase in November 2017, this strategy has been relatively low risk based around minimising borrowing costs and helping to support the Council's overall budget.

3.17 However in the current volatile economic climate exposes the Council to a high level of risk, particularly in relation to any future uplift in interest rates. Moreover, the Council's capital programme has plans in place to spend the reserves that support it which means that these reserves will ultimately need replacing with external financing in the near future.

3.18 Whilst maintaining an under-borrowed position will remain a key aspect of the Council's borrowing strategy, our strategy has sought and will increasingly seek to fix out more of our debt to avert the risks outlined at paragraph 3.17 above. As such, it is increasingly important in the current economic climate to explore other borrowing options to address the Council's borrowing strategy and future financing needs which are shown at paragraphs 3.20-3.26.

RECOMMENDATION

3.19 To protect the Council from interest rate and refinancing risk, the recommended strategy is to:

- **De-risk the Council's debt portfolio** by reducing future interest rate exposure towards the following targets:
 - **≤ 15%** of the Council's debt portfolio
 - **≤ 30%** of the Council's CFR
- Whilst using the above targets as the primary measures, **still maintain an under-borrowed position for the Council** to keep financing costs to a minimum.

Borrowing Options

3.20 Replace maturing loans with fixed, longer dated debt:

- To have an 'in principle' approach to replacing maturing loans with fixed, longer dated debt in order to reduce interest rate risk exposure and therefore de-risk the Council's debt portfolio. This may introduce additional financing costs if the fixed-rate debt attracts a higher interest rate and consideration will be given to temporary / short term loans especially for the HRA which already has a higher proportion of its debt fixed.

3.21 Restructure variable rate debt:

- To consider switching some of the variable rate debt to fixed, longer dated debt during the year (the variable rate debt would not incur any penalties if repaid early). This option would reduce interest rate risk exposure but would also clearly introduce additional refinancing costs (each £10M rescheduled will cost roughly £200,000 p.a.). This could be extended to include the Council's LOBO loans which, whilst incurring a premium for early repayment, could provide savings on the interest payable and also reduce interest rate risk exposure.

3.22 Risk Spreading (i.e. borrowing in advance of maturity dates):

- To consider immediate borrowing to cover the loans maturing over the next four years. This would mitigate future refinancing risks whilst also addressing the Council's current borrowing need. It is recommended that borrowing on this basis is carried in smaller tranches in order to take account of interest rate volatility.

3.23 Deferred/ Forward Loans:

- There are currently offers (known as deferred or forward loans) in the market to fix the interest rate now for delivery of the loans up to 4 years in the future. These types of loan protect the Council against any sudden rate rises whilst deferring immediate financing costs until the drawdown date. It should be noted however that the Council is committed to these loans once agreed and market rates could potentially be cheaper at a future point in time (although this is unlikely). The Council has arrangements in place to draw down £20M in November 2019 and a further £20M in March 2020 tying in with the variable rate loans maturing in those periods.

3.24 PWLB Borrowing:

- The default source of borrowing for local authorities is the Public Works Loans Board - a statutory body operating within the UK Debt Management Office (an Executive Agency of HM Treasury). The Council could look to fix out some longer-term debt with the PWLB in 2019/20 whilst interest rates are still relatively low. This could be used to replace temporary borrowing or address the Council's under-borrowed position. Officers have been notified of a bidding process running until the 31st March 2019 which may allow the Council to access funding below the existing certainty rate (known as the Local Infrastructure Rate). Officers will explore this process further to determine whether the Council has any projects that may qualify.

3.25 PFI Refinancing:

- The Council is looking to refinance its BSF programme to take advantage of more advantageous rates in the current environment compared to the rates when the BSF deals were first agreed in 2009 and 2010. Phase 2 and 3 have been reviewed and completed with the aim of reviewing Phase 1 at the end of 2018/19 or the early part of 2019/20. The estimated savings have been built into the Council's MTFS. The HRA has no PFI liabilities therefore this option does not apply.

3.26 Leasing:

- This remains a value for money option for financing suitable assets with a defined residual value, such as vehicles. Despite the financial crisis causing some banks to withdraw from the market, the remaining funders are willing to take risks on the future residual value of assets, making leasing a potentially cheaper option for financing than funding acquisitions in-house. There is also a benefit to transferring the risk associated with the residual value away from the Council. The most appropriate and cost effective method of financing will continue to be identified for all assets. This approach is not suitable for the HRA as their assets are not suitable for leasing.

3.27 Alternative Options:

- The above options are the main financing methods available to the Council to ensure it delivers the main objectives of its borrowing strategy. The Council is aware of other financing methods (e.g. index linking borrowing costs to future income streams) which it may consider in future. However any other method of financing will be assessed against the objectives of our borrowing strategy and the prevailing risks within it.

4 ANNUAL INVESTMENT STRATEGY

CONTEXT

4.1 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of risks as outlined later in this section. The Authority's investment priorities (in order) are as follows:

- the **security of capital**;
- the **liquidity of investments**; and
- **optimum yield commensurate with the above**

4.2 The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

STRATEGY

4.3 As outlined in the previous section, the Council's previous borrowing strategy has been to use reserves first to avoid high borrowing costs. This has changed to actively fix out a substantial proportion of our debt which will reduce our under borrowed position and also increase the level of our investment balances. Within this context, our investment strategy will be:-

- **Invest our balances in secure counterparties**, to mitigate security risk;
- **Maintain a minimum balance of liquid funds** to address liquidity risk; and
- **Within this context, seeking optimum performance** in terms of yield.

Credit and Counterparty Risk (Security)

4.4 In the context of investments, this refers to the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

4.5 The Council maintains a list of approved investment counterparties based on the creditworthiness service provided by Link Asset Services Limited. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

4.6 Members are asked to approve the investment counterparties and limits below:

	Maximum Amount	Maximum Duration
UK Government	Unlimited	5 years
Barclays Bank PLC <i>(the Council's own banker)</i>	£10m	Liquid
Banks <i>(with a credit score* of 4 or less)</i>	£20m single £20m group	1 year
Banks <i>(with a credit score of 5)</i>	£10m single £15m group	6 months
Banks <i>(with a credit score of 6)</i>	£10m single £15m group	100 days
Building Societies <i>(with a credit score of 4 or less)</i>	£10m	6 months
Building Societies <i>(with a credit score of 5)</i>	£5m	6 months
Building Societies <i>(with a credit score of 6)</i>	£5m	100 days
Local Authorities	£20m	2 years
Money Market Funds (CNAV)	£20m per fund	Liquid
Money Market Funds (LVNAV)	£10m per fund	Liquid

** Each institution is assigned a credit score of 1-7 (by the Council's treasury advisors) according to their credit rating and other related factors - 1 being the strongest score and 7 being the weakest. A stronger credit score will give rise to a longer suggested duration.*

4.7 All credit ratings will be monitored on a weekly basis and officers are alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service on a daily basis. Full details of the Council's Creditworthiness Policy can be found in Appendix F:-

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately; and
- In addition to the use of credit ratings, the Council will be advised of information in movements in Credit Default Swap and other market data on a weekly basis. Extreme market movements may result in the downgrading of an institution or removal from the Authority's lending list.

4.8 Officers are also proposing to maintain the limit on investments in foreign countries at £50M (as approved in November 2018), since all qualifying countries have a sovereign credit rating of AA- or above, which is broadly in line with the UK government (currently rated AA) and roughly equates to a credit score of 4 or less.

Price Risk (Security)

- 4.9 In the context of investments, this refers to the risk that its stated treasury management policies and objectives are compromised because it has failed to protect itself adequately against adverse market fluctuations that impact on the value of the principal investment sum.
- 4.10 One impending reform which may introduce an element of price risk is the **Money Market Fund (MMF) Reforms**, which introduce a new structural fund - the Low Volatility Net Asset Value (LVNAV) Fund - and other changes to the existing Money Market Funds. These regulations will apply to new funds from January 2019. Whilst the principal amount invested in LVNAV funds may fluctuate from time to time, the advice the Council has received suggests that the probability of this happening is very low and that the changes are likely to give the Council added protection. As such, it is recommended that the Council continue to invest in LVNAV funds up to the value in the table above.

Legal and Regulatory Risk (Security)

- 4.11 This is the risk that the organisation itself, or an organisation which it is undertaking treasury management activities with, fails to act in accordance with its legal powers or regulatory requirements resulting in the organisation suffering losses.
- 4.12 One recent regulatory change which may impact on the Council's future investment activities is the **Markets in Financial Institutions Directive (MiFiD II)**. Effective from the 3rd January 2018, this introduced a number of key changes to client categorisation, meaning local authorities (including Police and Fire Authorities) have to opt- up to professional client status (with individual counterparties) in order to access certain products. The opt-up process involved the Council being assessed against a number of qualitative and quantitative tests. To date, officers have received confirmation of professional client status from the counterparties we currently utilise. It is expected that business will continue as usual for the foreseeable future, however officers will continue to monitor the situation and report on any risks to the criteria being met.
- 4.13 Another recent change is the introduction of **IFRS9 - Financial Instruments**, which changes the way that investments are accounted for. This is a new requirement for the 2018/19 accounts which could potentially impact the Council's general fund balances in two ways:
- The change of accounting treatment of certain instruments, which can introduce an element of market volatility to investment valuations; and
 - The introduction of an expected credit losses model, in which the Authority must recognise potential losses (as opposed to the current requirement to recognise actual losses)

- 4.14 In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG] announced the introduction of a temporary statutory override (commencing 1st April 2018), which would allow for English local authorities to reverse any change in valuation of their pooled investments for a period of five years. This override should help to minimise the impact of IFRS9 over the medium term.

Liquidity Risk

- 4.15 This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.
- 4.16 In line with the CLG investment advice on the liquidity of investments, the Council will aim to keep a proportion of the investment portfolio totally liquid (i.e. use of the Barclays Flexible Interest-Bearing Current Account and Money Market Funds).
- 4.17 In a period of prolonged low interest rates, accepted practice would be to lengthen the investment period to lock in to higher rates. However, the uncertainty and volatility in the financial markets has heightened credit risk. As a consequence the Council will keep the investment maturity relatively short, which is reflected in the maturity periods specified in paragraph 4.6.

Yield

- 4.18 As a result of continuing stress within the market, opportunities for investment are limited and returns are expected to remain subdued. The Council will seek to maximise returns from its investments but this will be secondary to security and liquidity priorities. The base rate is expected to rise as far as 1.50% by the end of 2019/20 and investment yields are therefore likely to increase as a result. It is also worth reiterating that much of the Authority's cash has been utilised in lieu of borrowing. So whilst investment yields are low the Authority is saving around 2% on the cost of borrowing.

Diversification

- 4.19 Although the Council currently has a good spread of investment instruments, officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Consideration will be given to alternative investment instruments and whether they are suitable for the investment portfolio. Proposals for new investment instruments will be taken to Treasury Management Panel for discussion and advice will be sought from Link prior to making any investment decisions.
- 4.20 In addition to the core investment principles of security, liquidity and yield the Council will also seek to diversify investments to avoid concentration in specific banks, types of instrument, sovereign state etc. Consideration will also be given to the overall concentration of investments within each sector.

4.21 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels are set to ensure prudent diversification is achieved and these, together with minimum ratings and cash limits, are shown in the table at paragraph 4.6.

Berneslai Homes

4.22 The funds of Berneslai Homes continue to be ring fenced in a segregated Barclays account, with clear separation from Council funds. Officers of the Council are responsible for the management of Berneslai Homes' cash balances and the account is run in accordance with Treasury Management best practice and the effective management of risk.

LIST OF APPENDICES

- A. Treasury Management Policy Statement 2019/20
- B. Treasury Management Scheme of Delegation
- C. MRP Policy Statement 2019/20
- D. Policy on Use of Financial Derivatives
- E. Prudential and Treasury Indicators 2019/20
- F. Additional Investment Strategy Information and Limits
- G. Risk Schedule / Approach to Risk Management
- H. Capita Economic & Interest Rate Forecast November 2018

TREASURY MANAGEMENT POLICY STATEMENT 2019/20**1 Introduction & Background**

- 1.1 The Treasury Management Code of Practice requires local authorities to produce a Treasury Management Policy and Strategy Statement on an annual basis.
- 1.2 The Council adopted the original CIPFA Code of Practice on 13th February 2002, and this resolution is carried through to the revised codes. Therefore, the Treasury Policy Statement for 2019/20 has been prepared in compliance with the latest Code.
- 1.3 Accordingly, the Council will create and maintain the following key documents in accordance with the revised Code of Practice and other relevant guidance:
 - Treasury Management Policy Statement, outlining the key objectives of its Treasury Management activities;
 - Treasury Management Strategy Statement including the Annual Investment Strategy setting out the specific expected Treasury Management activities for the forthcoming financial year;
 - Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve its objectives, and prescribing how it will manage and control those activities;
 - Treasury Management Prudential Indicators as prescribed within the Prudential and Treasury Management Codes.
- 1.4 The Council will receive reports on its Treasury Management activities, including as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim quarterly reports (rather than the minimum six-monthly report required by the Code).
- 1.5 The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices to Full Council, and for the execution and administration of Treasury Management decisions to the Section 151 Officer, who will act in accordance with the Council's Policy Statement and the CIPFA Treasury Management Code.
- 1.6 The Council nominates the Treasury Management Panel and the Audit Committee as being responsible for ensuring the effective scrutiny of the Treasury Management Strategy and Policies.
- 1.7 The Treasury Management Panel will meet on a quarterly basis (or as required) to monitor and review the Council's implementation of the Treasury Management Strategy and Policy. The Audit Committee will receive reports through which it will gain assurance regarding the effective implementation of the Strategy and Policy.

1.8 Internal Audit consider on an annual basis carrying out a regulatory review of the Treasury Management function including probity testing. This decision is made on a risk-based strategy and discussed and agreed with management.

2. Policies and Objectives of Treasury Management Activities

2.1 The Council defines its Treasury Management activities as:

“the management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.2 Approved activities of the Treasury Management operation cover:

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing cash flow;
- Banking activities;
- Leasing; and
- Managing the risk associated with the Council’s Treasury Management activities.

2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will include their risk implications for the organisation.

2.4 This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.5 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The Section 151 Officer has delegated powers to select the most appropriate form of capital financing (including leasing arrangements) from the approved sources. The source from which the borrowing is taken and type of borrowing should allow the Council transparency and control over its debt.

- 2.6 The Council will not borrow more than (or in advance of) its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates for the prescribed planning period. Moreover future borrowing transactions will be considered carefully before they are undertaken to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance of need will only be undertaken when there is a clear business case for doing so.
- 2.7 The Council's primary objective in relation to investment remains the security of capital. The liquidity of the Council's investments and the yield earned remain important but secondary considerations.
- 2.8 The Annual Investment Strategy details the categories of investment the Council will invest in, maturity periods and criteria for selecting investment counterparties. Any revisions to these criteria will require Council approval.

TREASURY MANAGEMENT SCHEME OF DELEGATION**Full Council**

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of annual strategy.

Boards/committees/council/responsible body

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations;
- Approving the selection of external service providers and agreeing terms of appointment.

Body/person(s) with responsibility for scrutiny

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Implementing the treasury management strategy and policies in compliance with member approvals;
- Recommending the appointment of external service providers.

2019/20 MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Authority is required to make a prudent provision for debt redemption known as the Minimum Revenue Provision (MRP). Guidance on MRP has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003. The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods

MRP in 2019/20: Options 1 and 2 may only be used for General Fund supported expenditure. Methods of making prudent provision for General Fund self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Authority chooses).

The MRP Statement is required to be submitted to the Authority before the start of the financial year for approval. Any revision of which must also be submitted to the Authority for approval. The Authority is recommended to approve the following statement:

- **For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For supported capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For non-supported (prudentially borrowed) capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **Within Option 3, MRP is permitted to be calculated in one of two ways – equal instalments or on an annuity basis. The Authority has chosen to calculate MRP on an annuity basis;**
- **MRP will normally commence in the financial year following the one in which expenditure is incurred. However, MRP Guidance permits local authorities to defer MRP until the financial year following the one in which the asset becomes operational. The Authority has chosen to employ this option on the significant qualifying projects.**

MRP in respect of on balance sheet leases will match the annual principal repayment for the associated deferred liability. This approach will produce an MRP charge comparable to that under Option 3 in that it will run over the life of the lease term.

POLICY ON USE OF FINANCIAL DERIVATIVES

1. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of financial derivatives. The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the TMSS.
2. The Council will only use derivatives where they can be clearly demonstrated to reduce the overall level of financial risk
3. Derivatives may be arranged with any organisation that meets the Council's approved investment criteria.
4. The Council will only use derivatives after seeking a legal opinion and ensuring that officers have the appropriate training to effectively manage their use.

PRUDENTIAL AND TREASURY INDICATORS 2019/20 - 2023/24**Estimates of Capital Expenditure (General Fund and HRA)**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Members are asked to approve the capital expenditure forecasts:

Capital Expenditure (£000s)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	83,146	84,602	5,466	0	0
HRA	35,860	26,955	21,676	21,928	22,205
Total	119,006	111,557	27,142	21,928	22,205

The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

Estimates of Capital Financing Requirement (General Fund and HRA)

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £239M of such schemes within the CFR. The Council is asked to approve the CFR projections below:

Capital Financing Requirement (£000s)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	737,380	787,033	780,663	773,445	765,862
HRA	263,591	258,949	255,949	252,949	249,949
Total	1,000,971	1,045,982	1,036,612	1,026,394	1,015,811

Limits to Borrowing Activity**The Operational Boundary (Overall)**

This is the limit beyond which external debt is not normally expected to exceed.

This limit is set to match the Capital Financing Requirement as shown above:

Operational Boundary (£000s)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	762,022	809,235	802,175	794,464	786,564
Other Long Term Liabilities	238,949	236,747	234,437	231,930	229,247
Total	1,000,971	1,045,982	1,036,612	1,026,394	1,015,811

The Authorised Limit for External Debt (Overall)

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit:

Authorised Limit (£000s)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	792,022	839,235	832,175	824,464	816,564
Other Long Term Liabilities	238,949	236,747	234,437	231,930	229,247
Total	1,030,971	1,075,982	1,066,612	1,056,394	1,045,811

Interest Rate Exposure and Maturity Structure of Borrowing (General Fund and HRA)

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the limits set out overleaf:

General Fund

	2019/20	2020/21	2021/22	2022/23	2023/24
Interest Rate Exposures – (GF)					
	Upper	Upper	Upper	Upper	Upper
Upper Limit on Fixed Interest Rates based on Net Debt (GF)	100%	100%	100%	100%	100%
Upper Limit on Variable Interest Rates based on Net Debt (GF)	15%	15%	15%	15%	15%
Maturity Structure of Fixed Interest Rate Borrowing 2019/20 - (GF)					
				Lower	Upper
Under 12 months				0%	50%
12 months to 2 years				0%	25%
2 years to 5 years				0%	25%
5 years to 10 years				0%	25%
10 years to 20 years				0%	75%
20 years to 30 years				0%	75%
30 years to 40 years				0%	75%
40 years to 50 years				0%	75%

Housing Revenue Account

	2019/20	2020/21	2021/22	2022/23	2023/24
Interest Rate Exposures – (HRA)					
	Upper	Upper	Upper	Upper	Upper
Upper Limit on Fixed Interest Rates based on Net Debt (HRA)	100%	100%	100%	100%	100%
Upper Limit on Variable Interest Rates based on Net Debt (HRA)	20%	20%	20%	20%	20%
Maturity Structure of Fixed Interest Rate Borrowing 2019/20 - (HRA)					
				Lower	Upper
Under 12 months				0%	25%
12 months to 2 years				0%	25%
2 years to 5 years				0%	25%
5 years to 10 years				0%	25%
10 years to 20 years				0%	75%
20 years to 30 years				0%	75%
30 years to 40 years				0%	75%
40 years to 50 years				0%	75%

Maximum Principal Sums Invested for more than 365 Days (General Fund)

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. The Council is asked to approve the treasury indicator and limit: -

Maximum Principal Sums Invested > 365 days					
(£000s)	2019/20	2020/21	2021/22	2022/23	2023/24
Principal Sums Invested > 365 Days	20,000	20,000	20,000	20,000	20,000

Ratio of Financing Costs to Net Revenue Streams (General Fund and HRA)

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Ratio of Financing Costs to Net Revenue Streams (%)	2018/19 Approved	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
GF	8.2	8.5	8.9	9.4	10.0	10.6
HRA	44.9	45.4	45.4	46.3	47.2	47.2

Gross Debt and the Capital Financing Requirement (Overall)

Gross Debt & CFR (€000s)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
CFR	1,000,971	1,045,982	1,036,612	1,026,394	1,015,811
Outstanding Borrowing	618,478	592,576	585,183	557,446	544,012
Other Long-Term Liabilities	208,205	201,014	193,823	186,632	179,441
Gross Debt	826,683	793,590	779,006	744,078	723,453
Headroom	174,288	252,392	257,606	282,316	292,358

ADDITIONAL INVESTMENT STRATEGY INFORMATION AND LIMITS

1. The Council may invest money using any of the following instruments:
 - interest-bearing bank accounts,
 - fixed term deposits,
 - callable deposits where the Council may demand repayment at any time (with or without notice),
 - certificates of deposit,
 - bonds, notes, bills, commercial paper and other marketable instruments, and
 - shares in money market funds and other pooled funds

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR.

2. Investments made by the Authority will be classified as either specified or non-specified investments. The CLG Guidance defines specified investments as those:
 - denominated in pound sterling,
 - due to be repaid within 12 months of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”

It should be emphasised that institutions with a rating within the single A band are considered to be ‘high credit quality’ (Fitch). At present, the Council will place investments with UK and non-UK institutions that have a minimum long term rating of A- or equivalent (broadly equivalent to a credit score of 6 - paragraph 4.6 refers). In the current volatile economic environment there is the possibility that the ratings of financial institutions could be downgraded across the board. The Authority will review its view on minimum credit ratings should this become the case.

In terms of Sovereign ratings, the UK is currently rated AA, but is on negative watch due to Brexit concerns. To reflect this uncertainty, the Council will use UK banks irrespective of the UK sovereign rating and any other sovereign with a minimum rating of AA- (broadly equivalent to a credit score of 4 - paragraph 4.6 refers). Any new specified investments will be made within the limits shown within table 1 in the AIS. For money market funds and other pooled funds ‘high credit quality’ is defined as those having a credit rating of ‘AAA-mmf’ or higher (broadly equivalent to a credit score of 2 - paragraph 4.6 refers).

3. Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. On-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in the table below:

Non-Specified Investment Limits

	Cash limit
Total long-term investments	£20m
Total investments without credit ratings or rated below [A-] (including loans to small businesses)	£30m
Total non-specified investments	£50m

All non-specified investments must be approved in accordance with the authorisation procedures as detailed in Treasury Management Practice Document 5: Organisation, Clarity and segregation of Responsibilities and Dealing Arrangements. This involves prior authorisation and approval of the Acting Head of Financial Services.

4. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is reflected in credit ratings and can also be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
5. The Council understands that credit ratings are good, but not perfect, predictors of investment default. Regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including (but not restricted to) credit default swap prices and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

6. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - consideration will be given to recalling or selling any existing investments with the affected counterparty where there will be no cost to the authority

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

RISK SCHEDULE / APPROACH TO RISK MANAGEMENT

The following schedule contains information from the Treasury Management Practice documents and the Council's risk management software, and provides a summary as to how the Council manages the various treasury management risks.

1. Credit and Counterparty Risk

Risk: Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment.

Mitigation: Credit & Counterparty risk is addressed through the use of the Annual Investment Strategy (AIS) as detailed in Section 4. The implications of 'Bail-in' will impact on the ratio of probability of loss. The AIS aims to reduce the impact through diversification whilst acknowledging that the probability of default will potentially increase.

Probability: Medium

Impact: High

2. Liquidity Risk

Risk: Liquidity risk is the risk that cash will not be available when it is needed.

Mitigation: The Council has access to short-term funding through the money markets and borrowing is also readily available from the PWLB. The Council will also aim to keep a proportion of investments totally liquid i.e. with immediate access.

Probability: Low

Impact: Medium

3. Interest Rate Risk

Risk: Interest Rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: Both the HRA and particularly the GF debt pools are subject to a degree of interest rate risk. The balancing of risk against cost is a key theme for 2019/20 and is addressed in detail throughout the TMSS.

Probability: Medium

Impact: Very High

4. Exchange Rate Risk

Risk: Exchange rate risk is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: None – the Council undertakes minimal foreign currency transactions, so the risk is negligible.

Probability: Very Low

Impact: Very Low

4. Inflation Risk

Risk: Inflation risk is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Mitigation: None – the Council generally invests over a term 6 months or less therefore inflation risk is low.

Probability: Low

Impact: Low

5. Refinancing Risk

Risk: Refinancing risk is the risk that maturing borrowings cannot be refinanced on terms that reflect the provisions made by the Council.

Mitigation: The GF has a significant amount of temporary borrowing which will need to be refinanced and this is addressed in the borrowing strategy. The PIs place limits on the maturity structure of borrowing to limit the refinancing risk.

Probability: Medium

Impact: High

6. Legal and Regulatory Risk

Risk: Legal and regulatory risk is where the Council fails to act in accordance with its legal powers or regulatory requirements, and suffers losses accordingly.

Mitigation: There are a number of regulatory changes being introduced in 2019/20, however the Council receives professional advice from Treasury Management advisers and officers receive regular training updates.

Probability: Medium

Impact: High

7. Fraud, Error and Corruption Risk / Contingency Management Risk

Risk: Fraud error and corruption and contingency management risk is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings.

Mitigation: Internal Audit consider on an annual basis carrying out a regulatory review of the treasury management function including probity testing. This decision is made on a risk-based strategy and discussed and agreed with management. The recommendations of these reports are actioned in accordance with the agreed timetable.

Probability: Low

Impact: Medium

8. Market Risk

Risk: Market risk is the risk that through adverse market fluctuations in the value of the principal sums the Council invests, its stated investment objectives of security of capital is compromised.

Mitigation: The use of alternative investments vehicles such as property funds may increase the level of market risk. Investment in such instruments will only be undertaken after rigorous assessment and on the advice of Capita Asset Services.

Probability: Medium

Impact: Medium

LINK ECONOMIC & INTEREST RATE FORECAST NOVEMBER 2018

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table and commentary reflects Link's central view.

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth became increasingly strong during 2018 until slowing significantly during the last quarter.

At their November quarterly Inflation Report meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. On a major assumption that Parliament and the EU agree a Brexit deal in the first quarter of 2019, then the next increase in Bank Rate is forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008.

Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth.

That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018. It has also

continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature.

We therefore saw US 10 year bond Treasury yields rise above 3.2% during October 2018 and also investors causing a sharp fall in equity prices as they sold out of holding riskier assets. However, by early January 2019, US 10 year bond yields had fallen back considerably on fears that the Fed was being too aggressive in raising interest rates and was going to cause a recession. Equity prices have been very volatile on alternating good and bad news during this period.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2018-19 and while they were on a rising trend during the first half of the year, they have back tracked since then until early January. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

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**FINANCIAL RESILIENCE
2019/20 – 2021/22**

INDEX

1.	PURPOSE
2.	INTRODUCTION
3.	ROLE OF THE S151 OFFICER
4.	CIPFA'S FINANCIAL RESILIENCE INDEX
5.	THE COUNCIL'S POSITION
6.	OTHER AREAS OF FINANCIAL RESILIENCE
7.	APPENDICIES
	Appendix 1 – Draft Financial Resilience Indicators

1. PURPOSE

- 1.1 To bring to the attention of Members CIPFA's proposed Financial Resilience Index and other internal control measures in contributing to the development of a sustainable financial strategy for the Council.
- 1.2 The S151 Officer has carried out a review of the Council's financial health in line with CIPFA's draft financial resilience indices. In his opinion, based on the indicative results and other wider control measures already in place across the organisation; the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position.

2. INTRODUCTION

- 2.1 Local Government has faced unprecedented financial challenges in recent years that are likely to persist well into the next decade. Local Authorities across England spend 25% less in real terms than they did 8 years ago largely because of Central Government grant funding cuts by an average of 50% over the period. This has made it extremely difficult for Local Authorities to continue to deliver core services to the public whilst also juggling increasing cost pressures associated with rising demands for those services.
- 2.2 Some local authorities are now reaching breaking point where a number of well-run councils will only be able to deliver core statutory functions if they are to maintain a balanced financial position. There is also an increasing trend in the number of authorities drawing down their reserves in an unsustainable manner placing them in financial difficulty. The most recent example of this being Northamptonshire County Council.
- 2.3 As a result, the financial resilience of local government is under greater scrutiny than ever before, placing an increasing importance on each Council's ability to provide assurance to local leadership in relation to ongoing financial sustainability and the ability to continue to deliver statutory responsibilities.

3. ROLE OF SECTION 151 OFFICER

- 3.1 The role of the Council's Section 151 Officer is to ensure the Council manages its finances properly and maintains a balanced and sustainable financial position. The intention is to bring greater awareness to senior leadership in relation to financial resilience and ongoing sustainability issues to support key decision making and consideration as part of setting future priorities. This requires a clear understanding of the financial limits of the Council.
- 3.2 The Section 114 notice is a tool that can be used by the Section 151 Officer to highlight approaching financial risks to local leaders to ensure action is taken in a

timely manner to stabilise the position to avoid a potential financial 'cliff edge'. This was the tool used by Northamptonshire, albeit a little too late. The Section 114 notice should be used as a tool to act as a control mechanism and an early warning system as part of a wider assurance framework and not as a last resort.

- 3.3 In response to the financial challenges presented to local government and to further support the role of the Section 151 Officer, CIPFA have developed a Financial Resilience Index. This is a tool to provide an assessment of a Council's financial health, to act as an early warning system to ensure action is taken in a timely manner to support the continued sustainability of the organisation. The tool can be used to provide assurance to leadership that their Council has robust financial health. In addition CIPFA also propose to develop a new Financial Management Code to support good practice in the planning of sustainable finances.

4. CIPFA'S FINANCIAL RESILIENCE INDEX

- 4.1 CIPFA is currently consulting on the proposed introduction of a Financial Resilience Index for local government. The tool is designed to identify those councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with potential financial failure. The tool allows comparison with other councils with similar characteristics and will support councils in identifying areas of weakness, enabling them to take action to mitigate the risk of financial failure and thus ensure financial sustainability.
- 4.2 CIPFA originally proposed to measure 6 key indicators that focus on factors that are associated with financial stress (NB: other indicators have subsequently been recommended following consultation).
- 4.3 The indicators consider the following:
- Running down reserves;
 - Failure to plan and deliver savings in service provision;
 - Shortening medium term financial planning horizons;
 - Gaps in savings plans;
 - Dependency on external central financing;
 - Proportion of non-discretionary spending;
 - Adverse OFSTED ratings;
 - Changes in accounting policies;
 - Poor returns on investments;
 - Low levels of confidence in financial management.
- 4.4 The broad approach of the tool is to calculate individual scores across a range of indicators to illustrate the trajectory of an authority's financial position within the context of comparative neighbours. Appendix 1 sets out the 6 indicators which CIPFA originally consulted on.

5. THE COUNCIL'S POSITION

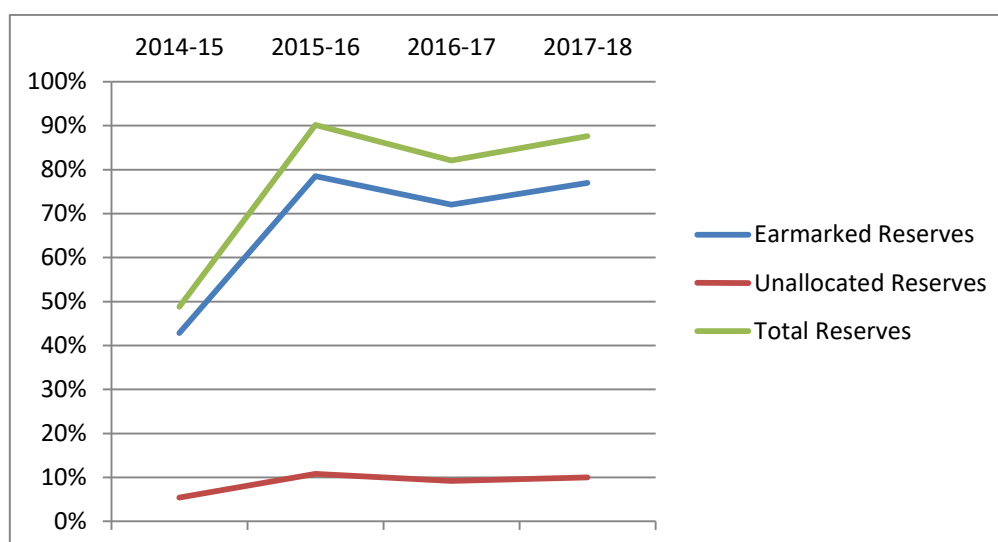
5.1 An analysis has been undertaken to assess how the Council scores against the proposed indicators covering the period 2014/15 to 2017/18. A summary of the analysis is detailed below.

1. Reserves as a % of Net Expenditure:

This indicator considers the council's reserves position, including the level of earmarked and unallocated reserves, (both are equally important). Councils that hold low levels of reserves could find it difficult to deal with future financial pressures or indicate that they do not plan effectively.

Barnsley has a historically strong reserves position, with an average of 77% reserves as a proportion to net expenditure over the period 2014 to 2018. (*Reserves exclude Schools & Public Health balances*).

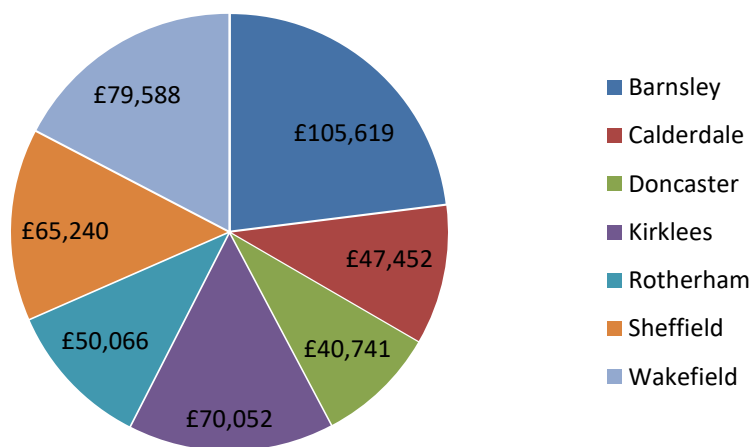
The chart below shows the Council's reserves position over the assessed period:



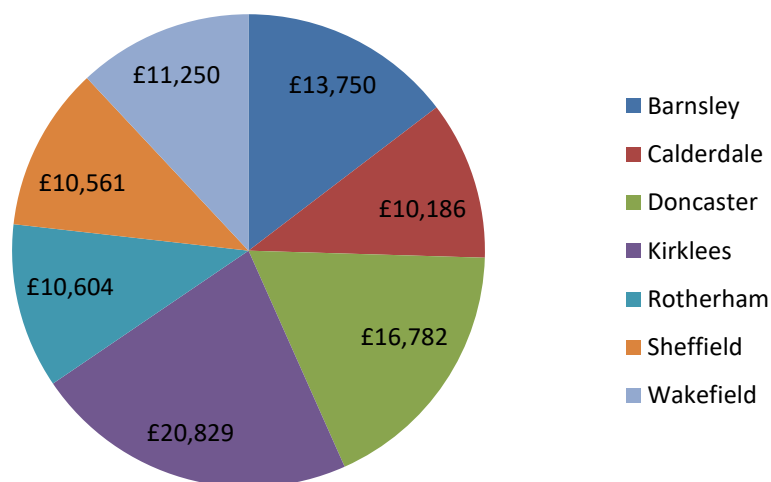
There was a sharp rise in the Council's reserves position between 2014/15 and 2015/16; this is as a result of a revision to the council's MRP Policy, and as a direct consequence of austerity, engendered a more cautious approach in the use of resources. In addition, the Council also increased its Minimum Working Balance from £10M to £15M in the same period, reflecting the S151 Officers' advice on the Council's overall risk exposure during this period of financial uncertainty.

As can be seen the Council compares favourably to neighbouring authorities, having the strongest reserves position in overall terms.

Average Earmarked Reserves 2014-15 to 2017-18 £M



Average Unallocated Reserves 2014-15 to 2017-18 £M



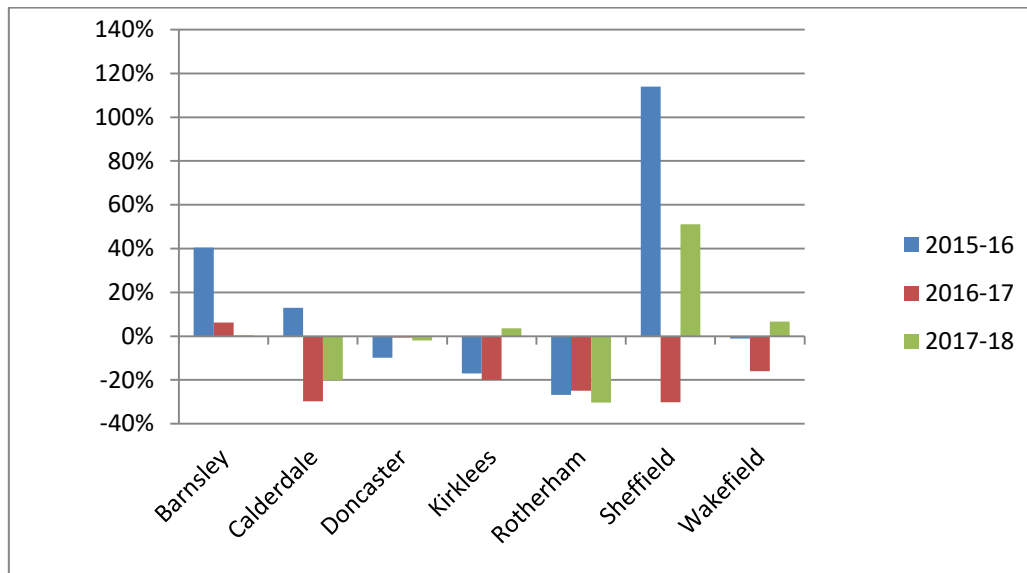
2. Change in reserves:

This indicator considers the average change in reserves over the previous 3 year period. A council that demonstrates rapid depletion of reserves over the short to medium term may be at risk of financial failure as they have no contingency to deal with unforeseen financial pressures, making it difficult to maintain a balanced budget and maintain a sustainable financial position.

The Council saw a sharp increase in the level of reserves over the period 2015/16 to 2016/17 for the reasons already outlined and have maintained a stable position

over the last 2 financial years, indicating a prudent and planned approach in the use of reserves. The Council also maintains a minimum working balance of £15M equating to approximately 10% as a proportion of net expenditure.

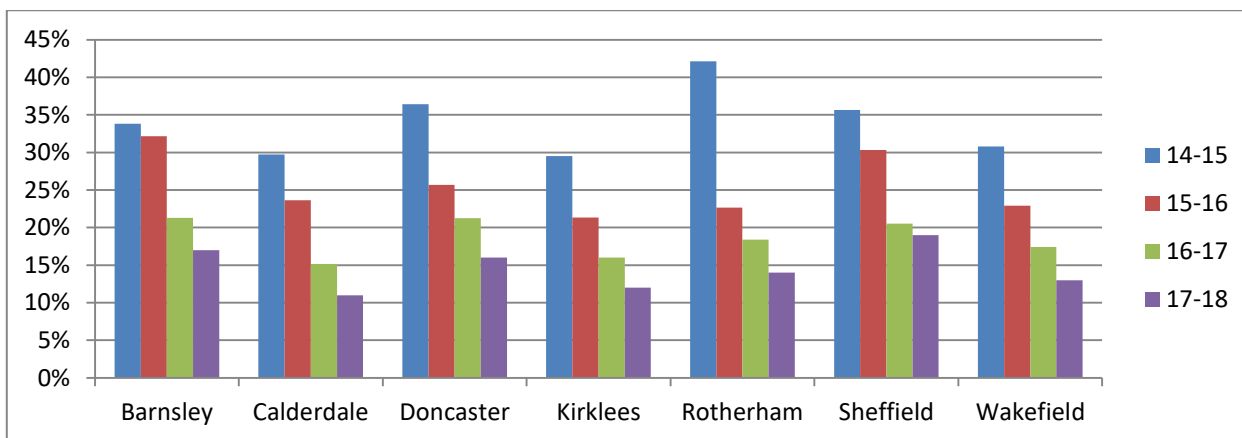
The table below sets out the Council’s change in reserves over the previous 3 years compared to the change of neighbouring authorities.



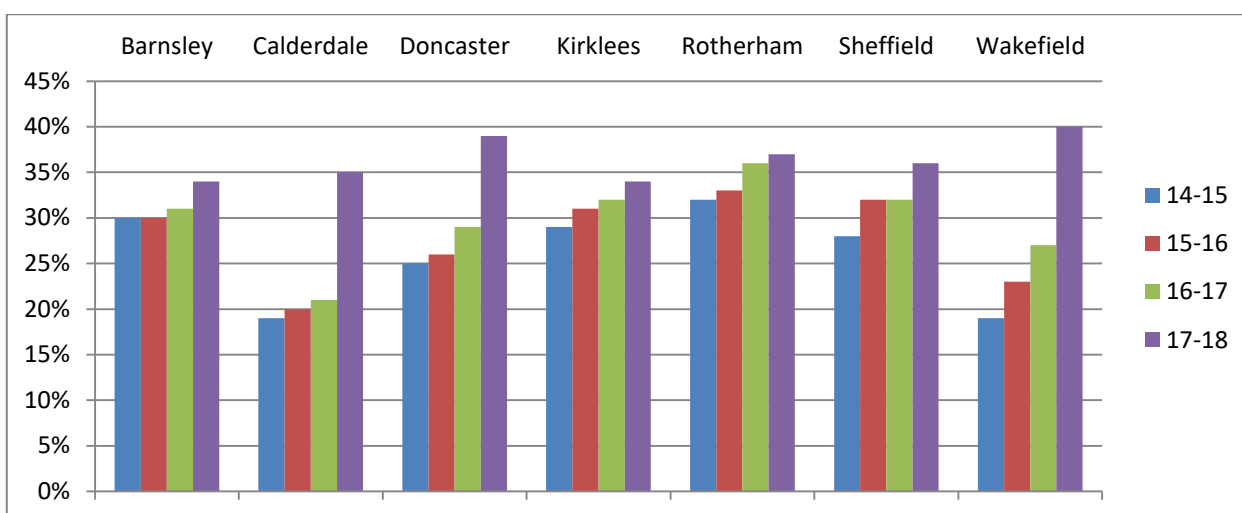
3. Revenue Support Grant as a % of Net Expenditure

This indicator demonstrates the reliance on central government grant to fund the council’s net revenue expenditure. Government grants are a diminishing source of funding; a council that is highly reliant on such funding may experience financial difficulties in the future as grant funding continues to decline.

The table below shows Barnsley and its neighbouring authorities which indicates a declining reliance on central government grant funding, indicating more reliance on other sources of income generated at a more local level. Although this can be viewed as a positive in terms of a move towards self-sufficiency, it should be noted that the Council is now more reliant on income sources that are subject to volatility (e.g. business rates) and which don’t always reflect local need.



The table below sets out the proportion of each council's income from Council Tax and retained Business Rates to total expenditure.



The Council maintains a relatively constant position; this is driven by low expenditure rather than high levels of business rates, showing the council has responded proactively to diminishing grant funding. The slight incline in 2017/18 indicates growth in council tax and business rates, again demonstrating a proactive approach to increasing the tax base through various economic growth strategies to attract housing and business growth across the borough.

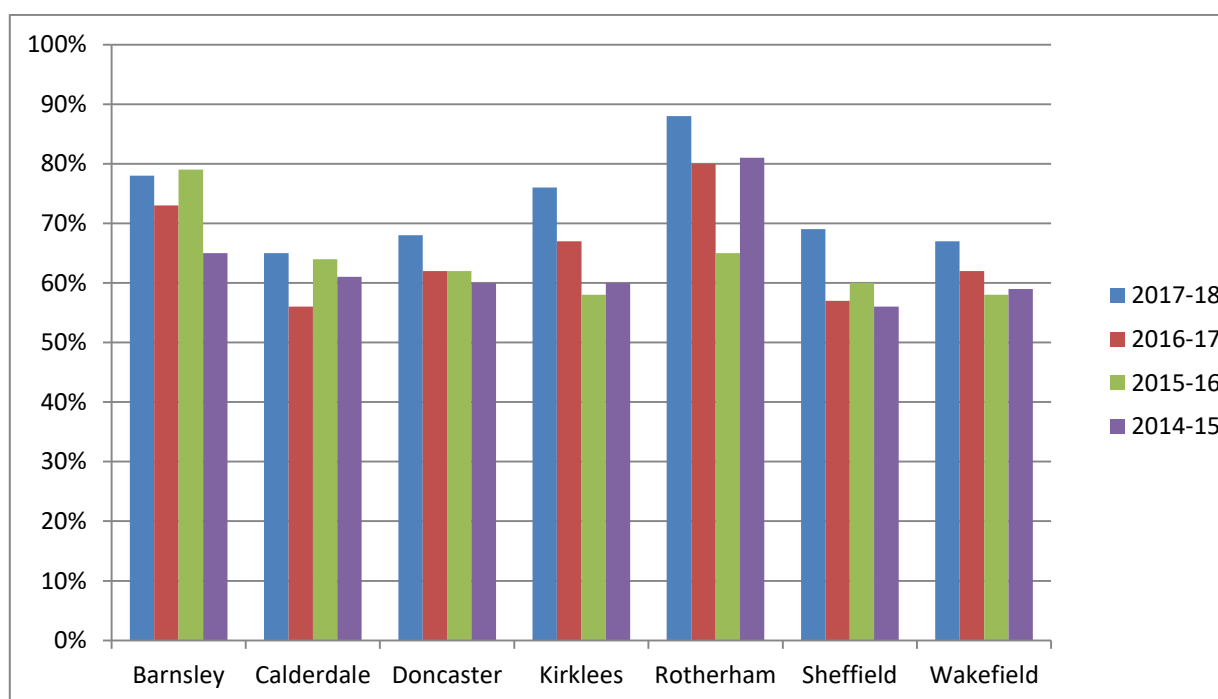
4. Social Care & Debt Financing as a % of Net Revenue Expenditure:

This indicator considers the proportion of adults and children's social care costs and interest on borrowing to net revenue expenditure. As spending in the aforementioned areas tends to be of a statutory or fixed nature, this measure shows the extent to which spend can be reduced in other areas of a council's budget if that becomes necessary. A high ratio indicates a council has little flexibility to make further savings and thus increases the risk of potential financial failure.

The table below shows the Council spends on average 77% of its revenue expenditure on these categories. This is largely as a result of the £102M of

efficiency savings delivered since 2010 been mainly delivered from ‘other’ council services, recognising that adult and children’s social care services have in the main been protected from the worst of the cuts in expenditure. However, this indicates that the Council is now reaching a point where there is little capacity in the rest of the budget to make further savings and thus emphasises the need to demonstrate value for money in everything the Council does.

The table also shows that the Council’s proportionate spend on social care and debt financing costs compares less favourably than some of our near neighbours. However, the Council is not a significant outlier with a broadly consistent picture across all authorities, reflective of the national pressures associated with rising social care costs.



5. Children’s Social Care Judgement:

This indicator considers the latest OFSTED rating on the quality of children’s social care. A rating of inadequate or requires improvement may be associated with future increases in spending on children’s social care, adding further cost pressures.

Barnsley’s latest OFSTED rating is ‘Good’ as outlined in the table below, indicating no serious concerns around future spending requirements in this area.

Judgement	Grade
The impact of leaders on social work practice with children and families	Good
The experiences and progress of children who need help and protection	Good
The experiences and progress of children in care and care leavers	Good
Overall effectiveness	Good

6. Auditor Value for Money Assessment:

This indicator shows whether auditors have concluded a non-standard value for money conclusion on the Council's statement of accounts. A non-standard judgement may indicate some concern over the financial management and decision making of the council.

The Council has never received a non-standard judgement, indicating a sound financial management framework and robust governance arrangements.

7. Conclusion:

An analysis of CIPFA's originally proposed financial resilience indices indicates that the Council has a strong and stable reserves position, with a sound strategy in place to utilise reserves in a planned and prudent manner.

The Council has been pro-active in responding to the significant financial challenges that it has faced over the past decade. Robust plans have been put in place to reduce expenditure in line with reduced resource levels, which along with a council wide transformation programme has contributed to the delivery of a sustainable future council.

The Council has recognised that it needs to be less reliant on traditional sources of Government funding and has put in place strategies and plans that contribute to developing sustainable income streams from locally generated sources.

Although this is a common theme across all local authorities, there are inevitable concerns over the Council's proportionate levels of spend on social care / debt costs and the consequential lack of flexibility to make further savings in other 'non-protected' services. That said; the Council has been proactive in developing strategies and plans to drive out maximum efficiencies in both protected and non

protected services to ensure that it is as financially sustainable as it can be in a period of unprecedented uncertainty.

6. OTHER AREAS OF FINANCIAL RESILIENCE

6.1 Although CIPFA's Financial Resilience indices focus on a number of key themes, the Council is able to further demonstrate financial resilience through a range of other forms of internal control and good financial management as detailed below.

- Reserves:

The Council has a strong reserves position, equating to an average of 77% of its net revenue expenditure. A robust reserves strategy is in place which ensures that reserves are only utilised in a planned and prudent manner. For example, reserves can only be applied to revenue or capital priorities that are both one-off in nature and which are aligned to the Council's Corporate Plan. The strategy emphasises that reserves are only to be used as a bridging strategy to address recurrent budget shortfalls in exceptional circumstances and this has not been necessary for a number of years.

The Council holds a Minimum Working Balance of £15M, equating to approximately 10% of net expenditure. The Council increased this from £10M in 2015/16, following the advice of the S151 Officer with the current level deemed to be adequate for addressing any unforeseen events.

In addition, the Council also holds a £5.2M Minimum Working Balance relating to the Housing Revenue Account equating to approximately 7.5% of turnover.

- Financial Planning:

The Council has a robust Medium Term Financial Strategy in place covering a rolling 3 year budget cycle, underpinned by a number of complementary strategies covering for example Reserves, Treasury Management and Capital strategies. Consideration is given to all future spending challenges, (e.g demographic pressures); indicating a prudent approach to financial planning.

Strong financial management is embedded throughout the organisation, led both by the Senior Political Leadership and Senior Management Team and cascaded down to all levels. This can be evidenced through the successful delivery of £102M of efficiency savings since 2010 in order to maintain a balanced budget and sustainable future council.

A balanced budget has been set for the current financial year 2018/19 and is currently forecasting an overall service underspend, demonstrating that 'in year' pressures are being managed effectively.

Detailed proposals to deliver a balanced position for 2019/20 and 2020/21 have been produced with plans being worked up to address a modest deficit in 2021/22.

This further demonstrating the pro-active approach being taken by the Council to prepare itself for the potentially significant financial challenges that lie ahead.

- Financial Reporting:

The Council's MTFS is approved by Cabinet and Full Council in February each year in advance of the new financial year commencing. Regular updates are provided and approval granted throughout the year.

A robust integrated financial and performance monitoring and reporting framework is in place, with quarterly updates reported and approved by Cabinet and Audit Committee respectively.

- Commercialism:

The Council has recognised the need to adopt a more commercial and business like mind-set in everything it does, and this is one of the council's internal priorities. A Commercial Strategy is in place which focuses on 4 key themes:

- Embedding a commercial culture;
- Demonstrating value for money;
- Effective procurement and commissioning;
- Maximising income generation.

A number of commercial work streams exist across the Council that contribute to creating a sustainable financial landscape for the future. Significant successful outcomes can be evidenced including a Property Investment Fund (PIF), commercial housing developments as well as phase 1 of the Glassworks scheme [phase 2 in progress]. There also many other smaller scale examples that reflect the embedding of a commercial culture across the organisation including Bereavement Services [establishing a pet crematorium]; CODE GREEN [trading IT services through a wholly owned Council company] along with the various commercial partnerships the Council successfully participates in (Berneslai Homes / NPP / NORSE).

Section 4

BARNSLEY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL - RESERVES STRATEGY UPDATE

1. Purpose of Report

- 1.1 To update the Council's Reserves Strategy to complement and tie into the Council's MTFS.

2. Recommendations

- 2.1 **Note the current position in relation to all reserves and balances as outlined in the report;**
- 2.2 **Note the current position in relation to those reserves and balances identified as being potentially available to support priority investment over the planning period totalling £59.2M as identified in the table at 3.13, split between General Fund resources (£37.4M) and Housing resources (£21.8M) respectively;**
- 2.3 **Note the proposals for using upto £41.2M of these available reserves as set out in the '2020 Capital Programme and Use of Reserves' report elsewhere on this agenda;**
- 2.4 **Note the intention to retain the General Fund element of the unallocated resources totalling £16.1M in light of the continued Brexit uncertainty and particularly in light of the economic regeneration schemes that the Council is committed to taking forward in the next few years;**
- 2.5 **Over and above this, note the intention at paragraph 3.3 to retain the minimum working balance of £15M as a contingency for unforeseen events over the planning period.**

3. Current Position

3.1 Overall Opening Position

The table below summarises the Council's total balances position as at 1st April 2018 and a summary of the remaining reserves available after setting funding aside for existing statutory items, existing commitments and current capital programme approvals.

Table 1 Total Available Resources as at 31st March 2019

SUMMARY AS AT 1ST APRIL 2018	1st April 2018	Plus Anticipated Future Resources	Resources Available for 2020 Programme	Less Statutory / Invest. Earmarking	2020 Capital Programme Already Approved	Available Resources – 31st March 2019
	£M	£M	£M	£M	£M	£M
TOTAL RESERVES	135.793	43.301	179.094	(85.402)	(70.114)	23.578
TOTAL CAPITAL RECEIPTS	12.186	4.595	16.781	(6.186)	(6.000)	4.595
Sub Total General Fund	147.979	47.896	195.875	(91.588)	(76.114)	28.173
TOTAL HOUSING	41.517	-	41.517	(21.114)	(5.342)	15.061
TOTAL BERNESLAI HOMES	8.920	-	8.920	-	(2.160)	6.760
Sub Total Housing	50.437	-	50.437	(21.114)	(7.502)	21.821
GRAND TOTAL	198.416	47.896	246.312	(112.702)	(83.616)	49.994
APPENDICES	APP 1	APP 2		APP 1	APP 3	

3.2 Further details are provided at Appendices 1-4. As outlined in previous reports, all of the earmarked funds are subject to ongoing review but at this point, they can be considered committed and therefore not available to fund new initiatives.

General Fund Resources

3.3 The closure of the 2017/18 accounts recorded total general fund revenue reserves of £135.8M and capital receipts of £12.2M respectively (Appendix 1a refers). An element of these resources are either required to be earmarked under statute (e.g. school balances), are required for corporate cross cutting expenditure commitments (e.g. redundancy costs) or are required to fund previously agreed investment decisions (e.g. the redevelopment of the town centre). Included in the statutory earmarkings is an amount of £15M for the Minimum Working Balance which is set aside as a contingency for unforeseen events during this planning period.

3.4 Where 'banked' resources are identified as available for consideration i.e. not earmarked specifically for the categories above, they are held corporately pending prioritisation (see Capital Strategy). Appendix 1a provides an analysis of all reserves recorded in the audited statement of accounts.

3.5 In addition to these 'banked' resources, our reserves strategy also incorporates future resources that we can prudently expect to receive such as New Homes Bonus allocations, future borrowing provisions (set aside in the forecast) and 'known' receipts. A detailed breakdown is provided at Appendix 2.

3.6 The Council's existing capital programme already utilises some £76.1m of the available reserves which are summarised in Table 1 above and provided in detail at Appendix 3.

3.7 In addition to the position shown at Table 1 above, further reserves have been identified for release and consideration, included in this suite of budget papers, which are summarised below:

- A provisional revenue outturn of £2.8M is indicatively identified (as at September 2018 – Quarter 2);

- The Government's settlement in December 2018 identified further resources available for the Council totalling £1.1M over the period in respect of increased New Homes Bonus allocations;
- The Government's settlement also identified further resources available for the Council totalling £0.9M in respect of its share of a Business Rates Levy Surplus that the Government had identified; and
- Reserves totalling £4.4M which were initially set aside as a 'one off' contingency to deal with burgeoning ASC pressures are no longer required for this purpose, as in the interim period, the ASC monitoring position has significantly improved and in addition, further one off allocations of £4.5M have been recently announced by the Government for ASC/ CSC pressures.

3.8 The net impact of this update is to leave £28.2M of General Fund resources available for consideration.

3.9 It should also be noted that there are currently a number of funding bids that are being progressed at this point in time particularly in relation to submissions into Sheffield City Region. It is intended to incorporate the outcome of these funding bids into the ongoing review of the MTFs and reserves strategy which will be reported into Cabinet in due course.

Housing Resources

3.10 The closure of the 2017/18 accounts recorded total Housing related resources of £50.4M. This amount is split between Housing Revenue Account (HRA) reserves of £41.5M (Appendix 1b refers) and a Berneslai Homes company surplus, totalling £8.9M (Appendix 1c refers). An element of these funds are required to be earmarked under statute for specific housing related expenditure commitments (e.g. mitigation of the impact of universal credit) or represent cash required to fund previously agreed investment decisions (e.g. New Build Bungalows).

3.11 After allowing for earmarkings of £21.1M (see Appendix 1b) and approved capital investments (Appendix 3) of £7.5M (total £28.6M), the remaining amount for consideration is £21.8M.

3.12 The entirety of these resources are "banked" in that they reside in the Authority's balance sheet pending consideration and exclude any anticipated future resources.

Revised Overall Resource Position

3.13 The impact of these changes on the Council's available reserves is shown in Table 2 below:-

Table 2 Revised Overall Resources Position

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	TOTAL £M
General Fund Resources							28.173
Housing Resources							21.821
Previously Agreed Available Resources							49.994
2018/19 Indicative Outturn	-	-	-	2.800	-	-	+2.800
Reprioritisation of Reserves	-	-	-	4.400	-	-	+4.400
New Homes Bonus Update	-	0.132	-	0.316	0.316	0.316	+1.080
Business Rates Levy Surplus	-	-	-	0.860	-	-	+0.860
Other adjustment	-	0.065	-	-	-	-	+0.065
Further Forecast Reserves	-	0.197	0.000	8.376	0.316	0.316	+9.205
Revised Resources Position							59.199

3.14 Assuming the proposed priority schemes are approved, the remaining unallocated reserves are shown in table 3 below:-

Table 3 Total Unallocated Reserves

	TOTAL	PRIORITY SCHEMES	NET REMAINING
	£M	£M	£M
Housing - Ringfenced Resources (HRA)	15.061	13.600	1.461
Housing - Non Ringfenced Resources	6.760	6.262	0.498
Sub Total – Housing	21.821	19.862	1.959
General Fund - Non Ringfenced	37.378	21.312	16.066
Total Unallocated Reserves	59.199	41.174	18.025

3.15 The total amount of remaining unallocated reserves is £18.0M. This is summarised in Table 3 and in more detail at Appendix 4.

3.16 Out of the £18.0M available, £1.9M relates to the ring fenced HRA account or other housing resources. The remaining non- ring fenced General Fund amount is £16.1M and it is proposed to set this aside as a contingency in view of the continuing uncertainty surrounding BREXIT and particularly in light of the economic regeneration schemes that the Council is seeking to take forward in its capital programme.

BALANCE OF GENERAL FUND RESOURCES AS AT 1ST APRIL 2018
INCLUDING THOSE EARMARKED

<u>GENERAL FUND RESERVES</u>	1st April 2018 £M
<u>Unavailable: Statutory & Corporate Items</u>	
Minimum Working Balance	15.000
School Balances	2.894
Future Council – Downsizing/ Pressures	16.000
Minimum Revenue Provision Reserve	2.356
Insurance Fund Reserve	5.324
Building Schools for the Future	6.034
Sub-Total - Statutory & Corporate Items	47.608
<u>Unavailable: Investment Decisions Previously Agreed</u>	
Invest to Grow Fund	1.556
Town Centre Management	1.000
Libraries Review	1.000
Area Councils / Ward Alliance	1.145
Public Health Grant	1.868
Adult Social Care – Transformation	4.400
Safer Communities Grant	1.067
Other	6.758
Glassworks	19.000
Sub-Total - Investment Decisions	37.794
Sub-Total – Other Earmarkings	85.402
<u>Capital Investment Decisions</u>	
2020 Capital Priorities – Glassworks	13.627
2020 Capital Priorities – Other	36.764
Sub-Total - Capital Investment Decisions	50.391
GRAND TOTAL – GENERAL FUND	135.793

<u>CAPITAL RECEIPTS</u>	1st April 2018 £M
Earmarked for 2020 Capital Priorities	6.000
Earmarked for Other Capital Priorities	6.186
GRAND TOTAL – CAPITAL RECEIPTS	12.186

APPENDIX 1b

BALANCE OF HRA RESERVES AS AT 1ST APRIL
INCLUDING THOSE EARMARKED

<u>HOUSING RESERVES</u>	1st April 2018 £M
Minimum Working Balance	5.200
Capital Programme Commitments	9.307
Welfare Reform	3.000
Budget Developments 18-19	0.500
New Build Bungalows	2.306
Other	0.801
Sub-Total – Other Earmarkings	21.114
2020 Capital Priorities – Housing	20.403
Sub-Total : Capital Investment Decisions	20.403
TOTAL – HOUSING RESERVES	41.517

APPENDIX 1c

BERNSLAI HOMES SURPLUSES AS AT 1ST APRIL

<u>BERNESLAI HOMES SURPLUS</u>	1st April 2018 £M
2020 Capital Priorities	8.920
TOTAL – Berneslai Homes Surplus	8.920

ANTICIPATED FUTURE RESOURCES

RESERVES	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	TOTAL £M
New Homes Bonus	3.587	3.501	3.000	2.000	12.088
Borrowing Set Aside per MTFS	4.800	5.000	5.000	-	14.800
Additional Borrowing Set Aside - Accelerating Growth	-	11.413	5.000	-	16.413
TOTAL RESERVES	8.387	19.914	13.000	2.000	43.301
CAPITAL RECEIPTS					£M
Receipts anticipated from Longcar sales	-	4.595	-	-	4.595
TOTAL CAPITAL RECEIPTS	-	4.595	-	-	4.595
TOTAL ANTICIPATED FUTURE RESOURCES	8.387	24.509	13.000	2.000	47.896

2020 CAPITAL PROGRAMME ALREADY APPROVED

<u>CAPITAL INVESTMENT</u>	Directorate	Total Investment £	Actual Spend 16/17 to 17/18 £	Future Years Investment 18/19 to 20/21 £
<u>Information Technology</u>				
Microsoft Licensing	Communities	347,094	347,094	-
Virtual Server Hosts Replacement	Communities	650,000	481,404	168,596
Citrix Replacement - Hardware	Communities	290,923	290,923	-
Digital First	Communities	3,250,000	-	3,250,000
SY Superfast Broadband	Communities	600,000	-	600,000
<u>Glassworks</u>				
Glassworks Phase 1	Place	7,560,000	-	7,560,000
Glassworks Phase 2 Development - Predevelopment	Place	1,000,000	1,000,000	-
Early Years Costs (Revenue) Procurement Costs	Place	11,322,000	132,922	11,189,078
Glassworks Phase 2 Contingency	Place	200,000	-	200,000
Further Set Aside - Reserves Strategy Sept 18	Place	2,478,000	-	2,478,000
Town Centre - Jumble Lane Crossing Bridge	Place	2,000,000	-	2,000,000
Town Centre - Public Realm Works	Place	3,000,000	-	3,000,000
	Place	5,100,000	-	5,100,000
<u>Culture & Heritage</u>				
Cannon Hall - Coach House & Cottages	Place	215,000	-	215,000
Development and Implementation of the Elsecar Masterplan	Place	450,000	109,907	340,093
Investment in Wedding Infrastructure at Cannon Hall	Place	100,000	-	100,000
Refit of shop at Cannon Hall	Place	25,000	-	25,000
Purchase of Land at Elsecar (The Sidings)	Place	1,100,000	1,100,000	-
<u>Economic Regeneration</u>				
Property Investment Fund	Place	3,400,000	89,667	3,310,333
Courthouse Enabling and Development Works - Wentworth and Stainborough - National Trust	Place	2,560,000	65,220	2,494,780
	Place	4,100,000	-	4,100,000
<u>Housing, Energy & Regs</u>				
Housing Re-development at Longcar Lane (32 units).	Place	3,997,000	-	3,997,000
Residential Investment Fund	Place	250,000	-	250,000
Pet Crematorium	Place	150,000	1,231	148,769

<u>RESERVES (CONT.)</u>	Directorate	Total Investment £	Actual Spend 16/17 to 17/18 £	Future Years Investment 18/19 to 20/21 £
<u>Highways</u>				
Dodworth Road / Broadway	Place	2,181,000	-	2,181,000
Highways - Skid Resistance	Place	1,000,000	-	1,000,000
Highway - Planned Patching	Place	1,000,000	-	1,000,000
Roads Programme	Place	4,000,000	-	4,000,000
<u>Communities</u>				
Principal Towns Programme	Communities	5,000,000	83,233	4,916,767
<u>People/Assets</u>				
Youth Zone	People	3,000,000	-	3,000,000
Penistone School - Additional Places	Core	2,011,000	21,056	1,989,944
<u>General Contingency</u>		1,500,000	-	1,500,000
Total capital investments		73,837,017	3,722,657	70,114,360

<u>REVENUE INVESTMENT</u>	Directorate	Total Investment £	Actual Spend 16/17 to 17/18 £	Future Years Investment 18/19 to 20/21 £
SEND Provision	People	6,000,000	-	6,000,000
Total Revenue Investment		6,000,000	-	6,000,000

<u>HOUSING/BERNESLAI HOMES</u>	Directorate	Total Investment £	Actual Spend 16/17 to 17/18 £	Future Years Investment 18/19 to 20/21 £
Baden Street	HRA/BH	776,938	81,252	695,686
Longcar Lane	HRA/BH	300,000	-	300,000
Bellbrooke	HRA/BH	327,725	148,669	179,056
Locksley Gardens, Birdwell	HRA/BH	444,833	-	444,833
Pilley	HRA/BH	222,660	-	222,660
HRA Surveyor	HRA/BH	100,700	-	100,700
Kings Road, Wombwell	HRA/BH	202,575	-	202,575
Empty Homes Acquisitions	HRA/BH	2,196,000	2,500	2,193,500
Broadway Acquisitions OPE Site and Conversion	HRA/BH	1,002,400	-	1,002,400
Empty Homes	HRA/BH	1,500,000	-	1,500,000
Homelessness	HRA/BH	200,000	-	200,000
Core Acquisition	HRA/BH	461,000	-	461,000
Total capital investments - Housing/Berneslai Homes		7,734,831	232,421	7,502,410

TOTAL 2020 CAPITAL PROGRAMME ALREADY APPROVED	83,616,770
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TOTAL RESOURCES POSITION

RESERVES	TOTAL £M	TOTAL £M
Total Resources		246.312
Future anticipated reserves		4.805
TOTAL RESERVES		251.117
Of which		
Banked		198.416
To be Realised		
Original	47.896	
Additional	4.805	52.701
TOTAL RESERVES		251.117
Less		
Earmarked pre 18/19		112.702
Re-prioritisation		-4.400
2020 Capital Programme approved		83.616
Housing Capital Programme - approved		17.313
2020 Capital Programme to be approved		23.861
TOTAL EARMARKED		233.092
TOTAL ANTICIPATED FUTURE RESOURCES		18.025
Of which		
Earmarked for Housing Priorities		1.959
Earmarked as BREXIT contingency		16.066

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Section 5

FUTURE COUNCIL 2020

2019/20 BUDGET RECOMMENDATIONS

1. 2019/20 Revenue Budget, Capital Programme and Council Tax

- 1.1 Further to previous reports submitted by the Executive Director of Core Services and Service Director Finance (S151 Officer).

RECOMMENDED:-

- i) that Cabinet are recommended:-
- a) that the Future Council 2020 Strategy at **Section 1** be noted and implemented accordingly;
 - b) that the report of the Service Director Finance (S151 Officer), under **section 25 of the Local Government Act 2003** at **Section 2** be noted, that the 2019/20 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans that ensure the Council's ongoing financial sustainability for 2020/21 and beyond;
 - c) that the revised Medium Term Financial Strategy and Forecast for 2019/20 to 2021/22 contained at **Section 3** and **Section 3a** (supported by the Capital Investment Strategy at **Section 3b**, the Treasury Management Strategy at **Section 3c** and the Financial Resilience position at **Section 3d**) be noted and monitored as part of the arrangements for the delivery of the Future Council 2020 Strategy;
 - d) that the Council's current reserves position at **Section 4** be noted and monitored as part of the arrangements for the delivery of the Future Council 2020 Strategy;
 - e) to consider the budgets for all services and approve, for submission into Council, the 2019/20 budget proposals presented at **Sections 6A – 6C** and **Sections 10A – 10E** subject to Cabinet receiving detailed implementation reports where appropriate;
 - f) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools block to the high needs block and approve the proposed 2019/20 schools block budget as set out at **Section 6D**;
 - g) that the new General Fund capital investment of £23.9M (as outlined at **Section 7 Appendix A**) and £8.4M (**Section 7 Table 5**) of specifically funded schemes be included within the capital programme and released subject to further detailed reports on the proposals for their use;
 - h) Cabinet note the availability of £1.9M of Housing related reserves to be considered against future housing priorities in 2019/20 as set out at **Section 7 Table 3**;
 - i) that Cabinet notes and approves the remaining unallocated resources of £16.1M at **Section 7 Table 3** be earmarked in view of the ongoing BREXIT uncertainty,

particularly recognising the major economic regeneration initiatives the Council is taking forward;

- j) that the detailed proposals for increases to existing fees and charges and new fees and charges be approved and implemented as set out at **Section 9**;
- k) that the efficiency proposals for 2019/20 in **Sections 10A to 10E** be agreed, subject to consideration of any further Equality Impact Assessments;
- l) to approve the creation of a spot salary for the role of Service Director with effect from 1 June 2019 (**see Section 11**);
- m) that the existing Elected Members Scheme of Allowances (**Section 12**) continue and that following consideration of a report from the Council's Independent Remuneration Panel that the indexation formula for the increase in allowances (linked to related increases for officer remuneration) be retained;
- n) that the Aggregated Equality Impact Assessment (**Section 14**) of the proposals be noted and the proposed mitigation actions in the report be approved;
- o) to submit to Council for approval the cash limited budgets for each service with overall net expenditure for 2019/20 of £169.064M;
- p) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 2019/20 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above;
- q) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of savings proposals;
- r) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget/ savings monitoring including any action required;
- s) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 2019/20 budget;
- t) that appropriate consultation on the agreed budget proposals takes place with the Trade Unions and representatives of Non Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council;
- u) that the budget papers be submitted for the consideration of the full Council.

2. Council Tax 2019/20

RECOMMENDED:-

that Cabinet note the contents of **Section 8** (2019/20 Council Tax options) and that:-

- a) the Council Tax Collection Fund net surplus as at 31 March 2019 relating to BMBC of £2.615M be used to reduce the 2019/20 Council Tax requirement, in line with statute;
- b) the 2019/20 Band D Council Tax increase for Barnsley MBC's services be set at 4.49% (2.99% for Barnsley MBC services and an additional 1.5% for the Chancellor's Adult Social Care levy);
- c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 2019/20;
- d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 2019/20.

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2020 FUTURE COUNCIL 2019/20 Budget Summary

Line	DIRECTORATE:	Revised 2018/19 Net Direct Expenditure (controllable) £	Fixed and Ongoing Items £	Investment & Other Decisions £	Future Council Efficiencies £	Revised 2019/20 Net Direct Expenditure (controllable) £
1	COMMUNITIES	17,187,590	578,666		(1,614,632)	16,151,624
2	PEOPLE	73,427,924	2,510,118	1,068,000	(1,474,000)	75,532,042
3	PLACE	36,280,513	1,067,417	2,707,794	(2,217,000)	37,838,724
4	PUBLIC HEALTH	2,277,055	644,072		(189,000)	2,732,127
5	CORE SERVICES	14,478,252	852,486	(2,744,725)	(270,486)	12,315,527
6	TOTAL SERVICE EXPENDITURE	143,651,334	5,652,759	1,031,069	(5,765,118)	144,570,044
7	LEVIES	1,120,529				1,120,529
8	CORPORATE & DEMOCRATIC CORE	458,335				458,335
9	NON DISTRIBUTED COSTS	307,315				307,315
10	CAPITAL FINANCING	13,907,540	270,000	220,000		14,397,540
11	CORPORATE ITEMS / PROVISIONS	9,542,974	(2,895,759)	1,562,931		8,210,146
12	SUB-TOTAL NON SERVICE EXPENDITURE	25,336,693	(2,625,759)	1,782,931	-	24,493,865
13	TOTAL NET EXPENDITURE	168,988,027	3,027,000	2,814,000	(5,765,118)	169,063,909

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL 2021

Summary of Efficiency Proposals 2019 - 2020

DIRECTORATE	TOTAL £
COMMUNITIES	1,614,632
PEOPLE	1,474,000
PLACE	2,217,000
PUBLIC HEALTH	189,000
CORE SERVICES	270,486
TOTAL	5,765,118

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2020 FUTURE COUNCIL 2020/21 Efficiency Proposals

	2020/21 Savings	2020/21 Crosscutting	Total
<i>DIRECTORATE PROPOSALS</i>			
Communities	1,488,005 *	-	1,488,005
People	1,804,910	-	1,804,910
Place	1,600,000	1,060,000	2,660,000
Public Health	260,000	-	260,000
Core	553,500	2,738,000	3,291,500
<i>Total Directorate Proposals</i>	5,706,415	3,798,000	9,504,415

*Includes crosscutting Digital First budget reductions where resources will be reduced across the Council as a result of the implementation of various technologies

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Section 6d

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

2019/20 SCHOOLS DELEGATED BUDGETS

1. Purpose of the Report

- 1.1 To seek approval to Barnsley's local schools funding formula (and changes therein) and the delegated schools block budgets for 2019/20.

2. Recommendations

- 2.1 That Cabinet approves the changes to the local schools funding formula and in particular the transfer of the available funding (£1.4m) from the schools block to the high needs block.
- 2.2 That Cabinet approves the proposed schools block budget for 2019/20.

3. Schools Funding Settlement 2019/20

- 3.1 Details of the Dedicated Schools Grant (DSG) were announced on 20 December 2018 and included details of other schools related funding such as the Pupil Premium Grant. The total DSG allocation for Barnsley for 2019/20 is **£180.5m**. This equates to a **£6.9m** increase in DSG funding compared to 2018/19. The table below compares Barnsley's DSG allocation for 2019/20 to the current year on an equivalent basis.

DSG funding blocks	2018-19 £M	2019-20 £M	Change £M
Schools	142.9	148.8	5.9
Early Years	14.4	14.4	-
High Needs	14.0	15.0	1.0
Additional funding*	0.5	0.5	-
Central services	1.8	1.8	-
	173.6	180.5	+6.9

* One-off SEN funding announced by the Government in Dec 2018 – for high needs pressures

- 3.2 The change in funding in 2019/20 can be explained by the following:

- Schools – the increase of £5.9m is comprised of gains under the new schools national funding formula (£2.9m) and increase in pupil numbers (£3m)
- High Needs – the £1.0m funding increase is comprised of: impact of the new high needs national funding formula (£0.8m) and pupil number changes (£0.2m)

3.3 The DSG settlement for Barnsley includes the additional funding for high needs announced by the Government for 2018/19 and 2019/20 i.e. £0.528m each for both years.

4. Changes to the schools funding formula 2019-20

4.1 A consultation exercise was undertaken in November 2018, which sought views on further changes to Barnsley's local formula as well as the proposal to transfer funding from the schools block to the high needs block. The outcome of the consultation was reported to the Schools Forum in October 2018. The following reflects the implemented changes to the schools funding formula for 2019/20 after consideration of the responses from schools and the views of the Schools Forum:

- The funding factors within the schools' formula for 2019/20 to remain the same as in the current year;
- The Age Weighted Funding Unit (AWPU), i.e. the basic entitlement per pupil has been increased to NFF rates and set as follows: Primary **£2,832**; Secondary KS3 **£3,863** and Secondary KS4 **£4,386**;
- No significant changes have been made to the funding rates and weightings in the formula for the following factors: Deprivation, English as an Additional Language (EAL); and Prior Attainment;
- The 'minimum pupil funding' rate in the formula has been increased to address the under-funding of some schools and is set at the NFF level as follows: £3,500 for primary and £4,800 for secondary. This factor ensures that the total pupil funding (i.e. AWPU, deprivation, EAL, and Prior Attainment) for each school is not less than the set minimum funding rate;
- The Lump Sum amount allocated to all schools (irrespective of size or pupil numbers) has been maintained at the current level (i.e. £100k);
- The primary / secondary funding ratio in the 2019/20 formula has been calculated as 1:1.31 (consistent with the NFF average ratio of 1:1.29);
- The minimum funding guarantee (MFG) has been set at **+0.5%** (same as the NFF). This would ensure that all schools will have a minimum increase 0.5% on a per pupil basis;

4.2 Pupil growth funding (£0.650m) has been top-sliced from the schools block allocation and would be distributed to schools (outside the formula) in line with the Council's pupil growth policy / criteria. The amount top-sliced is less than the amount allocated to Barnsley through the NFF (£0.9m).

4.3 Barnsley continues to face increased cost pressures in the high needs block, with deficit of £8.3M forecast for 2018/19. Views were sought via the consultation with schools to maintain the current 1% funding transfer (£1.4M) to the high needs block. The transfer proposal was approved by the Schools Forum at the October 2018 meeting (see table overleaf).

5. Proposed 2019/20 Schools Delegated Budget

5.1 Submission of schools funding formulae and confirmation of political ratification of the schools' budget (by Councils) is required by DfE. The table below outline the proposed schools budget for 2019/20 and reflect the changes to the formula as detailed in paragraph 4.1 above.

	2018/19 Budget	2019/20 Budget	Variance
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Schools block funding settlement (see Table 3.1)	142,884	148,797	5,913
<u>Less: Funding Top-slice:</u>			
Pupil Growth fund (see para 4.2)	-400	-650	-250
Funding transfer to high needs block (see para 4.3)	-1,429	-1,488	-59
Funding available for distribution	141,056	146,659	5,603

1) Age Weighted Pupil Unit (AWPU)	99,927	103,660	3,733
2) Deprivation	12,405	12,522	117
3) English as an Additional Language	472	579	107
4) Prior Attainment	8,909	9,803	894
5) Lump sum	8,700	8,700	-
6) Minimum pupil funding	621	1,104	483
7) Funding Floor	0	292	292
7) Rates	2,613	2,393	-220
8) PFI funding	7,408	7,606	198
Total Allocated funding to schools	141,056	146,659	5,603

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Section 7

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL

CAPITAL PROGRAMME & USE OF RESERVES

1. Purpose of Report

- 1.1 To identify the Council's capital investment needs and resource availability through to 2021/22.

2. Recommendation

It is recommended that:

- 1 **Members note the overall available resources position for consideration as outlined in section 4.1 of this report;**
- 2 **Members approve in principle the current list of priority schemes identified at appendix A;**
- 3 **Members approve the decision to defer the use of remaining general reserves, totalling £16.1M, pending greater clarity on the outcome of Brexit and consideration of the potential financial impact on the Council, as outlined in paragraph 5.10;**
- 4 **Members note the remaining housing related monies of £1.9M, identified in Paragraph 5.11, which will be considered against future priorities during 2019/20;**
- 5 **Members note the indicative external resource allocations, as outlined at Table 5 of this report, and specifically approve the 2019/20 resources of £8.4M to be included in the Council's capital programme - subject to final confirmation.**

3. Introduction

- 3.1 The 2020 Capital Programme has been set within the context of the Council's 2020 Reserves Strategy included elsewhere in this budget pack.

4. Overall Resource Position

- 4.1 The updated Reserves Strategy, included elsewhere in these budget papers, outlines to Members, the level of resources potentially available for both general fund and housing priority investment respectively. This is summarised in the table below:-

Table 1: Total Available Resources for Consideration

	TOTAL £M
General Fund Resources	37.378
Housing Resources	21.821
Total	59.199

5. 2020 Capital Programme – Schemes for Consideration

- 5.1 The Capital Investment Strategy sets out the principles and processes with regards both the governance and prioritisation arrangements in the setting of the capital programme and it is in this context, that the proposed schemes have been considered.
- 5.2 Services have submitted outline capital investment proposals for consideration against the total resources available. All proposals have been brigaded into three main categories to assist the prioritisation process based on the restricted nature of an element of the available funding and the S51 Officer's advice in relation to carrying out additional prudential borrowing.

Accelerating Growth Proposals

- 5.3 Accelerating growth schemes are proposals that will stimulate economic regeneration, partially coupled with future income streams. Such schemes will help to ensure the Council delivers economic aspirations in relation to jobs and business growth. These schemes may also produce a financial return that can potentially support wider Council priorities.
- 5.4 It is proposed that the Council considers modest additional borrowing for these types of schemes, mainly to provide gap funding to developers where the balance of risk lies away from the Council. The management of this process will form part of the Council's approved Treasury Management Strategy. The proposal to borrow for such schemes will be subject to a rigorous analysis to ensure that there is a strong evidence base for the expected future income streams/ economic return.
- 5.5 In addition to applying strong due diligence to each individual scheme, it is also recommended that such proposals are phased over a period of time to allow for ongoing scheme review, the effective management of risk and also assess the overall debt position of the Council. As outlined in the Reserves Strategy Update, (included elsewhere in this budget pack), a provision to borrow upto **£16.413M** has been set aside in the Council's updated MTFs which equates to the value of the priority 'accelerating growth' schemes set out at Appendix 1.

Non-Accelerating Growth Proposals (Appendix B)

- 5.6 Non-accelerating growth schemes are schemes that do not necessarily generate economic growth or produce a financial return to the Council but serve to fulfil the Council's wider corporate objectives. In respect of funding such schemes, it is proposed to utilise the Council's own general fund reserves as and when these become available. Priority schemes to the value of **£4.9M** are set out at Appendix B.

Housing Proposals

- 5.7 The schemes specifically relating to housing investments aim to both increase the Council's housing stock and stimulate the private housing market. The proposed funding of such schemes is to use the Council's Housing Revenue Account (HRA) reserves and BH surpluses. As mentioned throughout this report, the HRA

Reserves element of the funding is restricted purely to Council Housing proposals and therefore will be solely used on these schemes.

- 5.8 The capital programme for the HRA including both the Barnsley Homes Standard and wider housing investment proposals has been approved in a separate report (Cab.09.01.2019 refers). The indicative 5 year HRA programme is shown in the table below which includes priority housing schemes totalling £17.3M.

	Indicative						TOTAL £M
	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	
Core Programme inc Barnsley Homes Standard	19.773	22.910	21.425	21.676	21.928	22.205	129.917
Housing Growth - Core	10.997	2.152	0.730	-	-	-	13.879
Housing Growth Investment - New	1.715	10.798	4.800	-	-	-	17.313
Total Expenditure	32.485	35.860	26.955	21.676	21.928	22.205	161.109

Remaining Resources

- 5.9 The table below illustrated the remaining resources available assuming that the priority schemes highlighted at Appendix A are approved.

Table 3: General Fund Resources Remaining

	Total Resources	Committed Schemes / Contingency	Total Available Resources
	£M	£M	£M
Accelerating Growth	16.413	(16.413)	-
Acceleration Growth – Housing	2.548	(2.548)	-
Non Accelerating Growth	20.966	(4.900)	16.066
Housing Proposals	19.272	(17.313)	1.959
Total Resources Available	59.199	(41.174)	18.025
less: HRA earmarking		(1.959)	(1.959)
Total General Fund	59.199	(43.133)	16.066

- 5.10 An overall balance of resources totalling £18M has been identified at this time. It is proposed that £16.1M be held pending the conclusion of the outcome of the Government's Brexit negotiation, particularly in relation to the major economic regeneration schemes the Council is committed to taking forward in the next few years. - **Recommendation 3.**
- 5.11 The remaining £1.9M related to unallocated HRA reserves/BH surpluses will be considered against future housing priorities in 2019/20. - **Recommendation 4.**

Updated Capital Programme (General Fund)

- 5.12 Subject to approval of the priority schemes highlighted at appendix A, the revised capital programme for the General Fund programme is summarised in the table below.

Table 4: Updated Capital Programme (General Fund)

	Existing Programme	New Approvals	Total Capital Programme
	£M	£M	£M
General Fund	217.022	23.861*	240.883
Specific resources yet to be allocated to schemes**	10.349	-	10.349
Total Resources Available	227.371	23.861	251.232

*includes £2.6M of housing related schemes

**included £5.8M of S106 monies

6. Other Resources

- 6.1 The Council also receives annual allocations in respect of capital funding which is ring-fenced as to what it can be spent on. The quarterly capital programme monitoring updates will report on these allocations as and when they are received, with indicative sums offered below.

7. Specific Funding to be Approved

School Maintenance Programme

- 7.1 Anticipated resources in 2019/20 totalling £1.2M relate to investment and maintenance in the schools' stock, early years settings and children's centres (maintenance allowance).
- 7.2 These amounts are given indicatively at this stage and are subject to change depending on the rate of academy conversion of the Authority's maintained schools. The final capital programme plans will be capped, in line with the confirmed amounts in due course.

Disabled Facilities Programme

- 7.3 The Council has received an indicative grant allocation totalling £2.8M for 2019/20 relating to the DFG element of the Better Care Fund. This amount is not yet confirmed and is therefore subject to change. The final capital programme plans will be capped in line with the confirmed amounts in due course.

Local Transport Programme (LTP)

- 7.4 The indicative resources for the two year period to 2020/21 total £4.4M in 2019/20 and £4.3M in 2020/21 relating to specific grants in respect of the LTP. The total for 2019/20 is made up of an LTP Maintenance Block allocation of £3.0M, LTP Maintenance Block Incentive Funding of £0.3M and the Integrated Transport Pot £1.1M which is available to invest in the borough's road maintenance needs.

School Admission / Basic Need Programme

- 7.5 Basic Need resources already announced for 2020/21 total £8.6M which supports the requirement to provide new pupil places by expanding existing schools within the Borough. No grant funding is currently allocated to Barnsley for pupil places for 2019/20.
- 7.6 Future funding allocations in respect of new School Pupil Places are agreed / allocated on a three year rolling basis as informed by pupil projections figures provided by LAs via the school capacity (SCAP) survey. The Department for Education has approved the revision made to Barnsley's 2017 SCAP return (increasing the planning areas for secondary schools from one to four), which now clearly shows the need for new school places in the town centre / Penistone areas of the Borough. This is reflected in the increased funding for 2020/21.
- 7.7 It should be noted that the Council, via a Multi Academy Trust, is in the process of applying for a free school in the town centre. Should this application be successful the Government will provide the majority of the funding required for the free school which in turn will impact the indicative basic needs allocation referred to above. It should also be noted that plans to extend Penistone Grammar school have already been committed, totalling £2.0M of the above funding.
- 7.8 The specific/ringfenced funding to be considered as part of this report has yet to be assigned to specific schemes. The inclusion for approval is for Members to note the anticipated receipt of the allocations in 2020 onwards but to specifically note the indicative 2019/20 allocation of £8.4M for inclusion in the Council's capital programme. This funding amount will be subject to final confirmation.
Recommendation 5.
- 7.9 Subsequent Cabinet reports will be presented, aligning the confirmed allocation to individual schemes, in due course. The indicative allocations for 2019/20 – 2021/22 are shown in the table 5 below:

Table 5: Specific Funding Indicative Allocations

	2019/20 £M	2020/21 £M	2021/22 £M	Total £M
<u>Specific Funding to be Approved</u>				
School Maintenance Programme (indicative) *	1.172	-	-	1.172
Disabled Facilities Programme (indicative) **	2.758	-	-	2.758
Local Transport Programme (indicative)	4.443	4.282	-	8.725
School Admissions Programme (indicative)	-	8.570	-	8.570
Total	8.373	12.852	-	21.225

* Figures based on 2018/19 allocation as no indicative figures released by Central Government at the time of writing this report.

** Indicative allocation for 2019/20, actual allocation not yet confirmed by Central Government until February 2019.

8. **Total Capital Programme**

8.1 The indicative 2020 capital programme totals £433.6M as detailed in the table below:

	Total £M	Of Which New Approvals £M
<u>Specific Funding to be Approved</u>		
General Fund	251.232	23.861
Housing Revenue Account Capital Programme	161.109	17.313
Specific Funding	21.225	21.225*
Total	433.566	62.399

See Appendix A

*only £8.373m relating to 2019/20 is to be specifically included in the Council's capital programme. This is still subject to final confirmation from the funding bodies concerned.

NEW CAPITAL SCHEMES RECOMMENDED FOR APPROVAL

Ref	Proposal Title	Brief Description of the Proposal	Total Capital Cost £	RETURN ON INVESTMENT			TOTAL ANNUAL ROI	Other Benefits (e.g Job increases)
				Estimated Annual Income/Saving £	Estimated Business Rates £	Estimated Council Tax £		
ACCELERATING GROWTH								
CI 1	The Core Building Refurbishment	Refurbishment of The Core building in order to provide the infrastructure required within the context of Digital Campus and to maximise the amount of commercial floor space that is available	1,200,000	-150,000	-13,000		-163,000	70 jobs 20 new businesses
CI 9	Property Investment Phase 3	To secure an additional investment fund at a value of £3m with a view to facilitating further speculative development. Delivery approach will need to be clarified but focus may shift to the delivery of targeted high value job growth/sectors in order to ensure alignment with our Town Centre development strategy and growth step change. Assumed that a third round of the scheme has the potential to deliver 200,000ft2	3,000,000		-130,000		-130,000	347 Jobs and 6 new businesses (estimated)
CI 21	Courthouse Replacement Car Park (New MSCP)	Funding to support the viability of the Courthouse Digital Campus scheme via the potential funding of a replacement multi storey car park.	10,900,000				0	Sustain car parking income
C	Town Centre Temporary Car Parking provision	The proposal is to part fund the temporary provision of additional car parking space to accelerate the redevelopment of the existing Courthouse car park. The proposal involves the construction of temporary car parking space on the Npower site off Schwarbish Gmund Way.	742,800				0	
C	The Business Village Phase 5 (formerly BBIC)	This proposed project is to build a fourth phase – currently known as Phase 5 (one Phase is at the Cudworth site) within the grounds of the Business Village at Wilthorpe. It will be a two storey building with a total internal floor area of 13,110 sq. ft. The project also consists of external works including new car parking, private access roads, cycle parking and landscaping.	570,000		-8,000		-8,000	45 jobs 18 new businesses
TOTAL GENERAL FUND SCHEMES PROPOSED FOR APPROVAL			16,412,800	-150,000	-151,000	0	-301,000	
ACCELERATING GROWTH - HOUSING								
HP7	Berneslai Close Acquisition & Conversion	to convert part of the former Council Offices at Berneslai Close into high quality apartments for rent.	998,000	-£40,000	-£8,000		-£48,000	
HP3	Npower Site Acquisition	Town centre site with strategic significance - Option to use for housing and other uses including potential site for Youth Zone	1,550,000					
SUB - TOTAL NON HRA SCHEMES			2,548,000	-40,000	-8,000	0	-48,000	
NON-ACCELERATING GROWTH								
CI 14	Street Lighting LED Replacement	The scope of the project is to enable a replacement programme of Group A and the remaining Group B street lighting lanterns, from energy inefficient HID lanterns to energy efficient LED units. To enable resilience of the stock requiring a lantern change-over, structural examination of the columns will be undertaken at the same time as the lantern	4,200,000	-200,000	0	0	-200,000	

NEW CAPITAL SCHEMES RECOMMENDED FOR APPROVAL

Ref	Proposal Title	Brief Description of the Proposal	Total Capital Cost £	RETURN ON INVESTMENT			TOTAL ANNUAL ROI	Other Benefits (e.g Job increases)
				Estimated Annual Income/Saving £	Estimated Business Rates £	Estimated Council Tax £		
CI 10	Town Centre CCTV System (Public Space)	<p>The current Town Centre CCTV system is old with many items forming part of the system now being obsolete. The system is monitored by South Yorkshire Police in Doncaster at present and this causes significant issues in terms of collecting evidence and the lack of local knowledge to make best use of the system. Due to the on-going issues presenting within the Town Centre an adaptive, modern and suitable CCTV solution is required in order to provide the ability to identify offenders, provide evidence and develop community re-assurance within the Town. The proposal is to bring the Barnsley Town Centre CCTV system back to Barnsley to be managed by the Local Authority as is common practice in most other towns. The ongoing staffing can be contained with existing SNS resources.</p> <p>The alternative is to continue with an obsolete system that we have little direct control over and that is not configured to the redeveloped Town Centre.</p>	700,000				0	
TOTAL SCHEME PROPOSED FOR APPROVAL			4,900,000	-200,000	0	0	-200,000	
TOTAL ALL SCHEMES			23,860,800	-390,000	-159,000	0	-549,000	0

BARNSELEY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL 2019/20 COUNCIL TAX OPTIONS

1. Introduction

1.1 This report considers the calculation and options for setting Council Tax levels for 2019/20.

2. Basis of Council Tax Calculation

2.1 The following stages are involved in determining options for setting the Council Tax:

- 1) Determining the Council Tax base;
- 2) A review of past performance in collecting Council Tax;
- 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases;
- 4) Options for setting the Council Tax in the context of national and local policy.

Step 1 – Determining the Council Tax Base

2.2 The council tax base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties after allowing for disabled persons relief, discounts and other statutory adjustments.

2.3 The calculation of the tax base is further complicated by the Government's Local Government Finance reforms that took effect from 1st April 2013. These changes are summarised below.

Local Council Tax Support Scheme

2.4 The Local Council Tax Support Scheme (LCTS) was introduced in 2013/14. Funding for the scheme forms part of the overall resources allocated to the Council as part of the Local Government Finance Settlement.

2.5 The current LCTS scheme, introduced on 1st April 2015, requires working age claimants to contribute a minimum of 30% to their Council Tax. There are no proposed changes to the LCTS scheme for 2019/20, though options for future changes to the scheme following the rollout of Universal Credit are being considered for 2020/21 and beyond. These will be fully consulted on nearer the time.

Technical Changes to Council Tax

2.7 Since 2013/14, local authorities have been afforded discretion to charge Council Tax on second homes and empty properties. The Council's current policy is as follows :-

- A discount of 0% be applied to second homes and empty furnished homes;

- A discount of 25% be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter;
- A discount of 8.3% (1 month) be applied to properties that are vacant and unfurnished from the date the property becomes empty;
- A 100% premium be charged on properties which have been empty and unfurnished for in excess of two years.

2.8 The 2019/20 Council Tax Base report was submitted in January 2019 (Cab.09.1.2019/8 refers) which set a tax base of 64,081.54.

Step 2 - Review of Performance in Collecting Council Tax

2.9 Cabinet has received a regular update on the the performance in council tax collection. As at the end of Quarter 3 in 2018/19, the current performance is slightly above the stretch target set at the start of 2018/19. As such no adjustment has been made to collection rate targets for 2019/20.

Step 3 – Potential Council Tax Yields 2019/20

2.10 Table 1 below provides information on the estimated Council Tax yields that could be generated based on the currently estimated Council Tax base at different levels of tax increase.

Table 1 – Council Tax Options (2019/20)

% Increase	0%	1%	1.50%	2.00%	2.50%	2.99%	3.50%	4.00%	4.49%
	£M	£M	£M	£M	£M	£M	£M	£M	£M
Council Tax Income	90.978	91.888	92.343	92.798	93.253	93.699	94.163	94.617	95.063
Collection Fund Surplus	2.615	2.615	2.615	2.615	2.615	2.615	2.615	2.615	2.615
Total Council Tax Income	93.593	94.503	94.958	95.413	95.868	96.314	96.778	97.232	97.678

2.11 Each 1% increase in our Band D Council Tax generates additional income of approximately **£0.910M** per annum recurrently (0.5% = £0.455M).

2.12 Table 2 below provides an analysis of the impact of the various increases on the actual Council Tax for council services for each band.

Table 2 –Indicative 2019/20 Council Tax Levels for BMBC Services

% Increase	0.00%	1.00%	1.50%	2.00%	2.50%	2.99%	3.50%	4.00%	4.49%
Band A-	788.73	796.62	800.56	804.50	808.45	812.31	816.34	820.28	824.14
Band A	946.48	955.94	960.68	965.41	970.14	974.78	979.61	984.34	988.98
Band B	1,104.23	1,115.27	1,120.79	1,126.31	1,131.84	1,137.25	1,142.88	1,148.40	1,153.81
Band C	1,261.98	1,274.60	1,280.91	1,287.22	1,293.53	1,299.71	1,306.15	1,312.46	1,318.64
Band D	1,419.73	1,433.93	1,441.03	1,448.12	1,455.22	1,462.18	1,469.42	1,476.52	1,483.48
Band E	1,735.22	1,752.57	1,761.25	1,769.92	1,778.60	1,787.10	1,795.95	1,804.63	1,813.13
Band F	2,050.72	2,071.23	2,081.48	2,091.73	2,101.99	2,112.04	2,122.50	2,132.75	2,142.80
Band G	2,366.21	2,389.87	2,401.70	2,413.53	2,425.37	2,436.96	2,449.03	2,460.86	2,472.45
Band H	2,839.46	2,867.85	2,882.05	2,896.25	2,910.45	2,924.36	2,938.84	2,953.04	2,966.95

2.13 It must be noted that the final overall Council Tax increase for properties in the borough will also depend on the precepts levied by the Police and Fire Authorities. These are currently being discussed by the respective authorities and are not yet available. During 2018/19 the Police Authority increased its Band D council tax by £12 (though the Police can increase by upto £24 for 2019/20), with the Fire Authority increasing its Band D charge by 2.97%. If the maximum increases are made during 2019/20 (£24 for the police and 2.99% for the Fire) it will equate to an additional 1.57% to the overall headline Council Tax increase.

Step 4 – Options for Setting the Council Tax in the Context of National and Local Policy

Options for 2019/20

Council Tax Referendums and Council Tax Capping

General Services

2.14 Schedule 5 of the Localism Act introduced a new Chapter into the 1992 Local Government Finance Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

2.15 The Secretary of State for Communities and Local Government announced as part of the 2018 Local Government Settlement, that there would be additional flexibility afforded to councils allowing upto a 3% increase in Council Tax for general (core) services, before the requirement to hold a referendum. Members will recall the council took the decision to increase council tax by 3% in 2018/19. This additional flexibility has been extended into 2019/20 and reflects general inflationary pressures together with the increasing demand for Local Government services. There remains the option to increase Council Tax above 3% and thus hold a referendum. The cost of holding a referendum is estimated to be around £0.4M so any additional income received for increases above 3% would be needed to cover this cost.

2.16 The Council could agree an increase in Council Tax of say 2.99% without the requirement to hold a referendum. This would result in additional **permanent** base resources of £2.721M per annum.

Additional Flexibility for Adult Social Care Pressures

2.17 Again Members will recall the further flexibilities Government made to local authorities around the Adult Social Care (ASC) precept. This flexibility was offered in recognition of the increasing demand for ASC services arising from demographic pressures and the consequential impact on Council budgets and permitted authorities to introduce total increases of 6% over the period 2017-2020. The incidence of the increases would be at the discretion of local authorities although the maximum increase in any one year is capped at 3%.

2.18 Such pressures have clearly impacted on Barnsley over the last two years and continue to increase moving forwards. The Council took the decision to implement an ASC precept of 3% as part of the 2017/18 budget process, with a further 1.5% increase in 2018/19, bringing the total increase to 4.5% to date.

2.19 This year is the last in the three year period to accept the flexibilities afforded around ASC. Members have the option to implement final increases for ASC of upto 1.5% in 2019/20. This increase would generate an additional £1.4M per annum over and above any agreed increase for general services.

2.20 Table 3 below provides an analysis of the impact of an additional 4.49% increase (1.5% for ASC plus 2.99% for Core Services) on the actual Council Tax for our residents for each band.

Table 3 –Indicative 2019/20 Council Tax Levels at 4.49%

		GENERAL INCREASE		ADULT SOCIAL CARE PRECEPT		CUMULATIVE INCREASE		2019/20 TOTAL	
% Increase	0.00%	2.99%		1.50%		4.49%			
BAND	Current Annual Charge	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Cost	Weekly Cost
Band A-	788.73	23.58	0.45	11.83	0.23	35.41	0.68	824.14	15.85
Band A	946.48	28.30	0.54	14.20	0.27	42.50	0.82	988.98	19.02
Band B	1,104.23	33.02	0.63	16.56	0.32	49.58	0.95	1,153.81	22.19
Band C	1,261.98	37.73	0.73	18.93	0.36	56.66	1.09	1,318.64	25.36
Band D	1,419.73	42.45	0.82	21.30	0.41	63.75	1.23	1,483.48	28.53
Band E	1,735.22	51.88	1.00	26.03	0.50	77.91	1.50	1,813.13	34.87
Band F	2,050.72	61.32	1.18	30.76	0.59	92.08	1.77	2,142.80	41.21
Band G	2,366.21	70.75	1.36	35.49	0.68	106.24	2.04	2,472.45	47.55
Band H	2,839.46	84.90	1.63	42.59	0.82	127.49	2.45	2,966.95	57.06

Conclusion

2.21 Given the significant financial pressures that the Council continue to face particularly in relation to Adult Social Care, Members will need to give careful consideration as to whether to:

1. Increase Council Tax over and above the referendum cap and hold a referendum;
2. Increase Council Tax upto the existing 3% referendum cap for general (core) services;
3. Take up the flexibility of an additional increase of upto 1.5% to fund Adult Social Care pressures.

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Section 9

2020 FUTURE COUNCIL

FEES AND CHARGES 2019/20

1. Purpose of The Report

- 1.1 This report brings together the Council's proposed fees and charges for 2019/20 which are an integral part of 2019/20 Business Unit plans. These are summarised in Appendices 1a – 1e and Appendix 2 to this report.

2. Recommendation

2.1 It is recommended that:

- **The fees and charges set out in Appendices 1a – 1e are recommended to Council for approval from 1st April 2019 or later in 2019/20 as applicable;**
- **The new fees and charges listed in Appendix 2 are approved for implementation;**
- **Additional reports are submitted during the course of the year, in the event that any further amendments to fees & charges are required;**
- **That Cabinet note the objectives and progress of the Council's Commercial Strategy.**

3. Introduction & Background

Work Undertaken on Fees & Charges

- 3.1 The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Future Council. This has provided the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2020 and beyond.
- 3.2 The implementation of the Future Council structure means that the delivery of our key services are based on a Business Unit model supported by a strong and lean core. The financial outlook for the Future Council framework has been developed around a reducing resource envelope and therefore, consideration of setting appropriate fees and charges is an important consideration for Business Units.
- 3.3 All fees and charges for 2019/20 have been proposed in the light of the Council's formally agreed Fees and Charges Policy. This provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved.

- 3.4 It should be noted that there may be further changes to fees and charges to be finalised as part of a wider consideration of Business Unit plans. These will be submitted to Cabinet in due course when all relevant issues have been worked through.

Fees & Charges Policy

- 3.5 A significant element of the Council's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.
- 3.6 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:
- Demonstrating the value of a service;
 - Discouraging abuse of a service;
 - Strengthening service and corporate objectives; and
 - Promoting and encouraging access to services.
- 3.7 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Legal Framework

- 3.8 The legal basis for charging is much clearer following the implementation of specific provisions contained in both the Local Government Act 2003 and more latterly, the Localism Act 2012.
- 3.9 In addition to existing statutory provisions which expressly authorise charging, Section 93 of the 2003 Act allows a local authority to charge for any services which it has the discretion to provide. Charges cannot be made for any services for which there is a duty to provide or where legislation expressly prohibits the charging for discretionary services. In exercising its charging powers, a local authority is under a duty to ensure that taking one financial year with another, the income from any charge for a service should not exceed the cost of providing the relevant service. Where the charges do exceed the cost of provision evidence is required to be provided that this additional income is reinvested in the service(s).
- 3.10 The 2011 Act also expressly addresses the issue of trading purely for profits. This outlined the need to establish trading vehicles where profit driven services are being delivered and reflects the approach adopted by the Council to be more commercial in its activities.
- 3.11 The key features to consider in the framework include:

- Fees and charges will be structured to support the Council's Corporate Plan and encourage public engagement in policy development;
- The income generated from fees and charges will be used to support the work of the Council;
- Fees and charges will normally be calculated on a marginal or full cost recovery basis, depending on the state of the market and any other relevant factors;
- All concessions will be specified;
- Any fees and charges agreed to generate income greater than costs incurred should be clearly articulated as part of the decision, having regard to the principles in the 2003 and 2011 Act and the guidance issued by the Secretary of State to establish trading vehicles where necessary;
- Market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that charges do not adversely affect the take up of services;
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the Council;
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored on a monthly basis as part of the overall budget monitoring process.

Commercial Strategy

- 3.12 Whilst the key features of a fees and charges framework are set out above, the overriding principle is to ensure that the Council's fees and charges are set within a value for money context where financial, performance, access and equality issues are considered fully and appropriately, and decisions are taken in a transparent and balanced way.
- 3.13 To aid delivery of this, the Council has a Commercial Strategy in place that focuses on 4 key themes:-
- Developing a **Commercial Culture**.
 - Ensuring that we demonstrate **Value for Money** across all activities.

- Effective **Procurement and Commissioning**.
- Maximising the income generating potential of our **Commercial Activities**.

3.14 The Commercial strategy is a key document in adapting the Council to an ever changing market place and sets a framework for helping it to seek out the new opportunities on offer. This will help us achieve our commercial aspirations but also potentially help deliver much needed additional income. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

3.15 Through consideration and implementation of the Commercial Strategy it is envisaged that the overall principles set out at para 3.11 will be achieved.

3.16 With the above in mind, a full review of all existing charges has been undertaken by respective business units. New opportunities have also been considered and reviewed. The outcome of these reviews is presented in sections 4 and 5 below, with full details of all charges at Appendix 1 and 2 to this report

4. **Existing Fees and Charges**

4.1 All business units have undertaken a full review of the current fees and charges under their control. The following changes are proposed based on a fundamental value for money review of the existing service provision and current charges being made:

Charge	Basis of changes proposed
Mini Soccer	Increase of 3.7%
Building Control Fees	Fees have been reviewed and amended across the various charging bands to achieve a break even position for the service.
Music Service Fees	It is proposed that fees increase between a range of 6% - 9% for the 2019/20 academic year. Fees have been frozen since September 2016 and Teachers superannuation payments are due to increase in September 2019.
Residents Parking Charges	Current prices have been frozen since 2014. It is proposed to increase the charges to bring them more in line with neighbouring authorities.

	Residents - £25 for first permit, £50 for second Businesses - £37.50 first permit, £75 for second
Bin Delivery Charges	Increased from £20 to £25.
Weighbridge Charges	Increased by 17% to reflect current market place.

- 4.2 All other charges have also been reviewed and either increased in line with inflation (at 3.3%) or no changes have been made (e.g. where the charges are set by statute).
- 4.3 It should be noted that the proposed commercial waste charges are excluded from this report due to the commercial sensitivity. These will be submitted as a private item at a later date.
- 4.4 In accordance with the overall review of all fees and charges it is recommended that the schedule of existing fees and charges as set out in Appendix 1a – 1e are implemented from the 1st April 2019 or later in 2019/20 as applicable.

5. **New Fees and Charges**

- 5.1 In line with the Council's Commercial Strategy, a review of all new opportunities open to the Council for which a charge can be levied in accordance with Section 3 of the Local Government Act 2003 has been undertaken.
- 5.2 This review has identified the following new proposed fees and charges:

Charge	Basis of charges
Professional Fee Charges - Engineering	Hourly Rate
Professional Fee Charges – Corporate Procurement	Hourly Rate / Day Rate
Culture – school visit charges (art award)	Per pupil

- 5.3 It is recommended that these are implemented from 1st April 2019 as set out in Appendix 2 to this report.
- 5.4 In addition to the above, the Council is currently consulting on the highways permit scheme, which relates to requirement to obtain a permit when undertaking any works to a primary highway. The consultation seeks views on extending this this requirement to secondary highways routes. A further report will update Cabinet during 2019/20 on the outcome of this consultation.

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PEOPLE DIRECTORATE

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	INCOME 2018/19			
	Basis of charge	Proposed charge for 2018/19	2018/19 (units if applicable) (i)	Proposed Budget 2018/19 i = h x i
Education & Early Start Prevention				
Education Welfare				
Schools: Additional provision	Per delegate	S175 safeguarding training-£400 prim & £500 sec.		28
	Per Hour	EWO Buy Back £28 per Hour for maintained schools / academies plus vat where applicable (reduction in schools buy back)		301
School Workforce Modernisation				
Tuition Fees - Governor Development	Per Governor	£65 per governor x number of governors (buy back) £50 per Governor (outside of buy back). NQT support / training no longer provided under Future Council		31
School Organisation & Governance				
Governor Clerking for schools	Per annum	Full service primary £1,435 Additional committee service £1,031 Full secondary service £1,747 Partial secondary service Penistone foundation	60 2 5 1 1	139
Admission services (Academy)				
	Charge per pupil	£9.20 Appeals: £42 pp on roll + £354 per 1/2 day hearing	dependent on buy back from converting academies	3
Outdoor Education				
Educational Visits & Journeys (Academies, VA and Trust Schools)	Per Acad/VA/trust school: Secondary+Special per annum	£299 flat fee + £1 pp on roll £1,995	dependent on buy back from converting academies	15
Education Psychology				
Schools: Additional provision	Per Day	Various levels of service: charged at rates between £510 & £550 per day for agreed full year contracts , or £650 per day for ad hoc service provision	670 days	432
Adult Assessment & Care Management				
Client Care Contributions - covers charges made by service users eligible for social care support towards their assessed care costs (residential, nursing and community based care e.g. homecare).	Fees based on ability to pay	Amount paid by service users are based on the outcome of the financial assessment and are linked to the fairer charging policy (for non-residential care) or to issued national guidance CRAG (in the case of residential / nursing care). The maximum cap £150 per week payable by users for non-residential care has been removed (now based on ability to pay subject to financial assessment)	NA	11,676
Community Based Support				
Shared Lives	Board Payment per week HB claim payment per week	£50 £51.50	approx 40 long	200
Children Assessment & Care Management				
Safeguarding				
Multi-agency child protection and safeguarding training - academies	per licence for e-learning No Change per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy No Change	£30.00 £75.00		5
Newsome Avenue Respite Care				
Daycare / Overnight stays for Children with Disabilities from other Authorities	Respite care per night Day Care per hour	£450 £20	169 bed nights	76
Fees and Charges To Be Agreed Via This Report				12,906

PROPOSED INCOME 2019/20				
Basis of charge	Proposed charge for 2019/20	2019/20 (units if applicable) (i)	Proposed Budget 2019/20 i = h x i	Variance k = (i) - (f)
Education & Early Start Prevention				
Education Welfare				
Per delegate	S175 safeguarding training-£400 prim & £500 sec.		28	0
Per Hour	EWO Buy Back £29 per Hour for maintained schools / academies plus vat where applicable (reduction in schools buy back)		301	0
School Workforce Modernisation				
Per Governor	£65 per governor x number of governors (buy back) £50 per Governor (outside of buy back). NQT support / training no longer provided under Future Council		31	0
School Organisation & Governance				
Per annum	Full service primary £1,435 Additional committee service £1,031 Full secondary service £1,747 Partial secondary service Penistone foundation	60 2 5 1 1	139	0
Admission services (Academy)				
Charge per pupil	£9.20 Appeals: £42 pp on roll + £354 per 1/2 day hearing	dependent on buy back from converting academies	3	0
Outdoor Education				
Per Acad/VA/trust school: Secondary+Special per annum	£299 flat fee + £1 pp on roll £1,995	dependent on buy back from converting academies	15	0
Education Psychology				
Per Day	Various levels of service: charged at rates between £510 & £550 per day for agreed full year contracts , or £650 per day for ad hoc service provision	670 days	432	0
Adult Assessment & Care Management				
Fees based on ability to pay	Amount paid by service users are based on the outcome of the financial assessment and are linked to the fairer charging policy (for non-residential care) or to issued national guidance CRAG (in the case of residential / nursing care). The maximum cap £150 per week payable by users for non-residential care has been removed (now based on ability to pay subject to financial assessment)	NA	11,676	0
Community Based Support				
Board Payment per week HB claim payment per week	£50 £51.50	approx 40 long	200	0
Children Assessment & Care Management				
Safeguarding				
per licence for e-learning No Change per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy No Change	£30.00 £75.00		5	0
Newsome Avenue Respite Care				
Respite care per night Day Care per hour	£450 £20	169 bed nights	76	0
Fees and Charges To Be Agreed Via This Report				12,906

EXISTING FEES & CHARGES REVISIONS FOR 2019/20

PLACE

DIRECTORATE/ SERVICE - TYPE OF FEE AND CHARGE	INCOME 2018-19				PROPOSED INCOME 2019-20					
	Basis of charge	2018/19 (units if applicable)	proposed charge for 2018/19	Proposed Budget 2018/19	Basis of charge	2019/20 (units if applicable)	proposed charge for 2019/20	Proposed Budget 2019/20	Variance	
Cannon Hall	Sadler for Weddings (depends on length of time) Sadler (1 hour) Commission on Artists work sales Spencer Wing Conference Hire Full day Per Hour Charities full day, £30 per hr outside core hrs Charities per hour Victorian Wing per dav per hr weekends per hr weekends (Charities) Ballroom Hire for ceremony Deer Shelter for Ceremony Library Hire for ceremony Ballroom Hire for private functions Gallery Hire for functions £500 (2 hours) Drink Functions (walled garden/Spencer wing) per hr		400.00 -700.00 100.00 35% 220.00 75.00 150.00 30.00 50.00 -100.00 70.00 30.00 -75.00 30.00 840.00 - 1,000.00 +VAT 840.00 - 1,000.00 +VAT 500.00 - 840.00 from 800.00 + VAT 500.00 50.00		Sadler for Weddings (depends on length of time) Sadler (1 hour) Commission on Artists work sales Spencer Wing Conference Hire Full day Per Hour Charities full day, £30 per hr outside core hrs Charities per hour Victorian Wing per dav per hr weekends per hr weekends (Charities) Ballroom Hire for ceremony Deer Shelter for Ceremony Library Hire for ceremony Ballroom Hire for private functions Gallery Hire for functions £500 (2 hours) Drink Functions (Spencer wing) per hr		400.00 -700.00 100.00 35% 220.00 75.00 150.00 30.00 50.00 -100.00 70.00 30.00 -75.00 30.00 1,000.00 - 1,200.00 +VAT 1,000.00 - 1,200.00 +VAT 840.00 - 1,000.00 from 800.00 + VAT 500.00 100.00			
Museums and Heritage Centres (cont)	Cannon Hall	Car Parking up to 2 hours or £3 all day cars and minibuses All Day Coaches Motorcycles Season Ticket Land Hire per day per day per pitch (charities)		1.00 3.00 5.00 free 100.00 (incl VAT) 1,250.00 50.00 (25.00 charities)		Car Parking up to 2 hours or £3 all day cars and minibuses All Day Coaches Motorcycles Season Ticket Land Hire per day per day per pitch (charities)		1.00 3.00 5.00 free 100.00 (incl VAT) 1,250.00 50.00 (25.00 charities)		
Eisecar	Building 21 Hire per hour /all day Hard based space outside Site Hire Seating Trestle tables - per table Additional chairs(over 50) per chair Crash barriers per barrier per day Visitor Centre Meeting Room Private & Commercial Mon-Fri per day Weekends and evenings per hour		50.00 -1,000.00 + VAT 250.00 + VAT 500.00 250.00 2.00 - 6.00 2.00 5.00 220.00 50.00		Building 21 Hire per hour /all day Hard based space outside Site Hire Seating Trestle tables - per table Additional chairs(over 50) per chair Crash barriers per barrier per day Visitor Centre Meeting Room Private & Commercial Mon-Fri per day Weekends and evenings per hour		50.00 -1,000.00 + VAT 250.00 + VAT 500.00 250.00 2.00 - 6.00 2.00 5.00 220.00 50.00			
Worsbro Mill	Season Ticket (incl VAT)		100.00 (incl VAT)		Season Ticket (incl VAT)		100.00 (incl VAT)			
Experience Barnsley	Car Parking per hour per day per day coaches Land Hire per day pitch per day (charities) Hire of Learning Lab (office hours) Hire of galleries (evening function) Archives Various copying, printing charges Commercial use of images or documents. Various charges Low resolution images for use on the internet Commercial use of exhibitions Television - first broadcast VAT for subsequent repeats		1.00 3.00 5.00 1,000.00 50.00 (25.00 charities) 220.00 from 500.00 (0.35 - 20.00) 120.00 - 480.00 6.00 - 240.00 60.00 -180.00 360.00 180.00		Car Parking per hour per day per day coaches Land Hire per day pitch per day (charities) Hire of Learning Lab (office hours) Hire of galleries (evening function) Archives Various copying, printing charges Commercial use of images or documents. Various charges Low resolution images for use on the internet Commercial use of exhibitions Television - first broadcast VAT for subsequent repeats		1.00 3.00 5.00 1,000.00 50.00 (25.00 charities) 220.00 from 500.00 (0.35 - 20.00) 120.00 - 480.00 6.00 - 240.00 60.00 -180.00 360.00 180.00			
Bereavement Services	School Visits Visits per child (full day) Half day per child Outreach in classroom Handling boxes per week Use of Learning Lab per hour Talks and Tours on Site (10:00am - 4:00 pm) (after 4:00pm) Talk off site - + expenses Professional consultancy rates - per day + expenses		8.99 4.99 150.00 50.00 25.00 80.00 150.00 150.00 From 250.00		School Visits Visits per child (full day) Arts Award Visits per child (full day) Half day per child Removed Use of Learning Lab per hour Talks and Tours on Site Removed Removed Removed Loan Box Hire 1 week Loan Box Hire 2 weeks Professional consultancy rates - per day + expenses		12.75 8.99 4.99 - 25.00 - - - 25.00 45.00 From 250.00			
Sports	Passport to Leisure Golf Course Green Fees Green Fees - Weekend Season Tickets		5.00 17.00 22.00 615.00	5 - - 300	Per Annum Per Round Per Annum		5.00 17.00 22.00 635.00	5 - - 300		
Bereavement Services	Burial & Cremation fees		variable fees - see separate listing	2.057	Per Burial/Cremation		variable fees - see separate listing	2.117	60	
Pet Cremation Fees	Scatter Tube Rabbits & Small Pets Small Cat or Dog Medium Sized Dog Large Dog Wooden Box Small Cat or Dog Medium Sized Dog Large Dog		£60 £126 £174 £210 £150 £198 £234	20			60.00 126.00 174.00 210.00 150.00 198.00 234.00	20		
Housing	Landlords Accreditation Scheme Landlords with more than 1 property		variable 50.00		Per Landlord	variable	50.00			
Gypsy Sites	Pitch rents at Smithies Lane Gypsy & Traveller site (Small improved pitch) Pitch rents at Smithies Lane Gypsy & Traveller site (Large improved pitch) Hire of caravans (Inos Road site etc)		75.71 98.41 61.42 68.02	- 133 -	per week per pitch per week per pitch per week - 28ft caravan per week - 35ft caravan		78.13 101.58 63.38 70.20	- 137 -	0 4 -	
Environment & Transport	Waste Commercial waste collection Assisted Collection Registration Fee		10.00		per registration		10.00			
Zone B Zone C charity a charity b charity c recycling up to 3 bins recycling over 3 bins Duty of Care	Commercial Waste Bin delivery Bin delivery charges Special (bulk) collection 1 to 2 items 2 items Premium Upgrade Additional premium item		20.00 20.00 20.00 5.00 5.00 10.00	999 115 102	Commercially Sensitive Information - available on request		Commercially Sensitive Information - available on request	1,036	37	
Fleet	MOT fees - general public		160		Per Inspection		160			

EXISTING FEES & CHARGES REVISIONS FOR 2019/20

COMMUNITIES

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	INCOME 2018-19					PROPOSED INCOME 2019-20					
	Basis of Charge	Basis and proposed charge for 2018/19	Proposed Charge 2018/19	2018/19 (units if applicable)	Proposed Budget 2018/19	Basis of Charge	Basis and proposed charge for 2019/20	Proposed Charge 2019/20	2019/20 (units if applicable)	Proposed Budget 2019/20	Variance
Customer Services											
School Meals					3,798					3,798	0
School Meals	Charge is based on providing the level of service (SLA) required by each individual school governing body, and legislation necessary to fulfil their requirement.		Individually priced per school			Charge is based on providing the level of service (SLA) required by each individual school governing body, and legislation necessary to fulfil their requirement.	Based on SLA, which takes into account the individual site infrastructure, governing body service requirements, resourcing the service and total number of meals provided, as well as any extra catering requirements that incur additional charge.	Individually priced per school			0
Bus Communities											
Transport (Day Cards)	per journey	No proposed change. Significant increase in recent years as part of KLOE	£1.00	30	30	per journey	No proposed change. Significant increase in recent years as part of KLOE	£1.00	30	30	0
Landward/Seaside (All Day Cards)	per card	Review of charges to be done in 2016/17	£1.00	1	1	per card	Review of charges to be done in 2016/17	£1.00	1	1	0
Lunch (All Day Cards)	per meal		£3.00	54	54	per meal		£3.00	54	54	0
Assisted Living Technology											
Assisted Living Careline - Base Price	Service Per Week		4.2	4,900	21			4.2	4,900	21	0
Petroleum Equipment	Service Per Week		0.5	400	2.2			0.5	400	2.2	0
Bandwidth Library & Information Service											
Fines, Sales and Receipts (Book fines, video & CD hire - obsolete stock sold)	Various Charges	No proposed change for 2016/17. Review to be undertaken to consider income and level of charges during the year.	Various Charges	118	118	Various Charges	No proposed change for 2019/20. Review to be undertaken to consider income and level of charges during the year.	Various Charges	118	118	0
Barnesdale Homes	Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	No change for 2016/17. Business review being undertaken with BH to consider needs for 2017/18	Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	780	780	Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	No change for 2019/20.	Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	780	780	0
Other											
Statutory Fees											
General Search Certificates	General Search Certificates		£18.00	141	141	General Search Certificates		£18.00	141	141	0
Marriages (Registrar Office)	Marriages (Registrar Office)		£10.00	-	-	Marriages (Registrar Office)		£10.00	-	-	0
New Statutory Fees	New Statutory Fees		£45.00	-	-	New Statutory Fees		£45.00	-	-	0
Marriages (Ceremonies (Ceremony Suits))	Per Ceremony		£113.00	9	9	Per Ceremony		£113.00	9	9	0
- Monday - Thursday			£113.00	9	9	- Monday - Thursday		£113.00	9	9	0
- Friday			£135.00	12	12	- Friday		£135.00	12	12	0
- Saturday			£180.00	33	33	- Saturday		£180.00	33	33	0
- Sunday			£348.00	36	36	- Sunday		£348.00	36	36	0
- Bank Holiday			£444.00	90	222	- Bank Holiday		£444.00	90	90	0
- Bank Holiday			£462.00	19	42	- Bank Holiday		£462.00	19	19	0
Bank Holiday			£462.00	1	2	Bank Holiday		£462.00	1	1	0
Advanced Booking Fee			£462.00	19	721	Advanced Booking Fee		£462.00	19	721	0
Salter, Stronach & Healthier Communities											
Public Health and Drainage											
Works in Default	Charged @ Cost	Variable	Variable	49	49	Charged @ Cost	Variable	Variable	49	49	0
Rechargeable works a/c						Rechargeable works a/c					
Parks Services											
Fairs & Circuses											
Grange Lane			£200.00	10	10			£205.00	83	13	3
Playground Inspections			£400.00	2	2	Playground Inspections		£415.00	10	4	4
Playground Inspections - Yearly			£48.33	2	2	Playground Inspections - Yearly		£50.00	16	1	1
Playground Inspections - 6 Monthly			£48.33	2	2	Playground Inspections - 6 Monthly		£50.00	51	3	3
Football Pitch Rent Income	per season	No change recommended.	£385.00	34	34	per season	No change recommended.	£407.00	26	10	34
Football Pitch Adult			£205.00	34	34	Football Pitch Adult		£211.00	39	8	8
Football Pitch Junior			£55.00	34	34	Football Pitch Junior		£57.00	1	0	0
Football Car A Adult			£285.00	5	3	Football Car A Adult		£294.00	5	1	1
Football Car B Junior			£45.00	1	0	Football Car B Junior		£46.00	2	1	1
Football Car C Adult			£235.00	5	1	Football Car C Adult		£242.00	5	1	1
Football Car C Junior			£135.00	41	6	Football Car C Junior		£140.00	41	6	6
Mini Soccer						Mini Soccer					
Cricket Pitch Rent Income	per season	No change recommended.		1	1	per season	Cricket pitches not hired out for a number of years so not included.	No longer received			-1
Fees and Charges To Be Agreed Via This Report					5,300	5,286			5,198	5,286	2

EXISTING FEES & CHARGES REVISIONS FOR 2019/20

PUBLIC HEALTH

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	PROPOSED INCOME 2018-19			
	Basis of charge	2018/19 (units if applicable)	proposed charge for 2018/19	Proposed Budget 2018/19
Dog Warden Fees				
Dog Release Fee	Per Dog	Variable	£50.00	7
Dog Surrender Fee	Per Dog	Variable	£100.00	2
Pollution Control				
Misc Fees & Charges		variable - anticipated drop in volumes expected	No change recommended- various charges.	2
PPC Permits	Cost Recovery	variable - anticipated drop in volumes expected	Statutory Fee - Individual charge to each company based on an Annual Risk Assessment	31
Local Site Operator Contracts	Tendered Contract	variable - anticipated drop in volumes expected	Fixed Annual Contracts - Varying terms	6
Trading Standards				
Stamping Fees		Variable	No change recommended.	1
Second Hand Dealer Registration				
Food Hygiene				
Reinspection Charge				
Issuing of Export Certificate				
Health and Safety				
Skin Piercing Registrations (eg Tattooing, Acupuncture, Ear Piercing etc)				
Animal Health - Licence Fees				
Home Dog Boarders	Per Licence	Variable	£107.00	10
Performing Animals	Per Licence	Variable	£107.00	
Dangerous Wild Animals (+ vets fees)	Per Licence	Variable	£107.00	
Dog Day Care (Low Volume)	Per Licence	Variable	£107.00	
Dog Day Care (High Volume)	Per Licence	Variable	£139.00	
Dog Breeders	Per Licence	Variable	£139.00	
Pet Shops	Per Licence	Variable	£130.00	
Boarding Kennels (Dogs / Cats)	Per Licence	Variable	£159.00	
Greyhound Racing Track	Per Licence	Variable	£139.00	
Riding Schools Hiring out of Horses (+ vets fees)	Per Licence (plus rechargeable vets fees)	Variable	£139.00	
Zoo (+ vets fees)	Per Licence (plus rechargeable vets fees)	Variable	£203.00	
Fees and Charges To Be Agreed Via This Report				60

Basis of charge	PROPOSED INCOME 2019-20			
	2018/19 (units if applicable)	proposed charge for 2019/20	Proposed Budget 2019/20	Variance
Per Dog	Variable	£50.00	7	-
Per Dog	Variable	£100.00	2	-
variable - anticipated drop in volumes expected	variable - anticipated drop in volumes expected	No change recommended- various charges.	2	-
Cost Recovery	variable - anticipated drop in volumes expected	Statutory Fee - Individual charge to each company based on an Annual Risk Assessment	31	-
Tendered Contract	variable - anticipated drop in volumes expected	Fixed Annual Contracts - Varying terms	6	-
Variable	Variable	No change recommended.	1	-
		17.00		
		182		
		182		
		106		
Per Licence	Variable	£107.00		
Per Licence	Variable	£107.00		
Per Licence	Variable	£107.00		
Per Licence	Variable	£107.00		
Per Licence	Variable	£139.00		
Per Licence	Variable	£139.00		
Per Licence	Variable	£130.00		
Per Licence	Variable	£159.00		
Per Licence	Variable	£139.00		
Per Licence (plus rechargeable vets fees)	Variable	£139.00		
Per Licence (plus rechargeable vets fees)	Variable	£203.00		
Fees and Charges To Be Agreed Via This Report				60
				0

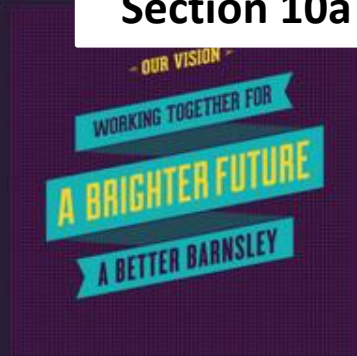
EXISTING FEES & CHARGES REVISIONS FOR 2019/20

CORE SERVICES

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	PROPOSED INCOME 2018-19			PROPOSED INCOME 2019-20		
	Basis of Charge	proposed charge for 2018/19	Proposed Budget 2018/19	proposed charge for 2019/20	Proposed Budget 2019/20	Variance
Finance						
Summons	Per Order	£28.00		£28.00		0
Benefits/Taxation - Liability Order	Per Summons	£52.00	925	£52.00	925	0
Benefits/Taxation - Late Payment of Commercial Debts (Interest) Act 1998	£28 Per Order		25	Ceased charging		-25
Commercial - Prompt Payment Discount Scheme	Percentage Discount dependant on payment terms	upto 1.25% of invoice value dependant on individual agreements with companies	284	upto 1.25% of invoice value dependant on individual agreements with companies	284	0
Commercial - Finance Support to Schools	Per number of visits	Commercially sensitive available on request	51	Ceased services		-51
Commercial - payroll for schools	per payslip	Commercially sensitive available on request	175	Commercially sensitive available on request	197	22
Commercial - BACS service for Rotherham	per BACS File	Commercially sensitive available on request	23	Commercially sensitive available on request	13	-10
Free school meals eligibility checking (Academy)			4		4	0
Procurement - Support to External Bodies				Commercially Sensitive available on request	20	20
Audit - Support to External Bodies		Commercially Sensitive available on request	430	Commercially Sensitive available on request	430	0
HR						
Human Resources / Performance / Comm's						
Recruitment - DBS Checks	DBS Checks (per check)	Enhanced DBS Check £53.95 Bernalai Homes, Other organisations & £64 for taxi drivers	181	Enhanced DBS Check £53.95 for Schools, : Bernalai Homes, Other organisations & £64 for taxi drivers	181	0
Business Advisory - Pre-Employment Checks	DBS Checks (per check)	Standard DBS Check £35.95 for Civil Enforcement.		Standard DBS Check £35.95 for Civil Enforcement.		
Recruitment - online advertising	Pre employment checks (per check)	Engage £16.25 & £33.53 for Nurse follow up	21	Engage £16.25 & £33.53 for Nurse follow up	21	0
Recruitment - NS1 Form check	Per Advert	£115		£115		
Recruitment - VQ01 Form check	Per Check	£35	31	£35	31	0
Recruitment - Barred List / DfE check	Per Check	£17.50		£17.50		
Barnsley HR Services - Provision of HR Services	Per Check	£9.00		£9		
Health and Safety - Provision of health and safety services	per employee	£126 per employee for Fixed	206	£129 per employee for Fixed Fee Service, £67-77p/hour	206	0
Health and Safety - Training Courses	Variable dependo on the customers want	Based rate of £75 per hour for	105	Based rate of £80 per hour for costs	94	-11
Research and Business Intelligence	Per delegate	Variable dependo on total cost	4	Variable dependo on total cost of course and	15	11
OWI - Assessment Centre Qualification Fees	SLA	Individually priced per SLA	120	Individually priced per SLA	120	0
OWI - Workforce Development - Training Fees	Per qualification	variable depending on type and size of qualification	68	variable depending on total cost of qualification	68	0
Legal, Elections, Governance	Per delegate	variable depending on total cost of course	162	variable depending on total cost of course	162	0
Land Charge Searches - Various Types	Various Charges Dependant on type of Search	All Fees are set by parliament	196	All Fees are set by parliament	196	0
Entertainment Licenses						
Licence Fees - Premises, Alcohol & Gambling	Per establishment	Variable	206	Statutory fees set by Government, except sex establishments. New charges for sex establishments - new application - £234, renewal application £112.	206.264	0
Hackney Carriage Licenses						
Private Hire & Hackney Vehicle, Driver & Operator Licensing	Per Licence	Variable	171	Can only recover fees to recover total cost of service. The cost of 3 year licences is currently under review	171	0
Fees and Charges To Be Agreed Via This Report			3,388	3,344	-44	

NEW FEES & CHARGES TO BE IMPLEMENTED FROM 1st APRIL 2019

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	Charge Basis	proposed charge for 2019/20
<u>Environment & Transport</u> Professional Fee's - Engineering	Per Hour	£150.00
<u>Culture & Housing Services</u> Visits per child (full day) Arts Award	Per pupil	£12.75
<u>Corporate Procurement</u> Professional Fee's	Per Hour/Day	commercial sensitive



FUTURE COUNCIL UPDATES
COMMUNITIES

Communities: prioritising and targeting our resources

- To increase the number of people with LD in employment
- Extend travel training offer to under 16's to reduce need for home to school transport
- Increase effectiveness, efficiency and reduce the unit cost of the Re-ablement service
- Establish a new affordable Warm Homes team within the assisted living service
- Establish a co-production approach with people with a LD, their carers and stakeholders to design a blueprint for a future that meets their needs and aspirations
- Responding to Homelessness and Rough Sleeping demands
- Understanding and addressing challenges with Private Rented Sector
- Developing integrated working in the Dearne (Neighbourhood Project)
- Implementation of DF initiatives / projects to deliver enabling technologies
- Implementation of remodelled customer services
- Complete and open Lightbox & branch library refurb / relaunch

Communities: key activities – proposed spending

Activity	Gross expenditure £m	Gross income £m	2019/20 net £m
Management Team	0.743	(0.014)	0.729
School Catering Services	3.702	(3.965)	(0.263)
Provision of Equipment and Property Adaptations to Vulnerable Adults	2.906	(2.395)	0.511
Provision of in-house care services to vulnerable adults	1.949	(0.701)	1.248
Area Governance and Area Based Commissioning	3.420	(0.020)	3.400
Homeless / Welfare Support	1.440	(1.026)	0.414
Family Support Service	0.663	(0.605)	0.058
Work with Troubled Families	0.631	(0.648)	(0.017)
Assist communities to tackle unhealthy lifestyles, harm caused by drugs	6.685	(6.457)	0.228
Support safer communities (ASB / environmental crime / private sector landlords / tenancy and behaviour standards / victims of crime)	2.841	(1.194)	1.647
IT Support	9.039	(3.191)	5.848
Customer Contact	3.415	(1.035)	2.380
Provision of Registrars Service	0.362	(0.393)	(0.031)
Total	37.796	(21.644)	16.152

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**2020 FUTURE COUNCIL
2019/20 Efficiency Proposals
COMMUNITIES DIRECTORATE**

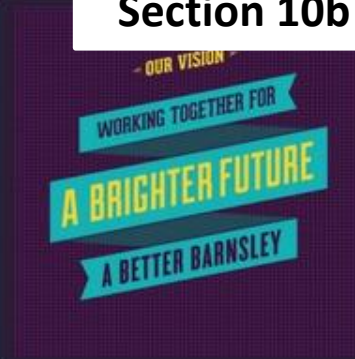
Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
Customer Services							
BU7 E1/19-20 (Now merged with BU7 E2/19-20)	Re-Modelling Customer Services	Remodelling of the Customer Services division in line with the Digital First and Customer Service Strategies.	840,562	<p>New structure now prepared. Future key milestones are:</p> <ul style="list-style-type: none"> - Staff consultation - October - Recruitment process - Oct - Dec - Notice period - Jan - Mar - New Structure go live - 1 Apr <p>There will be dependencies on IT projects e.g. increased webchat, chatbots which will need to be live in April. Detailed plans will be prepared concurrent to above.</p>	<p>"- Key risk = public consultation period. Impact = delay in realisation of savings if objections raised.</p> <p>- There will be up to 30 FTEs affected by the proposal. The likelihood is that less posts will actually be deleted however this is yet to be decided.</p> <p>- Risk of citizen /Member objection to potential service degradation in contact centre (longer waits / more abandons). J10</p> <p>- Risk of lack of adoption of digital solutions. Impacts on level of service post go live, ability to achieve reductions required.</p>	<p>Public consultation re Library Structures - this has been mitigated by extensive prior consultation.</p> <p>Risk of IT projects being delayed / not implemented.</p> <p>Risk of citizen / member objection to potential service degradation in contact centre (longer waits / more abandons)</p> <p>Risk of lack of adoption of digital solutions</p> <p>Mitigated by project planning, communication plan</p>	3,687,747
BU7 E4/19-20	Reduce resources in Customer Feedback and Improvement Team	PLEASE NOTE - KLOE MOVED TO CORE (£31,486)					
BU7 E10/19-20	Day Opportunities and Enablement Teams	Deletion of current vacancies and continue the day opportunities review.	84,070	Savings target achieved via restructuring of Day Opportunities offer.	None. Savings secured.		2,063,866
Sub - Total Customer Services			924,632				

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
Safer, Stronger & Healthier Communities							
BU8 E3/19-20 (Now merged with BU8 E12/19-20)	Healthier Lifestyle Services: Phase 1 Efficiencies - Healthier Communities	To reduce the funding to Healthier Lifestyle Services by 15% in 2019/20. This allows the current contract to run for 3 years and for the authority to work to embed some of the work sustainably in other areas.	400,000	BU8 E3 and E12 - the provider (PSS) of this service will terminate their contract from end Oct 2018. Savings will be realised by 1 April 2019.		There are no key risks associated with delivering the savings. We are developing new commissioning intentions that will plug the gaps in provision. We have mapped other services across Barnsley and to mitigate further will develop Live Well Barnsley and the referral routes into them.	993,156
BU8 E5/19-20	Contract efficiencies	Contract efficiencies through new tender and contract awards for domestic abuse, substance misuse and multiple needs contracts. The proposal assumes cashable savings by providers of 10% in year 3.	280,000	Ongoing process as contracts expire and are re-tendered. Robust strategic commissioning practices are in place to mitigate, as far as is practicable, the risks outlined.		Market forces represent an inherent risk to savings delivery when renewing contracts. A £60K increase in the overall KLOE amount in this area (i.e. from £220k to £280k) will need to be accommodated to replace the planned, but subsequently rejected, reduction in Welfare Rights related funding thereby increasing the difficulty/risk of full KLOE delivery. Robust strategic commissioning practices are in place to mitigate as far as is practicable the risks identified above.	3,045,367
BU8 E9	Reconfigure staff teams across safer and healthier	Restructure following the findings the Community Safety Review and the Welfare Rights Review.	-	See above.	See above		
BU 8 E14/19-20	Safer Communities Out of Hours Service Review	Re-scope and streamline the Out of Hours service offered by Safer Communities to align more closely to locality SNS activity delivering both efficiencies and more effective collaborative working with the police	10,000	Contractual changes required, full consultation already undertaken. Changes implemented from 27/08/2018 with 12 month pay protection accounted for in corporate budget. Please Note: Original saving targets increased by £10k to partially mitigate withdrawal of BU8 E4.		Already part way through implementation. Key risk is robustness of the out of hours offer in terms of capacity and management	1,572,617
Sub - Total Safer, Stronger & Healthier			690,000				
TOTAL COMMUNITIES EFFICIENCIES			1,614,632				

**2020 FUTURE COUNCIL
2020/21 Efficiency Proposals
COMMUNITIES DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's	People	GROSS EXPENDITURE £
COM1 E1/20-21	Digital First	A total of 12 themes, each supported by a range of underpinning business cases, have been identified to radically enhance the Council's Digital capabilities and drive out efficiencies. Sitting above these individual themes an overarching theme to reconfigure IT service on the basis of a hybrid cloud operating model	1,488,005	30	30	9,738,546
TOTAL COMMUNITIES DIRECTORATE			1,488,005	30	30	

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FUTURE COUNCIL UPDATES
PEOPLE

People Directorate: Key Priorities

- SEND strategy and action plan implementation
- Placement sufficiency - looked after children and care-leaver placements
- Managing adult social care funding
- Further improve quality and consistency of performance across the directorate
- Building inclusive practice in high performing schools
- Continue to invest in sector-led school improvement
- Further improve and support pathways for adolescents
- Development / sustainability of adult social care market
- Further engagement and influencing developments in Health
- Partnerships with Area Councils to recruit foster carers
- Support work undertaken in the Communities directorate on strengthening local communities

People: key activities – proposed spending

Activity	Gross expenditure £m	Gross income £m	2019/20 net £m
Schools Budget	88.831	(88.097)	0.734
Early Start, Family Centres and Targeted Youth Support	9.982	(5.350)	4.632
School Evaluation, Inclusion Services & LA functions to schools	16.464	(15.073)	1.391
Adult social Care – Care purchasing budgets (OP/LD/MH)	62.029	(27.252)	34.777
Adult social care - Assessment & Care (locality / specialist teams)	7.583	(0.118)	7.465
Children in Care - Adoption, Fostering, Placements costs and Leaving Care	18.045	(0.840)	17.205
Children Assessment & Care, Disability & Short Breaks and Safeguarding	8.487	(0.470)	8.017
Commissioning, Partnership and Preventive Services	4.214	(3.519)	0.695
Directorate, Service Management and Other Costs	1.305	(0.689)	0.616
Total Resource Envelope	216.940	(141.408)	75.532

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**2020 FUTURE COUNCIL
2019/20 Efficiency Proposals
PEOPLE DIRECTORATE**

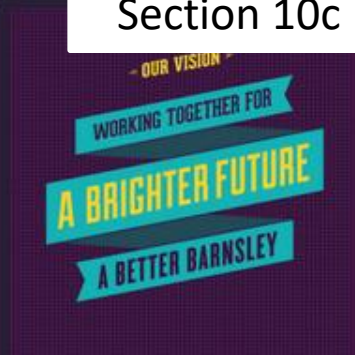
Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
PEOPLE							
<u>Education, Early Start & Prevention</u>							
BU1 E1/19-20	Co-location of the Targeted Youth Support Service	Proposal to relocate the early intervention and prevention team and the YOT team at 18 Regent street with a customer facing building at 20 Regent street. This will result in the vacation (and savings on the rent) of the McClintocks building and the staffing base moving from the Wombwell site. Services for young people will continue to be delivered from Wombwell.	102,000	Assets have confirmed that December 2018 is the planned relocation date. Service/Assets to confirm plans for ground floor and space allocated to direct work with young people. Assets to progress plans for area allocated to staff.	There is the risk of slippage.	Project timeline and detailed plan from Assets Management should help mitigate risk of slippage	102,000
BU1 E2/19-20	Increase income generation for services to the private, voluntary, maintained and independent sector providers of early years and education	Review current income generating activities and fee charging policy with the view of increasing opportunities / capacity for income generation - across early years settings / schools both locally and across networks.	65,000	£36,300 achieved in 2018/19. Appointing to a post in Targeted Youth Support to develop alternative provision for schools following consultation which will lead to increase in traded offer. Increase income generated through training and consultancy to the private, voluntary and maintained sector through the Early Start and Families Service.	Risk that schools and providers buy services from alternative providers.	Mitigated through excellent reputation, understanding of customer needs and delivering high quality services to specification.	-113,000
BU1 E3/19-20	Review current use of buildings in communities	Undertake a review of building use that supports an early help offer across early start and families including family centres, targeted youth support, public services hub and targeted information advice and guidance in conjunction with external partners including the police and health.	30,000	Agreed closure of IKIC Centre at Athersley generating a saving of £20,000 in 2019/20. Services to continue to be delivered in Athersley through the Family Centre, community venues and detached. This will commence September 2018.			30,000
BU1 E4/19-20	Review current contracts and commissioned services	Cost savings or efficiencies from the review of the following: Commissioned contracts cuts across the range of services within the Business Unit including early years / childhood services; Alignment of the Young People Substance Misuse services with Adolescent Support; and greater personalisation of Short Breaks / SEND – reduce 'block' contract provision	50,000	Review of contracts to be undertaken in light of recent contracts brought back in-house due to failure of contracted provider. To review costs alongside the wider review of adolescent services. Savings target expected to be achieved.			847,000
BU1 E5/19-20	Review of staffing structures in Early start, prevention and sufficiency service (including Family Centres, TYS, Early Start, Schools admissions & org)	A service redesign to be undertaken resulting in further restructuring of staff across the following service areas: early start and families service; family centres; 0 -19 service (including Targeted Youth Support service) and school admissions / organisation service. NB the scale and impact of the proposal will be mitigated by maximising the use of centrally retained Dedicated Schools Grant.	427,000	Savings of £70k already implemented from staff changes in 17/18 (£21k) and 18/19 (£49k). A change in the use of early years schools funding in 19/20 will contribute £250k towards this KLOE and help mitigate the impact on staffing and the service. A staff restructure to be implemented to achieve remaining KLOE saving of £107k.	The remaining savings (£107k) would be achieved through developing a staffing skill mix which will result in some higher grade posts being deleted and replaced with lower grade positions and some overall reduction in posts/capacity through service alignment. The risk is that the current staffing structure is over-stretched, which would increase pressure to meet demand for early help services; a loss of knowledge/experience within the service; and may impact on the services ability to achieve targets and outcomes.	The revised model of delivery will retain one to one support alongside targeted group provision thereby mitigating the risk that children, young people and families are unable to access a service to meet their needs. The service will need to monitor the impact on its ability to continue to meet demand for early help which requires a early help assessment and action plan. Any service alignment, resulting in a reduction in posts, will ensure that statutory duties continue to be met.	7,748,000

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
PEOPLE							
BU1 E7/19/20	Review of education/schools support services funded through the Education Services Grant	The cessation of the education services grant funding and changes in the role of local authorities in education and support to schools (as per the education white paper / the increasing number of academies in Barnsley) offers the opportunity to review existing support functions to the remaining schools. Savings proposals have been put forward following the review of the ESG funded fundctions / services based on anticipated statutory guidance and the role of the LAs going forward. The proposed savings are in school improvement (£140k); commissioning & governance (£132k) and asset management (£100k).	370,000	<u>Commissioning</u> : savings of £100k already achieved in 17/18 through deletion of posts. The balance to be delivered in 2019/20 through review of contract spend; <u>School Improvement</u> : savings to be achieved by maximising the use of govt grant and investment funding; <u>Asset Management</u> : savings to be achieved through contributions from schools as part of the BSF contract.	Staffing related elements of the savings plan already achieved		1,490,000
BU1 E11/19/20	Two Year Entitlement Administration	Fund the Administration (including central costs) of the Two / Three & Four Year Old Nursery Entitlement from DSG rather than base budget.	80,000	This KLOE requirement can be accommodated within the forecast top slice allocation from the Early Years DSG in 19/20. Grant conditions allow for the top slice of the DSG for LAs' central administration costs. Top slice amount would be confirmed on notification of the 19/20 Early Years DSG allocation in Dec 2018.	There is the risk that the Govt could change the rules around top slice and the % of funding that can be retained for admin costs	Top slice % has been confirmed for 2018/19 - there is no indication that this would change for 19/20.	647,000
Sub - Total Education, Early Start & Prevention			1,124,000				
Adult Social Care & Health							
BU2 E1/19/20	Targeted reviews - care packages	Creation of a dedicated review team within Adult Social Care and Health to identify and review cases where we can safely step down or cease care provision and make efficiency savings. Review and introduce progression through robust reviews. (1) Review existing placements and care packages; and (2) Embed Care Funding Calculator approach in determining fees for all new placements over cost – analyse how many new high costs cases per year are expected. Consider procurement approach, draft policy, deliver training to front line staff, market engagement, monitor results	150,000	All service users in receipt of on-going care and support are required to be reviewed at a minimum annually. Performance on reviews improved significantly in 2017/18 and continues to be monitored closely on a monthly basis.	Risk that reviews will equally identify clients with changing needs, which could lead to increase in care costs.	This would be mitigated through close monitoring of review outcomes and any impact managed through maximum use of universal services and consideration of eligibility for health funding.	24,790,000
BU2 E6/19/20	Direct payment surplus claw-back and monitoring	Short, medium and long-term approach to reduce surpluses and monitor more closely.	200,000	There is an on-going programme of monitoring of direct payment accounts and clawback of surpluses.	Risk that clawbacks fall short of the required amount.	This would be mitigated through close monitoring and targeting of accounts with potential surpluses	13,713,000
Sub Total Adult Social Care & Health			350,000				
Sub - Total Children's Social Care & Safeguarding			-				0
TOTAL PEOPLE EFFICIENCIES			1,474,000				

2020 FUTURE COUNCIL
2020/21 Efficiency Proposals
PEOPLE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People	GROSS BUDGET £
Education, Early Start & Prevention						
BU1 E1/20-21	Review the support arrangements within the school improvement service	It is proposed to reduce the secondary school adviser post to 0.6fte, cease the funding for the business support post and reduce spend on commissioned interventions in schools	52,000	1.00	1.00	728,000
BU1 E2/20-21	Reduction in case officer posts within SEN Assessment & Review	A revised staffing structure for the Inclusions service will be implemented from April 2019 to ensure capacity and flexibility to effectively deliver on the Barnsley SEND strategy and compliance with the SEND reforms. It is proposed to review and take stock of the Improvement in the service and delete a assistant case officer post in 2020/21	27,090	1.00	1.00	413,000
BU1 E3/20-21	Increased income from schools for Outdoor Education	Proposed to raise the income target / budget for the Outdoor Education service to reflect the level of actual income earned for health & safety advice / guidance provided to schools	10,000			-15,000
BU1 E4/20-21	Review of early help / preventive contracts and funding	Examine further scope for cost savings or efficiencies on contracts across the range of Children Services commissioned contracts, such as (1) cease the funding to SWYPFT for LD nurses / occupational therapists; (2) reduce contract value for the support element to siblings of young carers; (3) reduce council's contribution to Healthwatch; and (4) cease the hidden harm contract - support for children of substance abusing parents	209,000			797,000
Sub Total Education, Early Start & Prevention			298,090	2.00	2.00	
Adult Social Care & Health						
BU2 E1/20-21	Remodelling day opportunities for people with learning disabilities	The council currently operates day services from 4 buildings locates across Barnsley as a total cost of £2.1m. Following extensive reviews of the current service and its diminishing attendance by people with learning disabilities (no current users are aged below 30 years) an alternative more personalised service is being considered. The reviews and a future model of a less building based service will be considered within a wide co-design exercise with current users, carers and stakeholders.	250,000	10.00	tbc	2,572,000
BU2 E2/20-21	Closure of Keresforth Day centre	Represents the balance of resources / base budget available after the re-provision for existing clients following the closure of the Keresforth day unit (outcome of the Day Opportunities review).	120,000			120,000
BU2 E3/20-21	Maximise the use of BCF and other resources to fund adult social care demographic growth	Maximise the use of Better Care Fund resources (including future years uplift) and recurrent savings from the SWYPFT mental health contract to mitigate demographic growth pressures in adult social care (by releasing associated base budget).	670,000			59,220,000
BU2 E4/20-21	Provision of the night service within the Council's Reablement Service	The council currently funds the provision of an external night service contract (provides support to eligible clients at night to prevent admission to residential care). Few clients currently access this service, resulting in a lot of downtime. It is proposed to give consideration to subsuming this provision within the Reablement Service and use the downtime capacity within the service to meet the needs of the reducing clients accessing the Night Service.	80,000			1,294,000
BU2 E5/20-21	Review of commissioned contracts with voluntary / independent sector organisations	Identify the scope for savings by reviewing and decommissioning some contracts managed by the Adult Commissioning team including (1) MENCAP employment service; (2) HIV support contract; etc.	99,470			1,258,000
BU2 E6/20-21	Deletion of post within Specialist Assessment North Team	It is proposed to delete a Grade 4 post attached to the Specialist North Team , historically seconded to Learning Disabilities support within SWYPFT that is no longer required.	23,080	1.00	0.00	557,000
Sub Total Adult Social Care & Health			1,242,550	11.00	0.00	

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People	GROSS BUDGET £
Children Social Care & Safeguarding						
BU3 E1/19-20	Children social care & safeguarding management structure review	It has been agreed not to proceed with the original proposal to review the management structure. An alternative efficiency proposal is being considered and would be put forward to replace the original plan.	208,000			9,923,000
BU3 E1/20-21	Review of the administration of the Safeguarding Boards	The childrens' and adult safeguarding boards are currently managed within the Childrens Safeguarding service - with one independent Chair working across both Boards. Consideration is been given to streamlining the administration of both boards and reducing the number of board managers.	56,270	1.00	1.00	159,000
Sub Total Childrens Social Care & Safeguarding			264,270	1.00	1.00	
TOTAL PEOPLE DIRECTORATE			1,804,910	14.00	3.00	



FUTURE COUNCIL UPDATES
PLACE

Place: prioritising and targeting our resources

- Deliver town centre redevelopment incl. Glassworks Phase 2, Digital Campus, Library@thelightbox, high profile events, anti-social behaviour.
- Accelerate economic development/employment incl. Master Planning of strategic sites e.g. J36/J37, exploit Local Plan opportunities.
- Complete a strategic accommodation review to rationalise buildings & complement Digital First.
- Deliver 200 additional school places at Penistone Grammar School & 63 at Darton Academy.
- Housing & Energy – Develop more homes, bring more empty homes back into use & deliver more energy schemes.
- Environment & Transport , improve the quality of service delivery, manage demand, manage our assets efficiently & effectively, prioritising Health & Safety, Home to School Transport, Car Parking & household waste.
- Culture and visitor economy incl. Visitor economy strategy, improve Barnsley's visitor attractions, transfer of Wentworth to the National Trust

Place: key activities – proposed spending

Activity	Gross expenditure £m	Gross income £m	2019/20 net £m
Planning and Building Control	2.929	(1.958)	0.971
Business Growth and Regeneration	4.234	(2.678)	1.556
Town Centre and Markets	1.038	(1.278)	(0.240)
Property	16.967	(10.659)	6.308
Adult Skills, Employability and Community Learning	7.173	(5.541)	1.632
Bereavement	1.319	(2.482)	(1.163)
Sports, Culture, Heritage and Arts	4.045	(2.029)	2.016
Housing and Energy Service	1.099	(1.130)	(0.031)
Commercial Services	13.981	(7.812)	6.169
Highways Engineering and Transportation	24.961	(15.301)	9.660
Waste and Recycling	3.835	(0.000)	3.835
Transport	7.980	(2.850)	5.130
Neighbourhood Services	3.678	(1.682)	1.996
Total Resource Envelope	93.239	(55.400)	37.839

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**2020 FUTURE COUNCIL
2019/20 Efficiency Proposals
PLACE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
PLACE							
Economic Regeneration							
BU4 E4/19-20	(PLN) Community Infrastructure Levy Adoption	Proposal is to implement Community Infrastructure Levy. Implementation is delayed pending Government white paper on possible replacement for CIL. Efficiency is expected to be delivered through recent increase in planning fees in interim	25,000	Alternative proposal currently being worked through. Expectation is that additional 20% increase on planning fees will offset this saving but final details still being worked through.	Adoption of CIL has been deferred as Government still working up proposal. Saving will therefore be delivered via alternative proposal		-1,029,000
BU4 E5/19-20	(CROSS CUTTING) - IT Consolidation	Potential consolidation of the Planning Services IT Systems. Total combined maintenance cost of both packages is £44k. Assume a 25% saving equates to £11k efficiency.	11,000	Currently being progressed with IT. There may be a delay in implementation due to resourcing/other priorities. Possible alternative may therefore be required which is currently being worked up however saving expected to be delivered in full.	Possible overlap/resource issue with Digital First. Saving will still be delivered		232,410
BU4 - E7/19-20	Capitalise the cost of the project managers working on specific capital projects e.g. Town Centre PH2, PIF PH2	As part of the Council's principle objective of Growing the Economy funding has been set aside to invest in major capital development projects. In addition to this the Council continues to source external funding. There will inevitably be a requirement to ensure that these projects are effectively managed, something which currently is undertaken by the Economic Regeneration Team.	220,000	Current review of structure and options ongoing. Update of Glassworks budget includes provision for capitalisation of staff costs on the project			2,382,000
BU4 E8/19-20	Markets Restructure	Restructure of Markets Team following completion of markets redevelopment (expected Nov 18)	80,000	Restructure complete. Agree with unions. Posts appointed to. Restructure to be implemented from 1st November	minimal impact expected		629,000
BU4 - E10/19-20	Town Centre Events	Discussions will be held with the Barnsley Economic Partnership (BEP) with regards sponsorship of the Town Centre Events to encourage footfall. In addition a merger of all existing budget for town centre events is currently being progressed which is expected to generate efficiencies as well as better procurement of specialist event equipment.	50,000	Discussions ongoing with BEP. Some efficiencies will be created by merger of multiple budgets across Place. Any shortfall will be delivered via a re-programming of events.	Main focus at the moment is sustaining footfall and the development of a core events programme for the Town Centre. Following identification of the core events programme, work can progress to look at securing sponsorship for the 19/20 financial year although bearing in mind the Town Centre development will still be in progress then this may be challenging to achieve.	Positive work completed during 2018/19 on sponsorship of events - specifically Tour De Yorkshire and Cycle Criterium attracted sponsorship. Our Dancing Town also generated income to offset total costs	225,000
BU11 E4a/19-20	Minor Restructure in Shared Services	Minor restructure of Shared Services to reflect reduction in workloads in line with Digital First Strategy.	47,000	Restructure of whole property division currently being progressed. Implementation 1st April 2019.	No impact expected		483,000
BU11 E4b/19-20	Minor Restructure in Strategic Assets	Deletion of x1 vacant Grade 4 Technician (Strategic Assets)	23,000	Restructure of whole property division currently being progressed. Implementation 1st April 2019.	No impact expected		729,000
Sub - Total Economic Regeneration			456,000				

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
PLACE							
Culture, Housing & Regulatory Services							
BU5 E1/19-20	Various Income Generation Proposals	Proposals include: - Project management fees for Housing Developments. Proposal is to capitalise current revenue funded project management costs on specific housing developments to be proposed over the next few years. - Burial & Cremation Fees - Inflationary increase in the fees currently charged for the burial and cremation service by approx. 3% p.a. This is in line with increases in recent years and is not expected to be detrimental to the market. - A review of the car parking provision at Elsecar Heritage Centre initially around the holding of events at the centre with a full business case being included as part of the wider Elsecar Masterplan	95,000	£25K to be achieved through capitalisation of project officer time for the Longcar Lane development and ongoing housing development proposals . Fees increased in line with proposal. On Target equates to £60k additional income	No impact expected		773,000
							-2,048,000
							0
BU5 E2/19-20	External Contributions	Review and re-negotiate contributions made to Barnsley Premier Leisure and the Barnsley Civic Partnership - Barnsley Premier Leisure (BPL) - Barnsley Civic Partnership (BCP)	100,000 8,000	Reduction in Management Fee completed for 18/19. BPL informed of proposal for 19/20 Liaison and ongoing monitoring BCP. Support package to be developed .	On Target .Monitoring of BPL performance through strategic liaison meetings		334,000 211,000
Sub - Total Culture & Housing Services			203,000				

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
PLACE							
Environment & Transport							
BU6 E1/19-20	Various Income generation proposals	<p>Areas to be reviewed will include:</p> <ul style="list-style-type: none"> - undertaking an annual review of fees and charges with a general increase in rates to reflect inflation / service improvements e.g. a 1% increase in prices (excluding car parking) could generate upwards of £25k additional income per year - Developing a sustainable parking strategy for Barnsley to maximise opportunity in parking revenue and to support economic growth in the town and local centres. <p>Yorkshire permit scheme. There is an opportunity to review the roads included within the scheme beyond the primary routes. Some authorities are applying the permit scheme across all roads - opportunity to review this. Review of cost recovery model. Additional income could be in the region of £25K per annum</p> <p>New highways constructed as part of commercial and residential and subsequently adopted. A review of s38 charges to ensure costs are fully recovered from developers. Currently developers are only charged for first inspection - proposal therefore is to introduce charges for subsequent inspections - Additional income of £30k to be generated</p> <p>Commercial Services - Review of services provided via commercial arm - Completed in 17/18 with year on year savings being delivered</p>	200,000	<p>No issues will be delivered as part of the 2019/20 budget process via the fees and charges review/uplift</p> <p>This was completed during 2017/18 with charges being amended accordingly</p> <p>Cost Benefit Analysis for DMBC & BMBC out with third parties; then 8-week consultation period with Statutory Undertakers; then Thereafter circa 10 week period for consultation consideration, HR work & Cabinet Report</p> <p>Expected to be implemented during 2018/19 (exact date yet unknown) however no concerns over delivery. Will be incorporated into the 2019/20 fees and charges review as a "new charge"</p> <p>Review complete, recommendations implements saving being delivered</p>	<p>May create a fall in customer base however this is expected to be minimal as pricing structure remains competitive and in some case the Council is the only</p> <p>Positive impact already received following changes to car parking in summer 2018. will need to be monitored if courthouse car park is closed</p> <p>Little impact expected</p> <p>May see negative comments received by developers</p> <p>Little impact to date - continues to be monitored</p>	<p>Customer base will be monitored accordingly</p> <p>N/A</p> <p>Consultation proposed with developers</p> <p>Ongoing monitoring and review</p>	-2,433,000
BU6 E2 & E3/19-20	Cross Business Unit Reorganisation/Workforce Planning	<p>A number of individual service reviews have been completed which will result in a deletion of positions with various sections together with improved procurement and use of technology. Key areas currently being looked at:</p> <ul style="list-style-type: none"> * Neighbourhood Services - £390k via staffing and plant and materials changes - Review completed and approved implementation date Jan 19 * Highways Engineering & Transport - £410k achieved via staffing, procurement of materials, better asset management & use of plant & equipment * Waste Review £90k achieved by staffing following introduction of In - Cab Technology and collaborative/Shared Service opportunities across SY * Fleet £50k to be achieved via staffing, better procurement of materials linked to asset replacement * Stores £180k Review has just commenced. Expected to deliver saving in full via staffing reductions and improved stock processing and less waste. Opportunity to also link with other LA's for improved procurement 	1,118,000	<p>Review of Neighbourhood Services complete</p> <p>Highways review complete. New operating model approved by Cabinet 20th September 2018</p> <p>South Yorkshire Municipal Waste Strategy approved through all 4 cabinets and MOU also approved. Road map of opportunities and changes agreed</p> <p>Review of Fleet Service complete - posts deleted following closure of Keresforth Care Facility</p> <p>Stores review ongoing. Report expected late 2018</p>	<p>Possible impact on staff motivation and ongoing service delivery</p>	<p>Thorough consultation process taken place with all staff and Unions. Positive comments to date</p>	14,812,000
BU6 E7/19-20	PTE 3-5 Year strategic plan	Reduction in the levy through efficiencies in SYPTE.	240,000	No concerns. SYPTE given 3% efficiency target by SCR DOF's therefore this is expected to be delivered in full	Little impact as SYPTE already built savings into their own financial plans	N/A	9,711,000
Sub - Total Environment & Transport			1,558,000				
TOTAL PLACE EFFICIENCIES			2,217,000				

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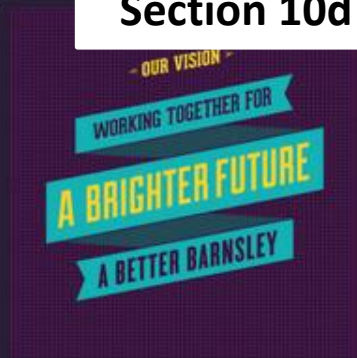
**2020 FUTURE COUNCIL
2020/21 Efficiency Proposals
PLACE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People Affected	Gross Budget £
<u>Regeneration & Property</u>						
BU4 E1/20-21	ECONOMIC REGENERATION Planning Fee Income	To increase the fee income target by £50k. This is to reflect the anticipated increase in planning applications arising from the adoption of the Local Plan and the subsequent completion of the masterplanning of the large, strategic sites. By 2020/21 it is also expected that the Government will have increased planning fees to account for inflation. It is considered that there will be capacity within the service to deal with the increased workload arising from the additional or larger, more complex planning applications given a reduction in resources needed for plan-making. Accordingly, should the fee income target not be achievable, there would be scope to consolidate the number of planning officers by one post.	50,000	-		1,054,000
BU4 I1/20-21	Investment in Property function	In order to drive forward a number of property related programmes including the accommodation rationalisation programme and accelerating growth, investment is required within the property division. 7 new positions will be created offset by the deletion of 2 posts. This investment will however be offset by savings targets totalling £910,000 included within the cross cutting efficiency savings total (See cross cutting savings below*)	- 200,000	-5	2	2,052,000
Sub Total Regeneration & Property			- 150,000	-5		
<u>Culture & Housing</u>						
BU5 E1/20-21	Capitalisation of salaries currently funded from revenue.	Capitalisation of project management fees against the Housing Growth Strategy including developments at Hawshaw Lane and St Michaels Avenue.	30,000	-		773,000
BU5 E2/20-21	External Contributions	Review and re-negotiate contributions made to Barnsley Premier Leisure. This saving gives total efficiencies delivered against the BPL contribution to £370,000 since 2017/18	120,000	-		234,000
Sub Total Culture & Housing			150,000	-		

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People Affected	Gross Budget £
Environment & Transport						
BU6 E1/20-21	LED Street Lighting Replacement Programme	The scope of the project is to enable a replacement programme of Group A (primary roads) and the remaining Group B (secondary roads) street lighting lanterns, from energy inefficient lanterns to energy efficient LED units. To enable resilience of the stock requiring a lantern change-over, structural examination of the columns will be undertaken at the same time as the lantern replacement. The new lanterns will be future proof to accept suitable technological improvements in the future. Capital expenditure is required for the procurement and installation of new lamps.	200,000	-	-	1,336,000
BU6 E2/20-21	Providing customers with a charged for additional green bin service	Our standard garden waste collection service consists of a fortnightly collection of a 240 litre green bin from March to November. This proposal will consider the option to offer residents an additional green bin for which an annual charge for the collection would be made. This proposal will be considered on its own and in combination with E3/20-21.	50,000	-	-	8,533,000
BU6 E3/20-21	Universal charge for green waste collections	Our standard garden waste collection service consists of a fortnightly collection of a 240 litre green bin from March to November. This proposal will consider the option to introduce an annual charge for the collection of green bin garden waste. The proposal will seek to see whether this will provide a self-financing service. The Controlled Waste (England & Wales) Regulations 2012 sets out the powers that Local Authorities' have to charge for the collection and disposal of certain wastes. Paragraph 4 of Schedule 1 of these regulations sets out that a Council may charge for the collection.	1,000,000	-	-	See above
3U6 E4/20-21	Car Parking	Free car parking at weekends has been in place for a number of years. It was proposed that once the Town Centre redevelopment was complete that this position will be reviewed. In order to prepare for the opening of the Glass Works an initial proposal is to charge upto £2 for a full days stay on Saturdays and 50p all day on Sundays (as opposed to the current all day charge on week days of £5) from 1st April 2020.	100,000	-	-	1,739,000
BU6 E5/20-21	Commercials Services Back Office Review	As part of the transformation review of Environment and Transport a number of services have already been reviewed with significant efficiencies being delivered. One area yet to be reviewed in the back office support within commercial services. With automation and business process re-engineering it is believed that this support can be reduced. (reduction of 2 FTE's)	50,000	2	2	2,193,000
BU6 E6/20-21	PTE Saving	Discussions are ongoing with SYPTE. For planning purposes a 1% reduction in the levy payment is considered prudent	100,000	-	-	9,471,000
PL E1/20-21	Cross Directorate collective increase in fees and charges	General increase in fees and charges in line with RPI across the Directorate (excludes fees and charges set statutorily)	100,000	-	-	4,741,000
Sub Total Environment & Transport			1,600,000	2	2	

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People Affected	Gross Budget £
Cross Cutting						
Property Investment Fund	Economic growth as a result of the Property Investment Fund	The Council's Property Investment Fund Phase 2 to date has directly supported the delivery of 3 key strategic development properties. A further 4 properties have also been supported via SCR's Jessica programme. This is expected to generate business rate growth over and above current planning assumption	150,000	-	-	
Accelerating Growth	Commercial investment to stimulate Growth (linked to BU4 11/20-21 above)	A number of potential commercial opportunities have presented themselves where the Council could act as investor to stimulate economic growth, giving a rate of return in terms of rental income, potentially additional business rates and generate employment (Return is based on investment in the Core Building)	160,000	-	-	
Town Centre Buildings Review	Review of town centre accommodation (linked to BU4 11/20-21 above)	Review of the Council's property/accommodation needs within the town centre linked to the Digital First strategy. The review will consider specifically the future use of the following properties: Wellington House - annual running costs (library only) £100k (FYE in 2021/22 of £650k) Beevor Court - Annual running costs £250k Burleigh Court £60k Computer Centre - annual running costs £50k Commerce House - Annual Running Costs £30k 18 Regent Street annual running cost £250k The Civic annual running costs £320k	600,000	-	-	
Community Buildings Review	Review of properties within districts (linked to BU4 11/20-21 above)	Similar to the Town centre buildings review, a review of the assets the Council owns within a number of districts across the borough. This review will focus on a potential disinvestment of buildings working collaboratively with other public sector partners in line with the "One Public Estate" strategy. The areas under consideration include: Various district town buildings (e.g. Penistone, Cudworth, Wombwell, Goldthorpe) - running costs £50k Various district depots (Platts Common, Goldthorpe, Penistone etc) Running costs £34k Smaller community buildings (inc but not exhaustive district supported accommodation e.g. 73 Huddersfield Road, resource centres etc) - Running costs £50K Resource /Business Centres - Running Costs £150k	150,000	-	-	
Sub Total Cross Cutting			1,060,000	-		
TOTAL PLACE DIRECTORATE			2,660,000	-3		

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FUTURE COUNCIL UPDATES
PUBLIC HEALTH

Public Health: prioritising and targeting our resources

- Develop cabinet approved **Alcohol Plan** and **Resilience Plan**
- Publish 2018 **DPH Annual Report** focussing on our connections with others
- Submit Barnsley's **Purple Flag** application
- Secure funding for **suicide prevention** locally through Integrated Care System
- Continue to **make smoking invisible**
- Ensure successful delivery of **NHS Health Check** service
- Develop **population health management** approach
- Further develop **health protection** arrangements and partnership working
- Improve health offer and outcomes for **children in care**
- Improve support for **teenage parents**
- Improve healthcare **pathways for children, young people and families**
- Work with partners to improve integration of **Sexual Health Pathways**
- Clear the **Food Hygiene inspection** backlog and improve working practices.
- Implement **Air Quality** Action Plan.
- Carry out intelligence led enforcement to address illicit sale of **tobacco** products

Public Health: key activities – proposed spending

Activity	Gross expenditure £m	Gross income £m	2019/20 net £m
• Public Health Management and Co-ordination	1.334	(0.473)	0.861
• Healthy Child Programme	5.364	(5.024)	0.340
• Integrated Sexual Health Service	2.094	(1.069)	1.025
• Health Checks	0.200	(0.200)	0.000
• Other Public Health Protection and Improvement	0.161	(0.161)	0.000
Regulatory Services	1.488	(0.982)	0.506
Total Resource Envelope	10.641	(7.909)	2.732

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BARNSELY METROPOLITAN BOROUGH COUNCIL

**2020 FUTURE COUNCIL
2019/20 Efficiency Proposals
PUBLIC HEALTH DIRECTORATE**

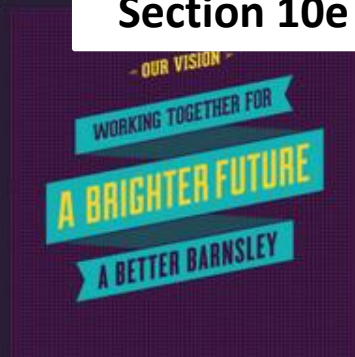
Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS EXPENDITURE
PUBLIC HEALTH							
PH E2/19-20	Review of Contracts & Commissioning	Efficiency savings in 2019/20 will be achieved through a comprehensive review of public health nursing services.	96,000	There are no risks identified in delivering the 19/20 efficiency. The public health nursing service review is completed, with oversight from the Head of Public Health (Children & Young People) and regular reporting to Public Health DMT.	The Head of Public Health (Children & Young People) has completed all required CIA's and EIA's. No issues have been identified.	No mitigation required.	5,101,742
BU5 E3/19-20	Various Efficiencies Regulatory Services	Saving of £33,766 was achieved from a Regulatory Services restructure implemented 1.4.17, the majority of this saving was as a result of a deleted post. The remainder of this efficiency is made up from the following income - Pollution and Environmental Searches £1,625, Scrap Metal Licences £2,450 and Gambling Machines £2,600. Total = £40,441	40,400	£33k already achieved. The remaining income efficiencies will be achieved by the Pollution Team within Public Health (BU10) and the Licencing Team within Legal Services (BU17). These efficiencies have been agreed by the Service Directors of both Business Units and will be monitored closely on a quarterly basis.	Key risk - £6,675 of this efficiency will be achieved through income earned by the service. If the income target is not met there will be a shortfall.	It is anticipated that any shortfall will be identified from existing Regulatory Services budgets within BU10 and BU17.	472,632
BE)	Review of Management Structure within Regulatory Services	Deletion of a Group Leader post within Regulatory Services = £52,608.	52,600	A saving from the deletion of one of the two Group Leader Posts in the Service with on-costs will equal £52,608. This added to the saving above in BU5 -E3 will meet the total saving of £93,000. (£40,441 + £52,608 = £93,049)	Key risk - deleting a Group Leader post will result in reduced management capacity.	This will be dealt with and risks will be managed and mitigated by re-structuring senior mangement within Regulatory Services.	766,016
TOTAL PUBLIC HEALTH EFFICIENCIES			189,000				6,340,390

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**2020 FUTURE COUNCIL
2020/21 Efficiency Proposals
PUBLIC HEALTH DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	Gross Budget £
PH E1/20-21	Contract Efficiencies - Plus Me	Expiration of the Plus Me contract will result in saving of £14,000 per year.	14,000	-	14,000
PH E2/20-21			Health Check Savings	Efficiencies were identified via the procurement of Health Checks service in 2017/18. In addition since the commencement of the new contract in 2018/19 additional efficiencies have been identified, currently estimated at £46,000	46,000
PH E4/20-21	Reduction in Base Budget Support	A £200k reduction in base budget contributions from BMBC to support the Public Health 4 Year plan is proposed. A combination of lower than anticipated cuts in Public Health Grant and effective financial management has resulted in PH 4 year plans showing a significant and increasing projected surplus. It is important to note that this proposal does not affect PHG allocations and that the Council still remain committed to providing base budget contributions in support of PH activities.	200,000	-	8,594,781
TOTAL PUBLIC HEALTH DIRECTORATE			260,000	0.00	

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FUTURE COUNCIL UPDATES

CORE

Core: prioritising and targeting our resources

- Embrace Digital First through greater use digital technologies including SharePoint & SAP Success Factors;
- Further enhancement of the Councils financial management systems BPC & SAP;
- Further embed commercialism through VfM reviews, commercial clinics & innovative income generation & cost reduction strategies;
- To proactively respond to the National Governments new Fair Funding Formula, CSR (April 2019), refining the Councils MTFS as required in order retain a balanced position and sustainable landscape;
- To lead and support the Corporate Peer Review as an effective improvement tool;
- Implementation and roll out of a Mental Health Action Plan & Training;
- Development & roll out of the Managers Toolkit & complimentary training;
- Implementation & ongoing development Town Spirit.

Core: key activities – proposed spending

Activity	Gross expenditure £m	Gross income £m	2019/20 net £m
Procurement and Commissioning Unit (Inc BSF and PFI)	44.925	(47.199)	(2.274)
Strategic Finance/Budgetary Control	4.556	(1.870)	2.686
Housing Benefit, Council Tax and Business Rates	70.203	(68.896)	1.307
Audit	0.896	(0.472)	0.424
Business Improvement, HR & Communications	6.247	(1.790)	4.457
Health, Safety and Emergency Resilience	0.470	(0.137)	0.333
Legal Support to the Council	1.894	(0.930)	0.964
Pollington and Electoral Registration.	0.726	(0.031)	0.695
Governance, Members & Business Support	5.102	(1.379)	3.723
Total Resource Envelope	135.018	(122.703)	12.315

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL
2019/20 Efficiency Proposals
CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2019/20 Saving £	KEY ACTIONS REQUIRED / KEY MILESTONES	KEY ACTIONS REQUIRED / KEY MILESTONES	IMPACT	MITIGATIONS	GROSS BUDGET £
CORE SERVICES								
BU7 E4/19-20	Reduce resources in Customer Feedback and Improvement Team	The implementation of a new management information system for the Customer Feedback and Improvement function is proposed for Q3/4 2016/17. This will enable the removal of a support role from 2017/18 with a further expected reduction in resources from 2019/20.	31,486	The removal of a support role from 2017/18 with a further expected reduction in resources from 2019/20.				374,644
BU13 E1/19-20	Finance Business Unit - major restructure	Planned re-design of the Finance Business Unit to be transitioned over 2018/19 and fully implemented for 2019/20. To comprise of both cost savings and re-investment to ensure the finance function continues to be as efficient and effective as it can be and it remains fit for purpose to help contribute towards creating a sustainable landscape for our Future Council. In addition change is required to address concerns around reducing income levels, lack of career progression and the need to be equipped to deal with national funding policy changes.	239,000	<ol style="list-style-type: none"> 1. Formal Consultation within BU to commence April 2018 (done) 2. Confirmation of SVER by 30th April (done) 3. Assimilation / Preference process 1st May - 19th July 18 4. Recruitment to vacant posts by 19th July 5. 12 Week notice to terminate employment 19th July - 10th Oct 18 6. Go live with new structure 10th Oct 18 	<p>Staff not embracing the change</p> <p>Delays in implementation</p> <p>Structure isn't fit for purpose in addressing key areas of concern / new demands</p> <p>Not been able to retain right mix of knowledge / expertise</p> <p>Not been able to appoint the right calibre of staff</p>	<p>Staff feel under valued and de-motivated, impacting on productivity and performance and the quality of service delivered by the function - having a wider detrimental impact across the Council given the Finance functions core role.</p> <p>Delays in implementation and/or the new structure not being fit purpose impacting further on staff performance and on the robustness of the services that needs to be delivered and ultimately impacting on the achievement of the KLOE for 19/20, not only within the Finance BU but Council wide - potential risk as a BU we are not equip to support the organisation in creating a sustainable landscape.</p>	<p>Ensure staff are kept fully informed throughout the processes and ensure individuals fully understand what that means for them, providing adequate support where required.</p> <p>Ensure proper assessment and due diligence of the change is completed giving considering to both internal and external factors both now and known to be in the future (i.e. changes to business rates retention / LA funding model) to ensure the function is best structured to meet demands.</p>	7,455,093
TOTAL CORE SERVICES			270,486					

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**2020 FUTURE COUNCIL
2020/21 Efficiency Proposals
CORE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's Affected	People Affected	Gross Budget £
<u>Financial Services</u>						
BU13-E1/20-21	Finance BU minor restructure	Minor restructure to reflect reduced workloads as a result of the transfer of the HB function to DWP, and loss of traded activity within Internal Audit (approx 4 FTE's). In addition further streamlining of processes to increase automation resulting in further efficiencies across the Business Unit.	165,000	4	4	7,163,642
TOTAL Financial Services			165,000	4	4	
<u>HR & Business Support</u>						
BU14-1/20-21	HR Senior Staff Restructure	Restructure of senior level staffing within Core Directorate and transfer of the Busienss Support function to BU15 and BU19 / Joint Authorities	296,300	6	6	4,433,009
TOTAL HR			296,300	6	6	
<u>Legal Services</u>						
BU17-E1/20-21	Restructure of Licensing and Litigation Team	Deletion of posts as a result of the implementation of more efficient ways of working through increased automation and streamlined processes. Includes ceasing routine inspections and move to demand / risk based inspections. Proposal also considers to cease internal hearings by elected Members with regards refusal of taxi driver licenses, and delegate authority to the SD Legal Services.	84,850	3	3	201,615
TOTAL LEGAL			84,850	3	3	
<u>Electoral Services</u>						
BU18-E1/20-21	Automation of electoral process	Further automation to increase online voting, resulting in reduced printing and postage, anticipate saving of 15% of current budget spend.	15,000	-		100,000
BU18-E2/20-21	Reduction in canvases	To increase use of technology in line with Digital First Strategy, resulting in reduced number of election canvases.	5,000	-		56,000
TOTAL ELECTORAL			20,000	-		
<u>Governance Services</u>						
BU19-E1/20-21	Senior Staffing Restructure	Restructure of senior level staffing within Core Directorate and transfer of Governance functions to Joint Authorities Service Director.	96,600	1	1	627,176
Total GOVERNANCE			96,600	1	1	
<u>Joint Authorities</u>						
JA-E1/20-21	New income - Joint Authority support	Review of current SLA's to ensure income opportunities are maximised, and secure new income commercial income through tender opportunities, namely NBMA.	50,000	-		
Total JOINT AUTHORITIES			50,000	-		

Cross Directorate						
Core-11/20-21	Investment	Investment in staffing structure across the Directorate to ensure structure remains fit for purpose to adequately support service delivery. Namely within Communications and Marketing x1 Grade 9 and X1 Career Grade 5-7 , Council Governance x1 Career Grade 5-7 , and Legal appointment of new Commercial Lawyer Grade 10.	-159,250	-4		
Total Cross Directorate			-159,250	-4	0	
Crosscutting						
HRA Review	Review of cost sharing arrangements with HRA	Appropriate sharing of costs with the Council's Landlord Function e.g homelessness, RTB etc	538,000	-		
Pensions	Pension deficit payments	Anticipated reduction in the Council's pension deficit payments	2,200,000	-		
Total Crosscutting			2,738,000	-		
TOTAL CORE DIRECTORATE			3,291,500	10.00	14.00	

BARNSELEY METROPOLITAN BOROUGH COUNCIL

FUTURE COUNCIL 2020

SERVICE DIRECTOR PAY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to create a spot salary of £95k for the role of Service Director with effect from 1 June 2019.

2. RECOMMENDATIONS

- 2.1 **To approve the creation of a spot salary of £95k for the role of Service Director with effect from 1 June 2019.**

3. INTRODUCTION

- 3.1 Currently Service Director roles are evaluated using the NJC Job Evaluation Scheme and are paid on the council's NJC 17 grade pay structure.
- 3.2 Service Director grades vary from grade 14 to grade 17 which reflects the size and scope of the portfolio's they are responsible for.
- 3.3 Concerns have been raised regarding Service Director pay levels which has prompted questions around competitiveness with other authorities in the region.
- 3.3 A pay benchmarking exercise has been undertaken to examine this further. This has highlighted that salaries for comparable posts average £95k whereas the top of grade 17 currently equates to £89,176 which is a £6k difference.

4. PROPOSAL AND JUSTIFICATION

- 4.1 To ensure the council can continue to attract, recruit and retain the best talent in these key strategic roles we need to address the pay disparity issue to remain competitive in terms of salary levels.
- 4.2 In addition, the number of Service Directors has reduced which in some cases has resulted in larger portfolio's and spans of control.
- 4.3 To recognise this it is therefore proposed to create a generic Service Director profile which will attract a spot salary of £95k.
- 4.4 This will provide the same consistent fixed salary point for all Service Directors and mirrors the approach already adopted to determine salaries of the Senior Management Team.
- 4.5 The existing NJC 17 Grade pay structure remains unaffected by this proposal.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 An alternative option would be to retain existing arrangements.
- 5.2 This option would not resolve the risk to the council in not being able to attract, recruit and retain talent in key strategic Service Director roles.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 None arising directly from this report.

7. FINANCIAL IMPLICATIONS

- 7.1 As a result of the reduction in the number of current Service Director Positions (paragraph 4.2 refers) there is a net saving to the Council of this proposal of £10,000.
- 7.2 This will represent a saving across Business Unit budgets once realigned.

8. EMPLOYEE IMPLICATIONS

- 8.1 These proposals will affect 12 Service Director roles.
- 8.2 If approved, the proposal will also remove the need to pay market supplement payments to four roles.

9. COMMUNICATIONS IMPLICATIONS

- 9.1 None other than managing internal communications within the council.

10. CONSULTATIONS

- 10.1 The Trade Unions have been informed.

11. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 11.1 There are no particular equality implications. The proposal would be consistently and equally applied to those affected.

12. RISK MANAGEMENT ISSUES

- 12.1 By implementing the approach proposed, the council will reduce the ongoing risk of both losing employees to alternative employment and failing to recruit to key senior posts.

13. GLOSSARY

NJC - National Joint Council for Local Government Services

14. LIST OF APPENDICES

15. BACKGROUND PAPERS

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Janine Hollingsworth – Head of HR Business Advisory, Pay & Reward

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Section 12

BARNSELY METROPOLITAN BOROUGH COUNCIL

FUTURE COUNCIL 2020

SCHEME OF ALLOWANCES – INDEXATION FORMULA

1. Purpose of Report

- 1.1 To consider the continued operation of an indexation formula within the Council's Scheme of Allowances as part of the setting of the Council's budget for 2019/20.

2. Recommendation

- 2.1 **That the existing Scheme of Allowances continue and that following consideration of a report from the Council's Independent Remuneration Panel that its indexation formula for the increase in allowances linked to related increases in officer remuneration be retained.**

3. Background

- 3.1. The Council's Medium Term Financial Strategy makes provision within the Financial Forecast 2019 -2021 for the related National Pay Award which includes an equivalent increase to allowances within the Scheme of Allowances.
- 3.2. The Members Allowances (England) Regulations 2003 provide that a Council's Scheme of Allowances may include an indexation formula to provide for increases in allowances within the Scheme. Use can only be made of that formula for a period of four years without the Council considering a report of its Independent Remuneration Panel.
- 3.3 The Council's Scheme of Allowances has historically contained an indexation formula linked to related increases in officer remuneration.
- 3.3 The Barnsley Independent Panel last met and submitted a report to the Council in February 2015 and recommended as part of a wider review of the Scheme that the relevant indexation formula be retained.
- 3.4 Any further increase in allowances with reference to the indexation formula requires consideration of a report from the Panel.

4. Current Position

- 4.1 The Panel has met to consider in particular the issue of the ongoing use of the indexation formula and has produced a report which is attached as Appendix 1 to this report.
- 4.2 The Panel has taken the view that in the present circumstances it was not necessary to undertake any wider review of the Scheme of Allowances. There will be the opportunity to do so in future years when the medium term financial issues facing the Council beyond 2020 become clearer.
- 4.3 The report of the Panel recommends the continuation of the current indexation formula linked to officer remuneration. This would provide for an increase in all the relevant allowances within the Scheme of 2% for the financial year 2019/20.
- 4.4 The retention of the formula as recommended by the Panel will allow for increases in allowances, linked to any related increases in officer remuneration, in future years up to the financial year 2023/24 without the need for any further report from the Panel.
- 4.5 It is anticipated however that Panel is likely to be asked to undertake a wider review of the Scheme during the intervening period in which event a further report of the Panel would be produced for consideration by the Council.

5. Proposal

- 5.1 That the existing Scheme of Allowances continue subject to an increase in the various allowances within the scheme of 2% in accordance with the relevant indexation formula and as recommended by the Independent Remuneration Panel.
- 5.2 Details of the revised Basic Allowance and Special Responsibility Allowances are set out in Appendix to the report of the Panel.

6. Financial Implications

- 6.1 There are no additional financial implications. The cost of the increases have been provided for within the Medium Term Financial Forecast 2019 - 2021.

Officer Contact Andrew Frosdick – Executive Director Core Services - 773001

Background Papers

Members Allowances (England) Regulations 2003 and related statutory guidance.

Report of Barnsley MBC Independent Remuneration Panel

1. Introduction.

- 1.1 This is a brief report of the Barnsley Independent Remuneration Panel which deals with the discrete issue of the ongoing use of an Indexation Formula within the Council's Scheme of Allowances.
- 1.2 The Council's Scheme of Allowances includes an Indexation Formula to increase the Allowance's payable, within the Scheme, on an annual basis in line with any increases payable in respect of officer remuneration. The use of such a formula is permitted by the Members Allowances (England) Regulations 2003.
- 1.3 The Regulations provide that a Scheme cannot utilise an indexation formula for more than four years without considering a further report of the Council's Independent Remuneration Panel.
- 1.4 The Panel last met and submitted a formal report to the Council in early 2015 which included recommending that the relevant Index continue to be applied. The Panel reviewed the Scheme of Allowances more generally, in the light of progress in the development of the role of the Area Councils, and in particular the role of the Area Chairs for whom a new Special Responsibility Allowance had been provided for when the Scheme had previously been examined by the Panel in 2013.
- 1.5 The Council must now therefore consider a further report from the Panel, if it is to continue to provide for an indexation formula for its Scheme of Allowances, for the coming financial year 2019/20 and future years. The Panel has consequently been asked to give further consideration to the issue of the indexation formula and to produce an appropriate report.
- 1.6 Details of the composition of the Panel are included in Appendix 1.

2. Background

- 2.1 In producing this report the Panel is mindful of its independent role and has reflected on the advantages of looking more generally at the Council's Scheme of Allowances, given last did so four years ago and also that on the two previous occasions when the Panel has met it has done so, on the basis of a wider brief to examine the Scheme in its entirety. Consideration of the continuation of the Indexation formula has been part of that wider exercise.
- 2.2 However, the Panel does recognise that this more extensive brief arose in response to changing circumstances relating to the governance of the Council in particular with the creation of the Area Councils. The present context is somewhat different in that the Council has set a medium term financial strategy which has proposals, which will allow it to achieve a balanced budget for the next financial year 2019/20, which were put to members last year at the time of the setting of the 2018/19 budget.

- 2.3 So the organisational context is a stable one in terms of the potential impact of the Council's financial position on the wider role of elected members and any implications for the Scheme of Allowances. The Council has recently endorsed the ongoing Area Governance framework, having considered certain changes to the operation of the Ward Alliances, which are a component part of the framework.
- 2.4 The position beyond 2019/20 is less certain, as the wider financial context within which future budgets will be set will be very much influenced by certain external developments:
- Local retention of business rates;
 - New Comprehensive Spending Review;
 - The uncertain wider financial implications for public expenditure in the light of Brexit.
- 2.5 It is too early to make clear predictions but, the Council is prudently anticipating that there may be further financial pressures to be addressed in setting its ongoing Medium Term Financial Strategy to inform the setting of its Budgets for 2020/21 and onwards. It is within this wider context that any implications for future of the Council's governance arrangements, and any implications for the role of elected members, would fall for consideration.
- 2.6 In these circumstances, the Panel has concluded that it would not be a particularly productive use of the Panel or of the time and resources that would be involved, in undertaking any detailed examination of the Scheme of Allowances prior to the setting of the Budget for 2019/20.
- 2.7 There may be a need for a more in depth review of the Scheme as the emerging financial pressures beyond 2019/20, and what that could mean for the role of elected members, becomes clearer during the course of the next financial year. The outcome of the Comprehensive Spending Review and its implications for the resources that may be available to the Council is awaited. In those circumstances there would be a further more in depth process that the Council would need its Independent Remuneration Panel to assist with in reviewing the Scheme of Allowances into 2020 and beyond.
- 2.8 In the short term there is a need for the Council to comply with the requirements of the regulations in setting its budget for 2109/20 and so, the Panel has confined itself to the discrete issue of whether or not to continue to provide for the existing indexation formula within the Scheme on the assumption that no other changes are to be made to the Scheme, given that member roles will essentially remain unchanged.

3 The Indexation Formula

- 3.1 The Council's Scheme of Allowances, as indicated above, provides for an Indexation Formula to increase the allowances payable within the Scheme on an annual basis in line with any increases payable in respect of officer remuneration.

- 3.2 This has resulted, in most years, in the allowances paid under the Council's Scheme being increased to reflect the percentage increase in officer pay, under the annual national local government pay settlement, given that Barnsley is part of the national pay bargaining framework as indeed are most local authorities.
- 3.3 The Council has therefore, made the assumption in its financial forecasting, as part of the annual budget setting process, that there will be such an increase in the same way that it forecasts for the anticipated increase in officer pay and appropriate provision is built into the budget. There have been one or two occasions in recent years, in the climate of austerity, where the members have voluntarily decided to forego the increases but in most cases the indexation formula has been applied. That is a matter for the members to determine although, the Panel has always been of the view that the consistent application of the index is both reasonable and advantageous to avoid any growing gap developing between rates of allowances payable and sector comparators.
- 3.4 There is no specific requirement for an indexation formula to be designed with reference to increases in officer remuneration. However, the current formula within the Council's Scheme reflects sector practice generally and also, has been used for some considerable time without it being viewed as a contentious issue. The Panel remains of the view, in supporting the continued use of an index within the Council's Scheme of Allowances that, it is important that allowances do not fall too far behind earnings growth within the wider economy.

4 Recommendation

- 4.1 The Panel therefore recommends that the Council, in making its Scheme of Allowances for the financial year 2019/20, that the Scheme retains the existing indexation formula which is linked to increases in officer remuneration.
- 4.2 It is noted that where there has been a two year national pay settlement for local government employees for 2018/19 and 2019/20 of 2% per annum which reflects the Government's revised Public Sector pay norms.
- 4.3 If the use of the current indexation formula is retained within the Council's Scheme of Allowances, this would provide therefore for an increase of 2 % in respect of the Basic Allowances which would increase from £11,087 to £11,309 with a similar percentage increase in respect of Special Responsibility Allowances.
- 4.4 Details of the relevant increases in all allowances are provided in the attached Appendix 1.

Mr D Winchurch (Chair)

Mr D Brannan

Ms D Brown

Dr D Hall

Mr C Watkinson

February 2019.

Composition of BMBC Independent Remuneration Panel

David Winchurch - Chair; former local authority Chief Executive

David Brannan – nominated on behalf of the voluntary and community sector

Diane Brown – independent member of BMBC Audit Committee

Dr Declan Hall – Formerly of Birmingham University: academic adviser specialising
in elected member remuneration

Clive Watkinson – nominated on behalf of Chamber of Commerce and Industry

Andrew Frosdick Executive Director Core Services and Secretary to the Panel

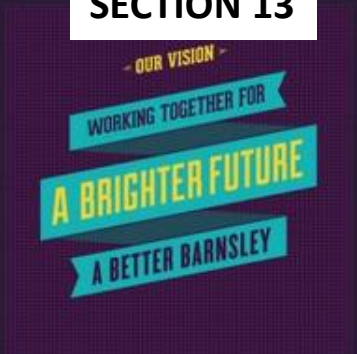
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2019/2020 - MEMBERS ALLOWANCES - BASIC & SPECIAL RESPONSIBILITY ALLOWANCES

DESIGNATION	SRA AMOUNTS 1ST APRIL 2018 TO 31ST MARCH 2019	INCREASE	SRA AMOUNTS 1ST APRIL 2019 TO 31ST MARCH 2020
	£		£
LEADER	26,721	534	27,255
DEPUTY LEADER	17,369	347	17,716
CABINET SPOKESPERSONS (6) £13,360 each	80,160	1,603	81,763
CHAIR OVERVIEW & SCRUTINY COMMITTEE	8,551	171	8,722
CHAIR AUDIT COMMITTEE	8,551	171	8,722
CHAIR AREA COUNCILS (6) £8,722 each	51,306	1,026	52,332
CHAIR PLANNING BOARD	8,551	171	8,722
CHAIR LICENSING BOARD	8,551	171	8,722
LEADER POLITICAL GROUP 1 (2) **	3,420	69	3,489
LEADER POLITICAL GROUP 2 (4) **	4,167	86	4,253
CABINET SUPPORT (6) £3,149 each	18,522	370	18,892
COMMUNITY COHESION CHAMPION	2,645	53	2,698
OVERVIEW & SCRUTINY TASK & FINISH LEADS (3) £2,181 each	6,414	128	6,542
PENSION AUTHORITY REPRESENTATIVES			
MEMBER BASIC (2) £3,924	8,004	Increased in June	8,004
SECTION 41 SPOKESPERSON (SRA VICE CHAIR)	6,625	Increased in June	6,625
SRA TOTAL	259,557	4,902	264,459
BASIC ALLOWANCE (63) £11,309 each	698,481	13,986	712,467
BASIC & SRA TOTAL	958,038		976,926
BMBC AUDIT COMMITTEE CO-OPTEES (5) £1,209 each	5,925	119	6,044
ETHICAL STANDARDS CO-OPTEE (3) £752 each	2,211	44	2,255
TOTAL ALLOWANCES	966,174	19,051	985,225

TOTAL COST OF INCREASE	19,051
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** Calculation is 10% of Leader plus additional per member



FUTURE COUNCIL 2020
HR IMPLICATIONS

2019/20 HR implications in numbers

Directorate	Business Unit	Service Director	Number of staff affected	Number of potential redundancies	Number of Notice Letters Issued
Place	BU4 Economic Regeneration	David Shepherd	18	1	1
Place	BU5 Culture, Housing & Regulation	Philip Spurr	5	1	0
Place	BU6 Environment & Transport	Paul Castle	18	2	0
Public Health	BU10 Public Health	Carrie Abbott	5	1	0
Communities	BU12 Customer Information and Digital Services	David Robinson	138	28	27
Core	BU15 Business Improvement and Communications	Michael Potter	26	3	3
Total			210	36	31

Timeline for implementation of 2019/20 proposals

Date	Process
8 October 2018	Formal consultation commences . Letters to be issued
October to December 2018	Consultation with Trade Unions, employees and undertake change process in accordance with Managing Change policy
5 January 2019	Consultation period ends
6 January 2019 (effective from 7 January 2019)	12 weeks notice period commences and issue termination letters
31 March 2019	End of 12 weeks notice period

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

2020 FUTURE COUNCIL

Aggregated Equality Implications of Budget Efficiency Proposals 2019/20

1. Purpose of Report

- 1.1 This paper provides an overview of the approach undertaken by the Council to ensure that the equality impact of any proposals being considered through the service and financial planning process are appropriately assessed and considered. It summarises the aggregated and inter-related impact of each of the budget reduction proposals and proposes how potential inequalities can best be mitigated.

2. Background

A. Purpose of Equality Impact Assessment (EIA) Process

- 2.1 The budget efficiency process is an area where the Public Sector Equality Duty requires us to demonstrate that we have given “due regard” to the equality impact of our decisions and sought to avoid any unfair and/or disproportionate impact on key equality groups. Therefore, we have embedded an EIA into the process of identifying, evaluating and implementing budget saving proposals.

- 2.2 This enables us to:

- have a written record of the equality considerations we have taken into account;
- ensure that decisions include a consideration of the actions that would help to avoid or mitigate any unfair impact on diverse groups;
- make decisions based on evidence: a decision which is informed by relevant local and national data about equality is a better quality decision. EIAs provide a clear and systematic way to collect, assess and put forward relevant evidence;
- make the decision-making process more transparent, this should also help to secure better public understanding of the difficult decisions we will be taking;
- comply with the law: the duties are legal obligations which should remain a top priority, even in times of economic difficulty. Failure to meet the duties may result in the Council being exposed to costly, time-consuming and reputation-damaging legal challenges.

B. Stage One – Initial Community Impact Assessment

- 2.3 The first stage of the EIA process is to differentiate those proposals where there could potentially be a significant equality impact from those where the impact will in all probability be low or negligible.
- 2.4 The initial CIA is used to determine which of the budget efficiency proposals may need to undertake a full EIA, where there was a potentially high or moderate degree of impact, so we can better understand the impact the proposal may have on the local community.

C. Stage Two – Full Equality Impact Assessment

2.5 The Full EIA requires services to:

- assess the evidence they have about the potential impact in terms of service take-up, service quality and customer access;
- consider how they will seek the views of the local community (and, in particular, those groups most affected by the proposal);
- identify potential mitigating actions where negative impact has been found.

2.6 Individual decisions should also be informed by the wider context of decisions in our own and other relevant public bodies, so that groups are not unduly affected by the cumulative effects of different decisions.

2.7 The EIAs are an iterative process and their conclusions may change overtime as efficiency proposals are refined, feedback from consultation is considered or mitigating actions identified that may reduce any negative impacts.

2.8 All reports outlining a budget efficiency proposal should include an outline of the key findings of the EIA undertaken for that Budget Saving Proposal. This should as a minimum describe:

- the main negative impacts anticipated;
- how this has been assessed and the evidence used;
- how the views of those negatively impacted have been sought;
- what options for mitigation should be considered as part of the proposal; and
- how the actual impact will be reviewed after implementation.

D. The Aggregated Equality Impact Assessment (EIA)

2.9 The Aggregated EIA is an assessment of the cumulative impact of all the budget efficiency proposals on different sections of the local community and should be taken into account when deciding whether and how to implement the proposal. It also seeks to consider the other factors that will be affecting how diverse groups experience the impact of the budget efficiency proposals. This could, for example, include the impact of Brexit, welfare reform and / or previous budget efficiencies.

3. Aggregated Impacts 2018 / 2020

3.1 In 2018/19 there are 8 budget efficiency proposals that either the Initial Community Equality Impact Assessment or the full Equality Impact Assessment process have identified as having a medium or a high impact on one or more diverse groups. Some of these impacts are predicted to be negative and in each of these circumstances mitigations have been identified to minimise the impacts. In other cases the budget efficiency proposal has led to a refocusing of a service or a service re-organisation that is predicted to result in improved outcomes for one or more diverse groups. The Full EIAs for these budget efficiency proposals will be completed (with any appropriate mitigating actions also considered) before the efficiencies are implemented from April 2019.

3.2 The aggregated impact of these budget efficiencies on each the diverse groups is outlined in table 1:

Diverse Group (Protected characteristic)	Positive Impact	Negative Impact
Disabled people	2	4
Older people	1	3
Young people	1	2
Men	1	2
Women	1	1
BME people	1	2
Other diverse groups	1	2
Vulnerable groups / local incomes	2	1

3.3 The specific details of each budget efficiency predicted to have a significant impact on one or more diverse groups is summarised in table 2:

<u>Communities Directorate</u>					
In Communities Directorate there are five budget efficiencies where the EIA process has indicated there is a potentially medium or high impact.					
Business Unit	Ref	Efficiency Title	Impact	Groups Most Affected	Reason for Impact
Customer Services	BU7 E1 / E2	Re-Modelling of Customer Services Project / Telephony Channel	Medium	Disabled People Older People	As more service contacts move to on-line some disabled and older people will find this transition harder. This has been mitigated through ongoing efforts to improve the accessibility of on-line services and identify and meet the needs of those unable to access on-line services. The remodelling of library services has been separately impact assessed and the Low Impact reported to cabinet following implementation of mitigating actions.
Stronger, Safer and Healthier Communities	BU8 E3 & E12	Barnsley Wellbeing Service (replacing Be Well Barnsley)	Medium	Men Children and young people Disabled people Older people	The focus of the new service aims to reduce inequalities through improved community engagement, and will

		This is a new service and it has been designed to result in improved outcomes for one or more diverse groups.		Pregnant women	work to improve outcomes for the following groups; Men are less likely to access healthy lifestyle services and are more likely to be overweight. There are fewer services for young people. Older people who are more at risk of isolation. There are fewer services for disabled people who are more likely to experience health inequalities. Specialist services required for pregnant women.
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Place Directorate

In Place Directorate there are two budget efficiencies where the EIA process has indicated there is a potentially medium impact.

Business Unit	Ref	Efficiency Title	Impact	Groups Most Affected	Reason for Impact
Environment and Transport	BU6 E2	Cross Business Unit Restructure	Positive (Medium)	Disabled People and Care Leavers	Increased provision of apprenticeship opportunities.
Environment and Transport	BU6 E3	Service Delivery Re-design	Medium	Disabled People, Older People, BME New Arrivals	Changes to collection processes may have greatest impact on disabled and elderly people and new arrivals to the borough. However each specific change to the collection service has had a full EIA and any negative impacts have been individually reported and mitigated.

Public Health Directorate

In Public Health there is one budget efficiency where the EIA process has indicated there may be a potentially significant impact.

Business Unit	Ref	Efficiency Title	Impact	Groups Most Affected	Reason for Impact
Public Health	PH E2	PH E2 Review of Contracts and Commissioning	Positive and negative	All diverse groups	There are three key lines of enquiry. 1) The re-procurement

			impacts: Medium		<p>of NHS Health Checks: The new contract will enable improved targeting of invitations to those most at risk of CVD and better quality assurance and monitoring of longer-term outcomes particularly for diverse groups at higher risk.</p> <p>2) Sexual Health Service: A needs assessment has been undertaken and EIAs have been completed. Impact monitoring and mitigation responses to be built into service.</p> <p>3) 0-19 Service. Efficiencies associated to staffing structures. A service review and re-design is also being undertaken to ensure that the services are fit for purpose. EIAs will be completed as the projects progress.</p>
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3.4 From this summary it is clear that disabled people and older people continue to be those most at risk of negative impacts as a result of the budget efficiency proposals. This is to be expected given that a large part of Council expenditure is targeted to those in greatest need of support such as disabled people and older people.

4. Cumulative Impact of Budget Efficiencies on Disabled People and Older People

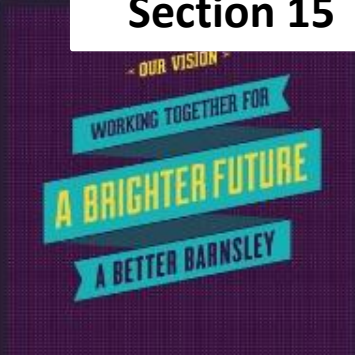
4.1 The framework of service available to support disabled people to live their lives in an equitable and inclusive way with the wider community has changed in recent years beyond almost all recognition. Welfare reform has transformed the package of benefits available to disabled people and the eligibility criteria for them. Social care services have increasingly been focused on providing disabled people with the control over their own care budgets enabling them to make active choices about their own lives. Directly provided services have been replaced by services which seek to support a disabled

person to undertake activities for themselves. Developments in the town centre are increasingly building in disability access to higher standards than ever before. However at the same time disabled people are often living on less money, fewer are in receipt of care packages, are more likely to be out of work and experience higher levels of hate crime in the community.

- 4.2 Other people who may be living in vulnerable situations have seen the support they receive change due to central government cuts to budgets such as Supporting People, welfare reform and the Council's programme of budget savings. This may be having some impact on the ability of people to successfully manage their lives and interactions with agencies.
- 4.3 Whilst Council services have made every effort to mitigate the impact of budget cuts on these groups, not least due to the impacts of welfare reform affecting these groups at the same time, it is possible that we have not been entirely successful in these efforts? Therefore, can we be confident that changes to support services have brought about the improvements in independence and life opportunities that we have tried to achieve or have these objectives been hindered by cuts to services and benefits?
- 4.4 To better understand this impact the Council last year commissioned a project to research a number of case studies so we can better understand the impact of changes to service delivery, in the context of wider welfare and other government reforms, on disabled people and other vulnerable groups in Barnsley. This research project has now concluded and reported its findings to the Council which are currently being considered by Senior Management Team and will in due course inform the development of an Improvement Plan to address its key findings and recommendations.

5. Proposed Mitigation

- 5.1 The greatest impacts identified this year are likely to be felt by disabled people and older people, and this has been the case for several years. As such the Council will take steps to mitigate the impact on these groups:
 - i. The Council will continue to develop its digital offer for customers, improving access to services for customers who will be able to enquire, apply and pay for services from the comfort of their own homes any time of the day or night. For some however, digitisation of services creates greater barriers, for example due to their disability, or their lack of access to the internet. Through the 'ConnectAbility' project and the development of a new Customer Portal we have been addressing these barriers by ensuring our on-line offer meets the highest standards of accessibility, to better understand and meet our customers' individual access requirements and to support and encourage more disabled and older customers to undertake more enquiries and transactions on-line.
 - ii. We will also fully consider the findings and recommendations of the Austerity research project report. This is currently being considered by Senior Management Team and an Improvement Plan will be developed in due course. This may have implications for how the Council undertakes its EIAs for budget efficiencies in future years, to ensure we better understand the actual impacts of our decisions following implementation.



FUTURE COUNCIL
COMMUNICATIONS



Talking to our residents

Consultation

- Allowing people time to give their views on proposed plans
- Taking their views into account

Information on decisions, investments and changes

- Being clear, open and honest with the information we give out
- Clear links to our priorities and outcomes/ Town Spirit

Key messages

- Timescales for setting budget
- Reductions vs strong position in time difficult times
- This is what it means for you...

Channels

- Social media, community magazines, website, media

YOUR GUIDE TO COUNCIL TAX AND THE BUDGET 2018-19

A DAY IN THE LIFE OF OUR 2018/19 BUDGET

This is how much we'll spend EVERYDAY to provide you and your family with the vital services you need.

Figures in thousands £000

£326 EDUCATION AND YOUTH SERVICES	£97 CHILDREN'S SOCIAL CARE	£214 ADULT SOCIAL CARE	£11 LEISURE, CULTURE AND TOURISM
£41 ROAD MAINTENANCE	£12 NEIGHBOURHOOD SERVICES	£44 WASTE COLLECTION, DISPOSAL AND RECYCLING	£242 HOUSING

Barnsley's budget 2018/19 explained

pleased to present a balanced budget. means we can continue to deliver and prove the services you need the most.

will the budget increase and my family? **4.49%** including: 2.99% General services, 1.5% Adult Social Care

This increase hasn't been taken lightly, but... our funding from Central Government continues to reduce demand and pressure on our services continues to increase

resulting in... **£10m** further savings to make over the next 2 years

How will the increase affect my council tax bill?

Please beware that this increase doesn't include the contribution you pay for fire and police services

Band	Annual increase	Weekly increase
A-	£33.89	£0.65
A	£40.67	£0.78
B	£47.45	£0.91
C	£54.23	£1.04
D	£61.01	£1.17
E	£74.56	£1.43
F	£88.12	£1.70
G	£101.68	£1.95
H	£122.01	£2.34

Did you know? 15% of the total amount we'll spend in providing you with services

Town Spirit

Working together for a better Barnsley

Talking to our staff

Benefits

- Pass on key information to their family and friends – act as champions
- Feel well informed and in the loop about what is happening in their directorates

See clear links to our priorities and outcomes/ Town Spirit

Many of our staff are residents

Channels

- Information in Straight Talk
- Intranet news feed
- Frequently asked questions
- SMT blogs / Diana's blog / Leader's blog

Tell Us What You Think Month
Talkabouts/ Leadership conferences

Looking ahead to 2018/2019

We're well into those busy few months where we're planning for our services for 18/19 and beyond which of course means financial planning too. Focusing our financial resources on our **priorities and outcomes** is essential and our starting point for this is, as you know, our business planning process. I hope as many of you as possible have been involved, been consulted and contributed to it.

Although planning can sometimes be a lengthy process, it's necessary to make sure that we're spending our money where it's needed most and with the greatest efficiency too.

Our plans and budget for 2018/19

Our proposed budget to deliver our business plan for 2018/19 will be formalised at Full Council on Thursday 22 February on our website.

Our Future Council 2020 has helped us to re-shape our services to make sure we are a high performing, sustainable Council.

Our Executive Directors have blogged to help you understand the budget:

- Wendy Lowder – Communities
- Andrew Frostick – Core services
- Rachel Dickinson – People
- Matt Gladstone – Place
- Julia Burrows – Public Health

We'll be adding more information about the budget to our website. We'll also be 'myth busting' and answering your questions.

Budget 2018/19 - approved!

Our 2018/19 budget has now been approved by Cabinet and formalised at Full Council this week. We're pleased to be presenting a balanced budget for the year and financial stability to 2020.

We can now confirm that from April, council tax will increase by 4.45 percent - including a 2.99 percent general increase and 1.5 percent contribution to adult social care.

As many of you, and your family and friends are also residents of Barnsley, we'd like to reassure you that this increase has not been taken lightly. A number of options were explored to minimise the increase and the impact that it will have on you.

As employees and residents, we'd like to encourage you to support our decisions and help your family and friends understand the financial pressures we face. With year on year cuts from central government and increased pressures on our services, if we didn't increase council tax to reflect this, we'd have to cut vital services - as the funding is simply not there.

We know it can all be a bit mind-boggling, so check out the highlights for a reminder of how you might be affected. For more info, take a look at [Diana's blog](#) or read our [FAQs](#).

Barnsley's budget 2018/19 explained

Barnsley's budget 2018/19 highlights

Budget 2018/19 - approved!

Barnsley's budget 2018/19 explained

We're pleased to present a balanced budget. This means we can continue to deliver and improve the services you need the most.

How will the budget affect me and my family? **£638.55* million** has been taken lightly, but...

To address the budget, council tax will increase in April by:

- 4.45% overall
- 2.99% for Council Tax
- 1.5% for Adult Social Care

£10m will be raised from the council tax increase.

How will the increase affect my council tax bill?

Band	Annual increase	Weekly increase
A	£35.89	£0.65
B	£40.07	£0.75
C	£47.45	£0.91
D	£54.23	£1.04
E	£61.01	£1.17
F	£74.56	£1.43
G	£88.12	£1.70
H	£101.68	£1.95
I	£122.01	£2.34

Did you know? 15% of the total amount will be spent on providing services to workers.

Barnsley's budget 2018/19 highlights

Presenting a balanced budget and financial stability up to 2019/20

Spending the budget today and in the future

We'll invest in these areas that help us continue our drive to change, improve and meet the increasing demand for our services:

- 14 additional full-time social workers
- All Age Early Help plan to reduce demand on our social care services
- Invest in Highways to keep Barnsley safe and improve our infrastructure
- Improve the efficiency and delivery of waste management services

Capital investment: £57.9 million

Invest in our digital services, making it easier for residents to access services and improve our services.

Invest in business parks to attract investment and create jobs.

Looking ahead to 2018/2019

We're well into those busy few months where we're planning for our services for 18/19 and beyond which of course means financial planning too.

Read my blog to find out more about:

- our plans and budget for 2018/2019. Our Executive Directors, Wendy, Andrew, Rachel, Matt and Julia have also blogged about what the year ahead holds for your directorates
- delivering quality services – take a look at our 2018 LGC award nominations
- listening to your feedback – update on our employee survey

Friday 13 February, followed by Valentine's Day 14 February. Awards so if you have a special nomination please email us by 13 February. We're looking forward to celebrating you in 2018/19 - it's well worth a read! We'll be looking down to the Great Barnsley Burt Off in March. Thank you for your passion and dedication to help creating a brighter future.

Click here to visit DIANA'S BLOG

Town Spirit

Working together for a better Barnsley

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BARNESLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan.

**REPORT OF THE
EXECUTIVE DIRECTOR CORE SERVICES**

**2019/20 SERVICE AND FINANCIAL PLANNING
REDUNDANCY COMPENSATION AND PROCEDURES**

1. Purpose of Report

- 1.1 To consider the maximum amount of compensation to be paid under the Discretionary Compensation Regulations 2006.
- 1.2 To consider the period of notice to be afforded to employees declared compulsory redundant.

2. Recommendations

- 2.1 **That for the purpose of the 2019/2020 budgetary procedures, payments in accordance with the Discretionary Compensation Regulations 2006 be up to a maximum of 30 weeks actual pay based on the Statutory Redundancy Scheme.**
- 2.2 **That any employee (excluding Teachers) declared redundant be afforded the maximum of 12 weeks' notice of termination of employment.**

3. Introduction/Background

- 3.1 The above regulations provide Local Authorities with the power to make discretionary one-off lump sum payments (enhanced redundancy payments) to employees who are made redundant.
- 3.2 With effect from 1 April 2007, the Council introduced a revised scheme of compensation using the Statutory Redundancy Scheme but based on actual pay.

4. Current Position

- 4.1 Employees are entitled by their contract of employment to receive a period of notice if their employment is to be terminated by reason of redundancy.
- 4.2 This period of notice is the greater of either that specified within their contract of employment or that specified by statute.
- 4.3 In previous years, the Council has agreed the maximum of 12 weeks' notice, irrespective of an employee's length of service, would be served on any employee declared compulsory redundant. In addition to this, redeployment opportunities will be sought for affected employees during the statutory consultation period.

4.4 The advantage of affording 12 weeks' notice to all employees are:-

- (i) The maximum time will be available to pursue and achieve redeployment opportunities.
- (ii) Successful redeployment will negate the need to make a redundancy payment (maximum up to 30 weeks actual pay).

4.5 The disadvantage is if no redeployment opportunities exist, then there is a cost over and above what the contractual/statutory notice entitlement would have provided.

5. Options

5.1 To accept the report recommending payment up to a maximum of 30 weeks actual pay to all employees who are redundant and any employee declared compulsory redundant to be offered the maximum of 12 weeks' notice of termination.

5.2 Not accept the report.

6. Local Area Implications

6.1 There are no direct Local Area implications.

7. Compatibility with European Convention on Human Rights

7.1 There are no implications.

8. Ensuring Social Inclusion

8.1 There are no implications.

9. Reduction of Crime and Disorder

9.1 There are no implications.

10. Risk Assessment

10.1 There are no implications.

11. Consultations

11.1 The Service Director (Human Resources), Service Director (Finance) and the Trade Unions have been consulted.

12. Proposal

12.1 It is recommended that Cabinet approve the recommendations of this report.

13. Glossary

13.1 None

14. List of Appendices

14.1 None

15. Background Papers

15.1 Discretionary Compensation Regulations 2006 – available for inspection from Human Resources.

Office Contact: Alison Brown

Date: January 2019

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director
Core Services

Social Value Policy & Council Wide Adoption

1. Purpose of the Report

1.1 This report seeks approval and council wide adoption of the Social Value Policy.

2. Recommendation

2.1 It is recommended that Cabinet approve the council wide adoption of this new policy.

2.2 It is also recommended that Cabinet approve that the Executive Director Core act as a 'social value champion' and provide senior leadership support in respect of the implementation and ongoing development of the Social Value Policy and associated processes, documentation and reporting.

3. Introduction

3.1 The Public Services (Social Value Act 2012) places a duty on the authority to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes.

3.2 The Act puts a legal obligation on an authority to consider social value in all procurements that must comply with the Public Procurement Regulations 2015 and it should be considered in procurement below this threshold as good practice.

3.3 The authority currently doesn't have a Social Value Policy in place and therefore currently isn't complying with its legal duties under the act.

3.4 The introduction of policy and supporting processes and working practices will ensure that the authority maximise the expected strategic outcomes and best practice and gain benefit for the citizens of Barnsley. To this end the policy will align and support the council's corporate priorities, outcomes and Town Spirit themes.

4. Proposal and Justification

4.1 It is proposed that the authority implement a social value policy as it felt that council wide adoption wide will bring a number of benefits some of which are listed below:

- Use of local providers who keep more of our budget within the borough
- Employing local staff who will spend the money paid to them locally
- Use of local VCS and small private businesses will build up both the underdeveloped private sector and our traditionally small VCS sector. This will help develop their capacity to raise extra funds to come into the borough and also to bid for other work in and outside the borough

- Better encourage local consortia arrangements for VCS providers to work more effectively together to tender for work
- Maximise and encourage the use of corporate social responsibility for both small and large businesses by building this into our commissioning and procurement as a way to score more highly as part of the evaluation process. This could include sponsorship, donations of time, money and equipment etc. to community groups.
- Encouraging better use of businesses to provide apprenticeships, work placements and help to build the skills of tomorrow's workforce. It can also be used to support adults with additional needs or learning disabilities to be economically active or to volunteer with support.

5. Consideration of Alternative Proposals

- 5.1 Do Nothing – this is not a viable option as it would mean that BMBC was not complying with its legal obligation under the Social Value Act 2012. Neither would we be developing the outcomes associated with social value related good practice.

6. Implications for Local People and Service Users

- 6.1 The implication is positive for Barnsley in that the introduction of a Social Value Policy and procedures will put greater emphasis on the economic, environmental and social benefits associated with procurement activity.

7. Financial Implications

- 7.1 There are no direct financial implications

8. Employee Implications

- 8.1 There are no direct employee implications.

9. Communications Implications

- 9.1 The intention is to develop a council wide launch and implementation with a working theme of 'making it real' to ensure that as an authority we properly embrace social value as business as usual. This will need to be supported by an effective communications plan.

10. Consultations

- 10.1 The policy was developed by a cross functional working group ensuring that consultation and input has been gathered from all directorates within the authority. In addition consultation with other regional and national local authorities has taken place to gather knowledge and learn best practice. In addition we have also engaged with selected providers to understand what social value tools are available to assist our approach going forward.

11. The Corporate Plan and the Council's Performance Management Framework

- 11.1 The introduction of the policy will assist with the corporate priority to create more and better jobs by supporting local providers and small private businesses thereby promoting increased employment opportunities and local spend.

- 11.2 The implementation into the procurement process will result in the requirement to see providers committing more to supporting our aim to increase skills to get more people working via training and apprenticeship places.
- 11.3 The introduction of the policy also supports our corporate aim to develop stronger and more resilient communities via the increased emphasis on voluntary and community work.
- 11.4 Similarly the introduction of the policy cuts across the vast majority of the newly introduced Town Spirit themes, specifically supporting the Build It, Love It, Achieve It, Live It and Develop It themes.

12. Promoting Equality, Diversity and Inclusion

- 12.1 Diversity will be promoted via the introduction of this policy in that the procurement process will encourage increased participation from SMEs and the voluntary sector by giving more credit to social value outcomes in the evaluation criteria.
- 12.2 Inclusion will be promoted via the introduction of this policy as it will encourage the development of voluntary and community group activity as well as improving skills and training for people seeking employment.

13. Tackling the Impact of Poverty

- 13.1 There are no direct implications.

14. Tackling Health Inequalities

- 14.1 There are no direct implications.

15. Reduction of Crime and Disorder

- 15.1 There are no direct implications

16. Risk Management Issues

Risk Detail	Probability and Impact	Score	Mitigation
Failure to have a Social Value Policy could increase the likelihood of loss of reputation. It might be viewed negatively by both citizens of Barnsley and the supply chain if we appear to be not recognising and developing social value related outcomes.	Probability - Low Impact - Medium	5 (green)	Approve the policy and then support it through and effective implementation and communications plan. Ensure that social value becomes business as usual for the authority.

17. Health, Safety and Emergency Resilience Issues

17.1 There are no direct implications.

18. Compatibility with the European Convention on Human Rights

18.1 There are no direct implications.

19. Conservation of Biodiversity

19.1 There are no direct implications.

20. Glossary of Terms and Abbreviations

20.1 Not used.

21. List of Appendices

Appendix A - Social Value Policy
Appendix B – Future Council 2020 Outcomes

22. Details of Background Papers

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Officer Contact: Chris Arnold
Date: 11/01/18

Financial Implications/ Consultation  Signed N Mason Date 16.01.2019 <i>(to be signed by senior Financial Services Officer where no financial implications</i>

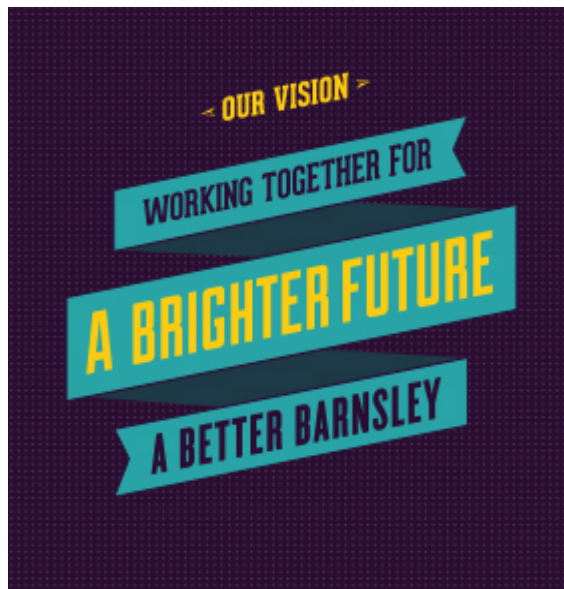


BARNSLEY

Metropolitan Borough Council

SOCIAL VALUE POLICY

2018



Introduction

The Public Services (Social Value Act 2012) places a duty on the council to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes.

The Act puts a legal obligation on an authority to consider social value in all procurements that must comply with the Public Procurement Regulations 2015 and it should be considered in procurement below this threshold as good practice.

The Act requires authorities to consider the economic, environmental and social benefits of their approaches to procurement at the pre-procurement stage and should consider the following as part of the obligations under the act:

1. How what is proposed to be procured might improve the economic, social and environmental wellbeing of the “relevant area”
2. How in conducting a procurement process it might act with a view to securing that improvement
3. Consultation prior to procurement e.g. communities and users of services, local firms, voluntary sector and other local organisations.

When considering how a procurement process might improve the social, economic or environmental well-being of a relevant area the authority must only consider matters which are relevant to what is proposed to be procured. The authority must also only consider those matters to the extent to which it is proportionate to the service to be delivered.

Social Value Principles

The Principles of Social Value provide the basic building blocks to enable decisions that take a wider definition of value into account. The principles also focus on the questions that need to be addressed so that the information can be used to better inform decisions.

1. **Involve stakeholders**– Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders
2. **Understand what changes** – Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended
3. **Value the things that matter** – Making decisions about allocating resources between different options needs to recognise the values of stakeholders. Value refers to the relative importance of different outcomes. It is informed by stakeholders’ preferences
4. **Only include what is material** – Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact
5. **Do not over claim** – Only claim the value that activities are responsible for creating.
6. **Be transparent** – Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders

7. **Verify the result** – Ensure appropriate independent assurance.

Purpose of the Policy

The purpose of the policy is to ensure the council is complying with its duty and to maximise the benefits of the Act. The policy will serve to embed social value principles and make it the duty of everyone involved in procurement and project delivery to be responsible for the delivery of social value outcomes to deliver economic, social and environmental well-being advantages for Barnsley and its citizens.

The policy will build on achievements already made in social value through commissioning and procurement by providing a council wide co-ordinated approach to and maximising the benefits of the potential of social value.

The policy will align with the council's corporate priorities and outcomes which are detailed in appendix one.

The Social Value Benefits

The social value policy will assist the council in achieving its outcomes by the following, but not limited to, the actions below:

- Maximise value for money on a whole life basis
- Generate benefits for the residents to the Barnsley area
- Consolidate the work of the area councils and the work of volunteers
- Benefit the local economy
- Minimise damage to and enhance the local environment
- Encourage innovative approaches to social, environmental, health and economic issues in our borough
- Deliver sustainable solutions, benefiting our communities beyond the length of a contract
- Create job opportunities and improve skills in the borough e.g. apprenticeships etc.
- Encouraging a diversity in the market of suppliers and providers by ensuring procurement processes encourage SMEs and the voluntary sector to participate.

How Will the Council Build in Social Value into Commissioning and Procurement Processes?

The council needs to consider social value from the beginning of the commissioning and procurement process so to ensure social value is built in to the delivery of any contract and not treated as an afterthought where social value outcomes are of secondary importance.

The following actions should be considered at the pre-procurement stage by commissioners and procurers to a level appropriate to the procurement and social value achievable:

Consultation with:

- Stakeholders/Service Users to shape the specification or statement of outcome requirements
- Suppliers/Providers to understand what they can provide and they are able to deliver and understand the council's objectives. Any pre market consultation should ensure that no supplier/provider is disadvantaged through the tender process.

Consultation, if considered appropriate, needs to be undertaken taking into account the needs and requirements of the people and organisations being consulted, the size of the procurement and the likely social, environmental and economic impact of the procurement. Consultations should be "digital by default" and carried out on line but the authority should consider the best way of getting the views of others who may not be familiar with digital processes.

Designing the Service

In designing the service and developing the specification, commissioners and procurers must understand how it might improve the economic, social and environmental wellbeing of the citizens and the Borough of Barnsley by:

- Aligning the procurement to the council's strategic outcomes
- Enable innovation within commissioning and procurement to deliver social value outcomes
- Consider cross directorate initiatives to maximise the social value opportunities.

It is important when developing the specification that social value is considered in proportion to goods, services or works to be delivered ensuring the main objective of the procurement is achieved.

Innovation

Innovative solutions which take into account wider economic, environmental and social concerns should be built into and sought from the procurement process enabling suppliers/providers to put forward alternative solutions or social benefits previously considered.

How Social Value will be achieved through the Commissioning and Procurement Process

The council will ensure its commissioning and procurement processes embed social value by:

- Building social value into Business Units business plans
- Undertaking market engagement to explain the concept of social value and to understand the markets ability to deliver and what innovation they can deliver
- Specifying social value outcomes that are proportionate and relevant to the specification of the service required and evaluates tenders in accordance with those social value outcomes

and the specification. The evaluation criteria and weighting used in the tender evaluation should also reflect appropriate proportionately

- Building sustainable solutions into the specification and tender submissions
Encouraging suppliers/providers to be innovative in their submission and do not try to restrict the submissions where possible to particular themes
- Requiring potential suppliers/providers to identify added social value benefits that their proposals (tender submission) will bring to the borough and its residents, including at pre-qualification stage where appropriate
- Social value benefits/outcomes to be delivered are clearly defined to enable accurate monitoring of the achievement of the benefits through the contract management.

Contract Management

The council will ensure the delivery of social objectives and benefits through:

- Effective and robust contract management to ensure social value objectives defined in the commissioning and procurement processes are delivered following the award of contract, once the service is operationalised
- It is vital the tender documentation and the contract specify the key performance indicators by which the delivery of social value can be measured and these should be proportionate to the value of the contract
- By the collation of data related to social value from the contract management of contracts to demonstrate the added benefits and effects of the delivery of social value objectives
- Performance on social value will be reported in the corporate quarterly indicators demonstrating social value achievements and benefits.

Appendix One
Key Social Value Indicators/Outcomes
Future Council 2020 Outcomes

Future Council 2020 Outcomes

All social value outputs and outcomes shall relate and assist to achieve the Barnsley Council's Future Council 2020 outcomes:

See Appendix B

Appendix Two

Examples of Social Value Good Practice in Barnsley

Case Studies - Examples of Good Practice Performed by Barnsley MBC

The appendix is illustrating examples of social value already being implemented in the council to date and demonstrate the benefits that have been gained to the council and its citizens.

All the case studies give examples of the procurement documentation and the clauses/evaluation criteria/performance indicators to highlight social value benefits to be obtained through the procurement.

Case Study One - Better Barnsley Bond

The council wanted to ensure the town centre re-development left a legacy that extended beyond the town centre.

The Better Barnsley Bond was introduced in all the town centre development procurements/contracts and is detailed below.



1.0 Overview of the Better Barnsley Bond

The Better Barnsley Bond is a fund created from the mandatory contribution of a sum of money from providers who have been contracted with the council to deliver works or services service contracts on the Better Barnsley Project.

The fund was established to support training, employment and community initiatives in Barnsley to benefit from the major development of the town centre.

To date the requirement for a contribution to the fund from providers has been included in the Better Barnsley Procurement Events.

The Better Barnsley Bond is advertised by the council across various forums, particularly at Area Council and Ward Alliance level to invite applications from groups or individuals across the Borough.

2.0 Clauses in Better Barnsley Projects

The procurements published by the council (NPS), on behalf of the Better Barnsley Projects, have included standard wording to explain the bond and ask for tenderers confirmation.

Added Value Benefits Achieved Through the Better Barnsley Bond

The prestigious Glassworks development which will transform the town centre of Barnsley has delivered the following additional social benefits:

Activity	Target	Achieved
School/College/ University Visits to Site	30	28
School/College/ University Workshops	10	61
Activities to Support Voluntary Organisations	10	14
Barnsley Community Build	10	13
Work Experience <18	12	25
Work Experience >18	12	28
High Skills Qualification	12	5
Apprenticeship Project Initiated	7	7
Apprenticeship	15	17
Progression into Employment	25	7

Case Study Two - Area Councils Procurement

Introduction

Barnsley Council approved new area governance arrangements in November 2012 to support and enable the delivery of its Corporate Plan priorities.

Six area councils were established:

- Central
- Dearne
- North
- North East
- Penistone
- South

Each area council can set its own priorities to meet specific aims and needs of the communities they serve and therefore have included social value in all their procurements to maximise the benefits from their procurement for the local communities they serve.

The following is a list of social value achievements through procurements in one particular area council though all the area councils have had successes in achieving social value benefits through their procurements and contracts.

North Area Council

The following are a list of projects, contracts, procurements and exerts from the contract documentation that was issued to prospective providers and the final part of the case study is a report of the area council to celebrate the successes and achievements of the area council and its providers and partners.

Project One - Anti-Poverty Project

The North Area Council wanted to commission a provider to deliver a service which will ensure that residents of the North Area Council have access to information, support and guidance.

The outcome of the service was to empower local residents to manage their own circumstances, relieve stress and help to improve the health and wellbeing of the individuals.

The volunteer training is a key aspect of this piece of work. It is intended to empower community volunteers who will be capable of delivering support and signposting by local people for local people. This would be designed to empower residents and contribute to more resilient communities.

Social Value Objectives

The contract required providers to actively contribute to the achievement of specific social value objectives:

- Recruitment and deployment of volunteers, where appropriate, to support low level advice and guidance
- Promotion of employment, education & training opportunities within the North Area
- Work with local VCS organisations and groups, where appropriate
- Contribution to the development of strong community networks

- The promotion of community and individual self-help and the growth of resilience
- Local spend & contribution to the local economy
- All persons employed to deliver this contract will be paid a living wage

Project Two - Creating a Cleaner and Greener Environment in Partnership with Local People

The provider's primary focus will be to work in partnership with local people to achieve results and build community resilience in relation to environmental improvement and community ownership.

Enable local residents and business owners to participate via a community development and participation model resulting in an improved, clean, well presented and welcoming physical environment in the North Area Council area. The Project will contribute to improved community ownership within the local area. This may include practical, proactive tasks including the following issues: littering, dog fouling, shrub bed maintenance, cutting back etc.

The council were looking for a provider that can take a lead role in motivating and engaging local people in volunteering and social action. Engaging with local residents, community groups and volunteers was essential to the success of this initiative and community development.

Sustainability, community support, self-reliance, resilience and reciprocity should therefore be built into the service design and delivery. Also where possible, work experience placements, apprentice opportunities and local labour should be used.

Social Value Objectives

The successful provider is required to actively contribute to the achievement of specific social value objectives:

- Employment and training opportunities within the locality
- Use of local Voluntary Community Organisations and community groups
- Recruitment and deployment of volunteers
- Development of strong community networks, community self-help and resilience
- Engaging with local residents to initiate social action
- Working with existing "friends of" groups and community groups to encourage local action
- Local spend
- Use of local supply chains

All persons employed by the provider to deliver this project must be paid the current UK living wage.

Performance Report on Social Value Achievements:

Young People

Performance Indicator (combined with North East)	Target	Achieved to date
Summer internship to be delivered over summer 2016	90	71%
Development of five year plans tailored to the needs of students who attended	60	95%
Improved confidence about the future	60	74%

N.B. New performance indicators will be developed once the role of young person's participation worker has been defined.

Health and Wellbeing

Performance Indicator	Achieved to date
Local residents experienced improved health and wellbeing	86%
Local people feel more able to manage their own affairs	70%

Performance Indicators for Environmental Wellbeing and Specific Examples of Community Involvement

Performance Indicator	Cumulative
Social action events	27
Community groups supported	6
Areas adopted by residents	0
Volunteers recruited to Twiggs events	128
Areas of blight targeted	48
Local business engagement	13
Restorative justice sessions	1
Local spend	95%

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THRIVING & VIBRANT ECONOMY

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 309

Create more and better jobs and good business growth

- Jobs and Business Plan
- Employment and Skills Strategy: More and Better Jobs
- Local Plan
- Transport Strategy

Create more jobs

Create more businesses

Deliver economic infrastructure

- 4000 new jobs

- 550 new business starts
- Attract 60 inward investors
- £1 million growth in business rates
- 98.4% business rates collection rate

- 80% major planning applications processed on time
- Local plan adoption (2017)
 - 300 hectare of employment land
 - Housing land for 20,000 new homes
- Junction 36 business park infrastructure complete and open for inward investment
- Junction 37 business park funding secured and construction commenced



THRIVING & VIBRANT ECONOMY

What's our overall outcome?

Which strategies will help us?

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Page 310

Increase skills to get more people working

Employment and Skills Strategy: More and Better Jobs

Improve employability of young people

Raise the skill levels of our residents

Increase apprenticeship opportunities

Improve employability of vulnerable groups

- 5.8% young people aged 16 to 18 and 4.6% of 18 year olds not in education, employment or training

- 87.8% of residents have Level 1+ Qualifications
- 73% of residents have Level 2 + Qualifications
- 48% residents have Level 3 + qualifications
- 24% residents have Level 4+ qualifications

- 12% or 930 apprenticeship placements (16 to 18 year olds)
- 2.3% of workforce on BMBC payroll to be apprentice starts

- 4.9% of adults with learning disabilities supported into employment
- 62% of care leavers aged 19 - 21 in education, employment or training

THRIVING & VIBRANT ECONOMY

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 311

Develop a vibrant town centre

- Jobs & Business Plan
- Future Library Strategy
- All Age Early Help Strategy
- Safer Barnsley Partnership Plan

Increase retail and leisure offer

Grow the vibrancy of the town centre

Delivery of key regeneration projects

- Glassworks Phase 1 and 2 will be completed and new cinema, restaurants and retail area will be open

- 6.5 million town centre footfall
- 85% town centre units occupied
- 7% of people repeatedly involved in antisocial behaviour in the town centre
- Purple flag accreditation - for improving the town centre, day time and night time economy

- Market Gate car park is open
- New indoor market
- Library@TheLightbox is open
- New town square
- Quality public realm developed



THRIVING & VIBRANT ECONOMY

What's our overall outcome?

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Page 312

Strengthen our visitor economy

- Visitor Economy Strategy
- Future Library Strategy

Increase visitor numbers at our museums

- The number of people visiting our museums has increased to 1,350,000
- Spending by visitors has increased to £29 million



THRIVING & VIBRANT ECONOMY

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Create more and better housing

- Housing Strategy

Support new housing development

- 1,100 new homes built per year
- 150 new affordable homes

Make best use of and improve private housing stock

- 525 more energy efficient private sector homes
- 135 Long term empty homes returned to use

Make best use of and improve the council's housing stock

- Increase percentage Berneslai Homes housing stock meeting Barnsley decent homes standard to 97%
- 96% rental collection rates for Berneslai Homes
- 96.6% council tax collection rate
- 275 more energy efficient council homes

PEOPLE ACHIEVING THEIR POTENTIAL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 314

Every child attends a good school and is successful in learning and work

- Children and Young People Plan
- SEND Strategy
- All Age Early Help Strategy
- Barnsley Alliance Education Strategy

Children achieve well in our schools

Young people achieve well after leaving school

School attendance is good

Good quality schools and early years provision

- Pupil achievement will be at least in line with national averages
- Achievement of deprived/ vulnerable pupils is closer to the national average for all pupils (Looked After Children and pupils with Special educational needs)
- Pupil progress will be at least in line with national averages

- 50.2% of 19 Year olds have Level 3 Qualifications
- The proportion of 19 year olds with Level 2 qualifications (including maths & English) are at least in line with national average

- Increase primary attendance to more than 97%
- Increase secondary attendance to more than 96%

- Increase the percentage of schools judged good or outstanding to 90%
- Increase the percentage of early years and childcare settings judged good or outstanding to 94%



PEOPLE ACHIEVING THEIR POTENTIAL

STRONG &
RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

ONE COUNCIL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 315

Reducing demand through improving access to early help

- Children and Young People Plan
- All Age Early Help Strategy
- Public Health Strategy
- Carer's Strategy

Fewer children, young people and families requiring intensive support

Help older and disabled people to remain independent for as long as possible

- 2,210 families demonstrating significant progress from the start of the Troubled Families programme
- Less than 20% of families living in households claiming out of work benefits
- To be in the top quartile nationally for young people under 18 entering the criminal justice system for the first time
- Increase number of children who are school ready
- 85% take up of two year old childcare / education offer
- Referral rate into children's social care is in line with or below the rate of similar authorities

- 85% of reviews are completed within agreed timescales
- 60% of people completing re-ablement no longer requiring a service
- 400 net new users of assistive living technology
- 45% of social care users receive direct payments
- Permanent admissions to care for adults maintained in line or below the average for similar authorities



PEOPLE ACHIEVING THEIR POTENTIAL

STRONG &
RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

ONE COUNCIL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 316

Children and adults are safe from harm

- Children and Young People Plan
- Safer Barnsley Partnership Plan
- All Age Early Help Strategy

Supporting those at risk of crisis

Prevent anti-social behaviour

Protecting vulnerable adults and children

- Less than 20% of cases reviewed at domestic abuse multi-agency case conferences are repeat cases
- No more than 30 people are homeless
- Reduce excess winter deaths index to 15
- Reduce the mortality rate for suicide to 9.9 per 100,000 population

- Reduce volume of anti-social behaviour incidents to 11,500
- 95% anti-social behaviour incidents resolved at formal stage
- 5% anti-social behaviour incidents resolved at legal stage

- 78% of adult social care services users feel safe & 75% are satisfied with their care and support
- 95% of decisions to start an enquiry made within 72 hours
- 60% of adult safeguarding enquiries substantiated ,
- 90% of assessments for children's social care completed within 45 days
- Minimise repeat referrals to children's social care within 12 months to less than 20%
- Less than 10% of children become the subject of a child protection plan more than once
- 80% of looked after children cared for in local foster placements
- 400 days on average for children to be placed with their adoptive family
- Delayed transfers of care attributable to Social Care are in line with our most similar neighbours



PEOPLE ACHIEVING THEIR POTENTIAL

STRONG &
RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

ONE COUNCIL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 317

People are healthier, happier, independent and active

- Public Health Strategy
- Children and Young People Plan
- Health and Wellbeing Strategy (including Barnsley Place Based Plan)
- Green Spaces Strategy

People are more active

People are making healthier life choices

- 420,000 per year using Trans Pennine Trail
- Reduce percentage of inactive adults to 24%
- 90% of primary schools participate in

- Reduce adult smoking prevalence to less than 18%
- Reduce proportion of children age five with tooth decay to less than 25%
- Achieve the national average for successful completions for drug and alcohol treatment
- More than 75% of people aged 65+ receiving the flu vaccine
- Conception rate in under 18's is reduced to 31 per 1,000 females aged 15-17 years
- Reduce the prevalence of children classified as overweight or obese in Reception to 20% and Year 6 to 30%
- Achieve a healthy life expectancy of at least 60 years for males and females
- Hospital Admissions for alcohol related conditions is no more than 750 per 100,000 males and 489 per 100,000



STRONG & RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

PEOPLE ACHIEVING
THEIR POTENTIAL

ONE COUNCIL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 318

10,100 people volunteering and contributing towards stronger communities

- All Age Early Help Strategy
- Voluntary and Community Sector Strategy
- Safer Barnsley Partnership Plan

Increase in Impact volunteering

- 10,100 people engaged in volunteering
- £800,000 cashable value of volunteering
- 1,100 new volunteers every year
- 135 new community groups formed
- 240 volunteer days taken through the council employer supported volunteering scheme
- 280 volunteering opportunities created by the council



STRONG & RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

PEOPLE ACHIEVING
THEIR POTENTIAL

ONE COUNCIL

What's our overall outcome?

Which strategies will help us?

What do we want to achieve?

How will we know we've achieved it?

Page 319

Protecting the borough for future generations

- Barnsley, Rotherham & Doncaster Waste Strategy
- Transport Strategy
- Energy Strategy

Increasing recycling and improving the quality of our environment

Better connectivity and inclusive transport

Create a greener and more sustainable future

- 96.2% household waste diverted from landfill
- 9,250 homes powered through household waste
- Air quality NO2 levels < 40 micrograms
- less than 24.8 incidents of flytipping per 1,000 households

- Maximum rating under highways efficiency programme
- Average duration of all works on our principal and major road networks – 4 days
- No more than 4% of principal roads in need of maintenance

- 30% reduction in CO2 emissions
- 20% of council energy generated from renewable sources



STRONG & RESILIENT COMMUNITIES

THRIVING &
VIBRANT ECONOMY

PEOPLE ACHIEVING
THEIR POTENTIAL

ONE COUNCIL

What's our overall outcome?

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How will we know we've achieved it?

Customers can contact us easily and use more services online

Customer Services Strategy

Customer contact becomes digital by default

Improve the customer experience

- 70% of contacts are completed online via self service
- Free online and Wi-Fi customer access in all public council buildings
- Reduce incoming customer telephone numbers to four by 2017
- 98.7% high speed broadband coverage
- Minimum 20% broadband take-up

- 95% of complaints responded to within agreed times
- Less than 10% of complaints going to the ombudsman are upheld
- 80% of customers rating their online experience as good or excellent

Page 320

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

**JOINT REPORT OF THE EXECUTIVE DIRECTOR (PEOPLE)
AND EXECUTIVE DIRECTOR (PLACE)
TO CABINET ON 6th FEBRUARY 2019**

**PROPOSED CONVERSION OF THE KENDRAY RESOURCE CENTRE INTO A
SATELLITE FACILITY FOR PUPILS WITH SPECIAL EDUCATIONAL NEEDS**

1.0 PURPOSE OF REPORT

- 1.1 To seek Cabinet's approval for the conversion of Kendray Resource Centre into a satellite facility for the Wellspring Multi-Academy Trust to be used exclusively by children with special educational needs.
- 1.2 To seek Cabinet's approval to use the Athersley '*I Know I Can*' (IKIC) Centre as a location for providing alternative education for pupils at the Pupil Referral Unit satellite facility, currently located at the Kendray Resource Centre.
- 1.3 To obtain Cabinet's approval for the granting of two new leases to the Wellspring Multi Academy Trust of up to 25 years for the Kendray Resource Centre and up to 7 years for the Athersley IKIC Centre, for these purposes, at nominal rentals in both instances.

2.0 RECOMMENDATIONS

- 2.1 **That Cabinet approves arrangements leading to the conversion of the Kendray Resource Centre into a satellite facility for pupils with special educational needs, as summarised in Section 4.0 of this report, with effect from the 2018/19 school year.**
- 2.2 **The financial implications arising from this report, be included in the Capital Programme and released in accordance with the Financial Regulations Code of Practice C5.2(a).**
- 2.3 **That, as part of this report's proposals, Cabinet approves the granting of two new leases to the Wellspring Multi Academy Trust for up to 25 years at Kendray Resource Centre and up to 7 years at the Athersley IKIC Centre at nominal rents, in both instances.**
- 2.4 **That the Corporate Assets Manager be authorised to finalise Heads of Terms for the new leases to the Wellspring Multi Academy Trust.**
- 2.5 **That the Executive Director (Core Services) be authorised to complete the new leases to the Wellspring Multi Academy Trust.**

3.0 INTRODUCTION

- 3.1 On 15th November last year, Cabinet gave approval for the adoption of the Borough's School Placement and Sufficiency Strategy for Children with Special Educational Needs including a disability (SEND). Such needs can range from cognition and learning; social, emotional and mental health, physical or sensory needs or communication and interaction.
- 3.2 A major priority for the Strategy is to invest in Barnsley's own mainstream and specialist schools so they are best able to meet the needs of SEN pupils, closer to their home and avoid having to place these vulnerable children in high cost, independent settings outside of the Borough at a time when the number of children with SEN(D), in Barnsley, is increasing and demand for places is rising, putting additional pressure on the Council's Budget.

4.0 PROPOSAL AND JUSTIFICATION

4.1 Proposed Future Use Of The Kendray Resource Centre

- 4.2 Currently, the primary occupier of the Kendray Resource Centre, is the Wellspring Multi-Academy Trust (MAT) through which the Council commissions places relating to alternative, education provision. The Centre is used as a satellite facility in accommodating a number of funded placements for pupils who have either been permanently excluded from their secondary school or who have been identified as being at risk of permanent exclusion.
- 4.3 The Wellspring MAT currently occupies the Kendray Resource Centre through a 7 year lease from the 1st September 2015. However, a small part of this property is also occupied by the "Kidsworld" Children's Nursery via a licence agreement. Following the granting of this lease, the Nursery became a direct licensee of the Wellspring MAT.
- 4.4 With Cabinet's approval, it is proposed that the pupils, based in this satellite of the Pupil Referral Unit (PRU) should be re-located and accommodated at the Athersley 'I Know I Can' (IKIC) Centre. The IKIC Centre's core purpose, since its opening, has been to support vulnerable, adolescent pupils. This Centre is also a Council asset and it is proposed that the Wellspring MAT should be granted a new lease of up to 7 years on this property in order to facilitate the re-location of the PRU satellite pupils from the Kendray Resource Centre into the IKIC Centre.
- 4.5 This will enable the conversion of the building at the Kendray Resource Centre and allow up to 30 pupils, with social, emotional or mental health needs, to be accommodated at the Centre, as part of specialist places which have also been commissioned through the Wellspring MAT. Under this proposal and due to the relatively short, unexpired term of the Wellspring MAT's current lease, it is proposed that the MAT will surrender its existing leasehold interest and should be granted a new lease for the Kendray Resource Centre for a term of up to 25 years. The majority of the terms and conditions of this lease will be the same as the existing lease.

- 4.6 Re-designating Kendray Resource Centre from its original role as a satellite facility for alternative, education provision or PRU into a proposed satellite facility for specialist, education provision, is based upon the Local Authority having to comply with its statutory responsibilities to ensure pupils with SEN(D), in particular, are accommodated in facilities which support full access to the National Curriculum for Schools.
- 4.7 However, in order to fully comply with this statutory duty, it will be necessary for the Local Authority to adapt and refurbish the building at Kendray, at a cost of £0.477 million. Full details concerning the financial implications are shown in Section 7 of this report and in Appendix 'A'.
- 4.8 The proposal in its entirety would ensure all pupils transferring into and out of the Kendray Resource Centre, continue to have their educational needs met by Wellspring MAT which has been judged to be 'Outstanding' for its special school provision, by Ofsted at its latest inspection.
- 4.9 As previously noted, the proposal accords with the priorities of the Borough's Placement and Sufficiency Strategy by investing in local specialist provision and in maintaining an arrangement with a provider which has been judged as being 'Outstanding' would, thereby, make more effective use of available resources; improving value for money and helping secure better outcomes for vulnerable and disadvantaged pupils.
- 4.10 Impact Of The Proposal Upon Other Tenants At The Kendray Resource Centre
- 4.11 Should the proposal in the report be approved, it would result in the licence agreement held by "Kidsworld" Children's Nursery, having to be terminated in accordance with the notice period required under its licence agreement. As previously indicated, the Nursery is currently the Wellspring MAT's direct Licensee and so any notice to vacate the property would need to be served by the MAT.
- 4.12 The "Kidsworld" Children's Nursery is currently being supported by the Early Start, Prevention and Sufficiency Service in finding alternative accommodation. Evidence suggests that the Local Authority's statutory duty to provide sufficient childcare places within this locality, will still be met.

5.0 CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The proposal in this report represents the best option for meeting the needs of both sets of pupils. In particular, the conversion of the Kendray Resource Centre and the absence of a viable local alternative, would help prevent placing pupils with SEN(D) in high cost, independent settings outside the Borough and away from their families. The lack of alternatives within the Borough, in the medium term, has formed part of the findings of a feasibility study into the expansion of secondary and special school places, which was recently commissioned by the Council.
- 5.2 Any implications noted in this report would need to be considered and balanced with a requirement for the Council to address an immediate issue over its statutory duty concerning the education of this group of children and in a way which helps reduce mounting pressure on the Council's budget to meet rising demand.

6.0 IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

6.1 Impact Of The Proposal On The Community

- 6.2 As previously stated, the proposal in this report represents the most effective option for meeting the needs of both sets of pupils. In particular, the proposed conversion of the Kendray Resource Centre would prevent placing pupils with SEN(D) in high-cost independent settings outside the Borough away from their families.
- 6.3 In addition, the proposed lease of the Athersley IKIC Centre would see a currently vacant building brought back into use for the purpose of alternative education provision for PRU pupils and eventually SEN(D) pupils, thereby affording a facility which should benefit families within the immediate location as well as the whole Borough.
- 6.4 However, the Service is aware that by converting such facilities into exclusive use in this way, it potentially prevents the wider community of the use of an asset. Mindful of communities' right to challenge and to bid for direct ownership and management of assets of community value, the Service directly consulted the Elected Members for both the Stairfoot and St. Helen's Wards in order to give due regard to their views and those of their constituents on the proposed conversion of the Kendray Resource Centre and the Athersley IKIC Centre.
- 6.5 A briefing for Elected Members took place on 3rd January during which they raised no concerns over the proposal to convert the Kendray Resource Centre into a satellite facility for meeting the education placement needs of pupils with SEN(D) or the transfer of the current group of pupils to the Athersley 'IKIC' Centre, subject to ensuring that parking courtesies currently extended to a neighbouring resident near the IKIC Centre were maintained and they are informed of the proposal.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The proposal to convert the Kendray Resource Centre (currently leased to the Wellspring MAT) will result in additional capital costs to the Local Authority. This is essential in order to make it fit for purpose as a facility which ensures pupils with SEN(D) are supported to fully access the National Curriculum.
- 7.2 A provisional schedule of the development cost of undertaking the work that totals £477,000 has been received from Wellspring Trust. The schedule includes an indicative cost for the following:
- General upgrades to external features (roof, windows, shutters, walls)
 - Internal alterations and refurbishment.
 - External works (including a new multi-use games area)
 - Fees and contingency provision.

As the current leaseholder, the capital works will be undertaken by the Wellspring Trust (in accordance with their procurement and contracting arrangements). The schedule of costs will be reviewed by the Council's Asset Management and Property Service for reasonableness and value for money and will be agreed up front with Wellspring Trust before the commencement of any work.

- 7.3 In addition to the above cost, it is anticipated that a capital cost of around £50,000 would be incurred in relation to accommodating current alternative provision (PRU satellite) pupils from the Kendray Resource Centre into the Athersley IKIC Centre. An assessment is being undertaken to determine the exact requirements and to confirm the cost of works.
- 7.4 The above, estimated capital cost will be funded from the uncommitted balance of the Department for Education's SEN(D) Special Provision Grant. The Council has been allocated £781,276 over 3 years (£260k each year) to fund additional SEN(D) pupil; places and improve facilities and provision for pupils with SEN(D) of which approved commitments amount to £237,000.
- 7.5 For International Financial Reporting Standards purposes, both leases will be classified as an operating lease. There are no undue VAT implications arising for the Council as a result of the proposed 25 year lease for Kendray Resource Centre and the proposed 7 year lease for the Athersley IKIC Centre.

8.0 EMPLOYEE IMPLICATIONS

- 8.1 There are no workforce implications directly arising through consideration of this report.

9.0 LEGAL IMPLICATIONS

- 9.1 As previously stated, the Kendray Resource Centre is already leased to the Wellspring MAT and, in addition, the Athersley IKIC Centre is presently vacant, pending the approval of this report. Neither of these facilities are currently registered as an asset of community value nor is the Council aware that a bid has been received to transform either Centre into such an asset.

10.0 CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 No implications are anticipated for accessing the range of Council service channels or in maintaining digital transactions.

11.0 COMMUNICATIONS IMPLICATIONS

- 11.1 Should Cabinet approve the recommendations of this report, steps will be taken to inform parents and carers of the pupils affected by the relocation, together with those to be newly accommodated at both Centres, of the changes and when they will take effect.

12.0 CONSULTATIONS

- 12.1 The Senior Management Team has been consulted and has/has not given its support to the proposal. The outcome of our consultation on the proposals with Elected Members for the Stairfoot and St. Helen's Wards, is summarised in Paragraph 6.4 of this report.

13.0 THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 It is a priority outcome for the Council and the Barnsley Children and Young People's Trust that every child should, in Ofsted's terms, attend a 'Good' school as part of achieving their potential. Currently, our aim is for 90% of children to be able to attend a 'Good' school by 2020 and whilst the attainment of children and young people with SEN(D) together with pupils who have been excluded from school is not a local indicator within the Corporate Plan, our objective through the Barnsley Alliance for School Improvement, is to focus upon providing the right support to all pupils from disadvantaged groups as part of a more inclusive approach and to ensure they possess the qualifications which will enable them to improve their life chances.

14.0 PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

14.1 The proposal represents an effective option through which the needs and aspirations of a group of children with a protected characteristic, as defined by the Equality Act, can be fulfilled and any gap in achievement closed, thereby promoting equality and inclusion. In particular, please refer to Paragraphs 3.2, 4.6 and 7.1 of this report.

15.0 TACKLING THE IMPACT OF POVERTY

15.1 Please see Paragraph 13.1 of this report.

16.0 TACKLING HEALTH INEQUALITIES

16.1 All children with a special educational need and their parents are issued with an Education and Health Care Plan which aims to ensure that these needs are met and thereby enable such children to live healthy lives and achieve their potential.

17.0 REDUCTION OF CRIME AND DISORDER

17.1 There are no implications for tackling crime, disorder and anti-social behaviour arising through the report. Cabinet may be aware of concerns, expressed at national level, of '*County Lines*' through which organised, criminal gangs could potentially be targeting PRUs to groom young people. Whilst there is no evidence to suggest this is taking place in Barnsley, designated local safeguarding partners will work with the range of alternative education providers, including parents of children who are subject to elective home education, in order to safeguard young people from such risks.

18.0 RISK MANAGEMENT ISSUES

18.1 There will inevitably be a potential risk that market conditions or indeed other factors could impact upon the capacity and performance of a MAT. The Barnsley Alliance for School Improvement will monitor this issue as part of its arrangements for assessing and reviewing risks as part of our ambition of ensuring all schools and academies in Barnsley are judged to be 'Good' or better.

19.0 HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

19.1 In converting a community or resource centre into such an exclusive use, there is, perhaps, a potential risk that, in the event of a major incident, such as the 2007 floods, its use as a possible rest centre could be compromised. This would require the 'Silver' Team to consider using an alternative venue, if applicable.

20.0 COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

20.1 The proposal is compatible with the EU Convention.

21.0 CONSERVATION OF BIODIVERSITY

21.1 There are no implications for the local environment or the conservation of biodiversity arising through the report.

22.0 GLOSSARY

22.1 None, applicable.

23.0 LIST OF APPENDICES

23.1 Appendix 'A': Financial summary of proposal(s)

24.0 BACKGROUND PAPERS

24.1 If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Margaret Libreri: Service Director (Education, Early Start and Prevention]

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APPENDIX A
Prepared on Behalf of the Finance Service Director

FINANCIAL IMPLICATIONS

PROPOSED CONVERSION OF THE KENDRAY RESOURCE CENTRE INTO A SATELLITE FACILITY FOR PUPILS WITH SPECIAL EDUCATIONAL NEEDS

i) <u>Capital Expenditure</u>	<u>2018/19</u> £	<u>2019/20</u> £	<u>Total</u> £
Payment to Wellspring Trust (capital works)	0	477,000	477,000
	<hr/>	<hr/>	<hr/>
	0	477,000	477,000

To be financed from:

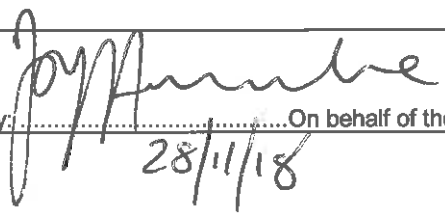
To be financed from the SEN provision fund capital grant

ii) <u>Revenue Expenditure</u>	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
N/A			
	<hr/>		
	<hr/>		

To be Financed from:

iii) **Impact on Medium Term Financial Strategy**

There is no impact on the Council's medium term financial plan

Agreed by:  On behalf of the Finance Service Director
 28/11/18

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR (PEOPLE) TO CABINET ON 6 FEBRUARY 2019

OFSTED INSPECTION OF LOCAL AUTHORITY CHILDREN'S SERVICES IN BARNSELY (2018)

1.0 PURPOSE OF REPORT

1.1 To inform Cabinet of the outcomes of the recent Ofsted inspection of the Local Authority's Children's Services.

2.0 RECOMMENDATIONS

2.1 That Cabinet notes the findings and recommendations of the Ofsted inspection report and the commitment to drive continuous improvement in the effectiveness of children's services in the Borough.

3.0 INTRODUCTION

3.1 Our Assessment Trajectory

3.2 In 2012, Ofsted's inspection of services for Safeguarding Children and Looked After Children was judged to be 'inadequate' for the overall effectiveness of safeguarding services. In 2014, Ofsted's inspection of services for children in need of help and protection; children looked after and care leavers in the Borough, together with the review of the effectiveness of the Local Safeguarding Children Board received an overall judgment of 'Requires Improvement' for 'Overall Effectiveness' with 25 recommendations for improvement.

3.3 Ofsted inspected Barnsley MBC Children's Services on the 8th to the 19th October 2018. The inspection found Barnsley Children's Social Care Services to be 'Good' across all the following, four judgement areas:

- The impact of leaders on social work practice with children and families
- The experience and progress of children who need help and protection
- The experience and progress of children in care and care leavers
- Overall effectiveness

3.4 Ofsted reported that services for children in Barnsley are good and there has been steady improvement at successive inspections since 2012. Children are at the heart of strategic thinking, decision-making, and operational practice, which leads to good-quality services from a skilled and motivated workforce. The resolute focus on improving outcomes for children is shared across the partners of the Borough's Children and Young People's Trust and is underpinned by political commitment and

financial investment and a self-evaluation that shows that leaders know their services well. Other key highlights include:

- Children and families benefit from a good early help offer
- The integrated front door and multi-agency safeguarding hub (MASH) in Barnsley work well to protect children.
- Robust arrangements are in place to safeguard children, including those at risk from the impact of domestic abuse
- Thresholds for early help are clearly understood, and this has resulted in lower level work being diverted away from social work services to universal or targeted early help for assessment and intervention.
- The strong multi-agency partnerships in Barnsley ensure good participation at child protection conferences, with children offered the opportunity to have advocates to support them through the process.
- A good quality services from a skilled and motivated workforce.
- Children are at the heart of strategic thinking, decision making, and operational practice.
- Social work practice in Barnsley is flourishing. Social workers are confident practitioners who are professionally curious and tenacious in their work with families.
- The voice of the child is embedded throughout the service
- Leaders and managers, who offer effective and principled leadership, have created a culture in which social workers are valued, feel valued and are proud to work in Barnsley.
- Children in Barnsley benefit from a committed and 'pushy' corporate parent with a determination to raise the aspiration of all children, families, and the communities in which they live.
- The virtual school head teacher provides strong leadership and direction for her team.
- Children in care and care leavers receive a good service and social workers know their children well.
- Children with a wide range of needs benefit from achieving permanence through adoption, including older children, brothers and sisters together, and children with complex needs
- Foster carer recruitment training and approval are effective and children are helped to develop secure attachments in stable placements
- Children in care and care leavers receive assistance and support from a range of services to strengthen their journey into independence.
- Effective and principled leadership by the executive director, chief executive, and leader of the council models and sets out high aspirations for children in Barnsley.
- Our active and vocal Children In Care Council (Care4Us) has worked hard to influence service development
- Staff morale is high, and staff are proud to work in Barnsley. They are positive about the support, guidance and training they receive and the visibility of senior managers.

A copy of Ofsted's final inspection report is attached as Appendix 1.

3.5 The inspection made four recommendations for improvement, as follows

:

- Risk assessment and the understanding of the wider risks to which young people are exposed in the community, including the timeliness and quality of return home interviews when children are reported missing from home and care.
- Regular review of the use of private fostering arrangements to ensure that they remain appropriate in meeting children's needs.
- Numbers of care leavers aged 19-21 participating in education, employment and training.
- The rigour of audit and dip sampling activity and how data informs an understanding of the quality of social work practice and timeliness of performance for initial child protection case conferences.

3.6 Continuous Improvement

3.7 Under the existing inspection framework, local authorities previously judged to be good or better will receive a 1 week 'short' inspection every 3 years, rather than a 2 week standard inspection for local authorities judged as 'requires improvement to be good'. This will now apply to Barnsley. In between inspections, the local authority will usually receive up to two focused visits or a possible Joint Targeted Area Inspection of Child Protection Services would replace a focused visit. There is also a requirement for an annual engagement meeting between the Executive Director (People) and Ofsted to share our updated Self Evaluation.

3.8 The Ofsted recommendations for improvement will be managed and progressed within the Trust's Continuous Service Improvement Plan (CSIP), which enables Children's Services to focus on areas for improvement and aspirations for delivering services that are as a minimum good and better. A multi-agency Officer Group, chaired by the Service Director for Children's Social Care and Safeguarding Services drives the CSIP, reporting on progress to each meeting of the Barnsley Safeguarding Children Board (BSCB) and the Trust's Executive Group (TEG). The annual joint BSCB and TEG event, held on the 30th November 2018, confirmed the ongoing commitment across the Children's Trust, to maintain all performance and improvement activities and governance arrangements.

4.0 PROPOSAL AND JUSTIFICATION

4.1 Local authority children's services continue to be subject to rigorous external inspection and the outcome of Barnsley's inspection provides assurance to children, young people and their families, that services for helping and protecting children in need of help or at risk of harm are effective in meeting their needs, including through early help and intervention.

5.0 CONSIDERATION OF ALTERNATIVE APPROACHES

5.1 The purpose of this report is purely to inform Cabinet of the outcomes of Ofsted's latest inspection report and the assurance this provides to communities concerning the effectiveness of services, together with the steps to be taken in ensuring the Council and its partners continue to drive further improvement to services.

6.0 IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

6.1 Please see Paragraph 4.1.

7.0 FINANCIAL IMPLICATIONS

7.1 There are no financial implications emerging through considering Ofsted's inspection report.

8.0 EMPLOYEE IMPLICATIONS

8.1 Whilst there are no employee implications directly arising through the inspection report, Ofsted comments extensively on the morale and stability of the Children's Social Care workforce with the investments made by the Council.

9.0 LEGAL IMPLICATIONS

9.1 There are no legal considerations emerging through publication of Ofsted's inspection report.

10.0 CUSTOMER AND DIGITAL IMPLICATIONS

10.1 There are no implications for customers' access to the range of Council services or for digital transactions through consideration of this report.

11.0 COMMUNICATIONS IMPLICATIONS

11.1 The findings and recommendations of the inspection report have been shared with partners across the Children and Young People's Trust and Local Safeguarding Children Board, together with internal social work forums.

11.2 Significant interest has been generated in the local government media as a result of the outcome of the recent Ofsted inspection which has the potential to enable the Council to spread sector-based good practice.

12.0 CONSULTATIONS

12.1 No formal consultations have been held in relation to the report. However, it should be re-iterated that the Council and its partners within both the Children and Young People's Trust and Local Safeguarding Children Board remain committed to ensuring the wellbeing of children and young people continues to be a priority through which the recommended improvements in the Ofsted report will be pursued and implemented.

13.0 THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 Ensuring children and young people are safeguarded from harm and are empowered to achieve their potential remains a corporate priority for the Council. In the last Quarterly Performance Report, the following areas of strong performance, improvement and stability were evident:

Number Of Care Leavers Aged 19-21 In Education, Employment And Training

An increase, in the level of participation, from 57.9% in Quarter 1 to 62.5% in Quarter 2. This is, now, better than the National and Regional Averages.

Referral Rate Into Children's Social Care (Per 10,000 Of The Population Aged 18)

Improved from 151.9 in Quarter 1 to 119.4 in Quarter 2 and on track to better the Year-end target for 2019/20.

Percentage Of Children Becoming The Subject Of A Child Protection Plan For A Second Or Subsequent Time

Also on track to better the Year-end target of below 10%.

Percentage Of Assessments For Children's Social Care Completed Within 45 Days

The Authority continues to perform very strongly against the National Indicator.

14.0 PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 14.1 Ofsted reported that the practice relating to help and protection in the Disabled Children's Team is good. Social workers are aspirational for these vulnerable children, and the child's voice shines through in the work. Children's situations improve and the risk of harm reduces as a result of the good assessments that inform strong multi-agency planning, leading to effective support and interventions for children. There is timely and proactive transition planning with adult services.
- 14.2 Ofsted reported that Leaders understand well the communities they serve. The infrastructure of early help redesigned through a family centre delivery model, has meant a more equitable distribution of targeted resource in local communities.

15.0 TACKLING THE IMPACT OF POVERTY

- 15.1 There are no implications for the reduction of poverty in the Borough, through consideration of the inspection report. However Ofsted reported that neglect and its cumulative impact on children is well understood and has been supported using the graded care profile. This enables earlier identification of neglect and helps to target interventions in order to improve children's circumstances.

16.0 TACKLING HEALTH INEQUALITIES

- 16.1 Ofsted reported that children in care and care leavers receive good support and have their need met. However, there are a small number of children whose emotional health needs are not being adequately met by the provision of a child and adolescent mental health service (CAMHS). The proposals will continue to be addressed within the Children's Services Continuous Improvement Plan.

17.0 REDUCTION OF CRIME AND DISORDER

- 17.1 There are no implications for the reduction of crime and disorder in the Borough, through consideration of the Ofsted report. However, for some older young people, particularly where they have been involved in criminal activity, Ofsted found that assessments and subsequent intervention is not informed by multi-agency information about the range of risks to which they are exposed. This will form part of the action planning arising through the Barnsley Safeguarding Children's Board's Child Criminal Exploitation Strategy.
- 17.2 An All-Member Information Briefing on a whole Council approach to tackling child criminal exploitation is to be scheduled during 2019.

18.0 RISK MANAGEMENT ISSUES

- 18.1 Please see Paragraphs 17.1 – 17.2.

19.0 HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

- 19.1 There are no implications for the health and safety of the public or the resilience of the Borough, through consideration of the Ofsted report.

20.0 COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

- 20.1 The findings and recommendations of Ofsted's inspection report are compatible with the Articles and Protocols of the Convention, particularly concerning the rights of the child to be safeguarded from harm.

21.0 CONSERVATION OF BIODIVERSITY

- 21.1 There are no implications for the local environment or the conservation of biodiversity arising through consideration of this report.

22.0 GLOSSARY

- 22.1 None, applicable.

23.0 LIST OF APPENDICES

- 23.1 Appendix 1: Ofsted Inspection of Local Authority Children's Services (Barnsley) .

24.0 BACKGROUND PAPERS

- 24.1 If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Mel John-Ross (Service Director: Children's Social Care and Safeguarding)

Barnsley

Inspection of children's social care services

Inspection dates: 8 October 2018 to 19 October 2018

Lead inspector: Jan Edwards
Her Majesty's Inspector

Judgement	Grade
The impact of leaders on social work practice with children and families	Good
The experiences and progress of children who need help and protection	Good
The experiences and progress of children in care and care leavers	Good
Overall effectiveness	Good

Services for children in Barnsley are good and there has been steady improvement at successive inspections since 2012. Children are at the heart of strategic thinking, decision-making, and operational practice, which leads to good-quality services from a skilled and motivated workforce. The resolute focus on improving outcomes for children is shared across the partnership and is underpinned by political commitment and financial investment and a self-evaluation that shows that leaders know their services well.

Almost all children who need help and protection receive a timely service that meets their needs. The integrated 'front door' is effective in managing risk and protecting children. Thorough assessments with a well-considered analysis of the risks affecting children lead, for the most part, to targeted plans and interventions which are improving outcomes and reducing risk effectively. A greater focus is needed in relation to the use of private fostering. The timeliness and quality of return home interviews and understanding of broader contextual safeguarding are not as effective for some children.

Services for children in care and care leavers are good, and children's outcomes improve because of the support they receive from workers. Children in Barnsley benefit from a committed and 'pushy' corporate parent with a determination to raise the aspiration of all children, families, and the communities in which they live. However, improvement is needed to increase the number of young people in education, employment and training.

What needs to improve

- Risk assessment and the understanding of the wider risks to which young people are exposed in the community, including the timeliness and quality of return home interviews when children are reported missing from home and care.
- Regular review of the use of private fostering arrangements to ensure that they remain appropriate to meet children's needs.
- The numbers of care leavers aged 19–21 in education, employment and training.
- The rigour of audit and dip sampling activity and how data informs an understanding of the quality of practice and timeliness performance for initial child protection case conferences.

The experiences and progress of children who need help and protection: Good

1. Children and families benefit from a good early help offer, which has been redesigned to be delivered through a family centre 0–19 model. This is ensuring a more equitable distribution of targeted support at the heart of communities and where it is most needed.
2. There are a number of established pathways for access to early help services, children's social care, and disabled children. A clear understanding of thresholds by partners has meant that there has been no detrimental impact of having several entry points for access to services. Consultation and advice is provided to professionals for those families who do not meet a threshold for a service. Senior managers have regular oversight through dip sampling of contacts and referrals to assure themselves of the consistent application of thresholds for a service. This ensures that the right children get the right help.
3. The multi-agency Early Help Panel provides a thorough approach to the triage of new early help referrals and the step up or step down from children's social care. A range of targeted parenting interventions are carefully evaluated for impact. Family support workers are trained in the use of the graded care profile so that neglect is understood from the earliest point that children access a service.
4. The integrated front door and multi-agency safeguarding hub (MASH) in Barnsley work well to protect children. The initial screening of referrals is strong. It involves the gathering of historical and multi-agency information, which is well analysed and subject to rigorous management oversight. No children were found to be in situations of unassessed or unmanaged risk.

Thresholds are understood by partners, including those who are co-located and engaged effectively in the MASH. Robust arrangements are in place to safeguard children, including those at risk from the impact of domestic abuse. Parental consent is consistently sought and recorded, and when situations require consent to be dispensed with, the rationale for decisions are clear and appropriate. Families and professionals are routinely informed of the outcome of the referral.

5. When screening identifies the need for an assessment or that risk has escalated, there is a seamless transfer of cases to the assessment team, supported by a clear management oversight. Strategy meetings are timely, well attended by relevant partners and clearly record the evidence, with an analysis of what this means for children, and a rationale given for decisions made. Child protection enquiries are thorough, with a clear shared accountability by partners of their responsibility in the safety plan. Children are seen, and their views contribute to action planning. Most children in Barnsley have the benefit of a timely and proportionate response when they need help and support. However, for a small number of children there is unnecessary delay built into the process, because further strategy meetings are being convened prior to them having their needs considered at a child protection conference. This means that this small number of children do not have the benefit of the safeguards of multi-agency planning and monitoring that is afforded when children are subject to a child protection plan at the earliest opportunity. The local authority accepted this during inspection and have plans in place to address the timeliness and delay for children.
6. Assessments are of good quality and they describe the child's world well, although the impact of diversity on the child's identity is not consistently recognised or addressed. The analysis is well formulated, identifying risks and resilience factors that impact on the child's lived experience. Sometimes, key information may be lost for families because assessments are often overly descriptive and repetitious.
7. Children's plans describe well the reasons and triggers that lead to the need for the plan. However, they do not always cover all the risks or detail what needs to be done to improve the child's situation. Very few plans include an explicit and individualised contingency plan. This makes it difficult for parents and others to understand what is expected of them or what will happen if change is not achieved. Better plans evolve as progress is made and prioritise those risks that require immediate attention through targeted interventions and services which help to reduce harm. Plans are regularly reviewed through timely and well-attended core groups and child in need meetings. In most cases, progress is well documented between meetings to enable plans to be amended accordingly.
8. The strong multi-agency partnerships in Barnsley ensures good participation at child protection conferences, with children offered the opportunity to have

advocates to support them through the process. Child protection chairs carefully prepare parents to participate and ensure that they understand the reasons for the concerns leading to conference.

9. Social workers know their children well and their understanding of children's circumstances is informed by social workers who are professionally curious and tenacious in their work with families. Good examples of direct work to establish children's wishes and feelings were seen during the inspection. However, this in-depth understanding and knowledge is not always well reflected in children's case records.
10. The practice relating to help and protection in the disabled children's team is good. Social workers are aspirational for these vulnerable children, and the child's voice shines through in the work. Children's situations improve and the risk of harm reduces as a result of the good assessments that inform strong multi-agency planning, leading to effective support and interventions for children. There is timely and proactive transition planning with adult services.
11. Threshold decision-making, for example when to escalate from child in need to child protection or when to step down to early help, is generally appropriate to children's individual circumstances. Children benefit from effective legal planning when their circumstances do not improve. Pre-proceedings work is timely and well managed, with a contract of expectations that clearly spell out what parents need to do. When parents successfully engage in helping to improve their children's lives, legal planning is ended. When improvements are not made, authoritative action is taken. This means that children are getting the right help at the right time from the right people.
12. Where there is an indication of possible risk from sexual or criminal exploitation, referrals are screened and assessed effectively by a specialist child sexual exploitation social worker. The weekly child sexual exploitation meeting provides a robust multi-agency forum for information-sharing, consideration of relevant risk factors and soft intelligence. This is used to reach a joint and proportionate rating of the level of risk and to formulate action plans. However, subsequent planning and intervention by social workers is not effective for all children. For a small number of children, there is a lack of focus on evaluating and reducing risk posed by their wider network or from the community. This results in assessments and plans that do not address all the risks to ensure that they are protected.
13. The response to children going missing is not robust enough for all children. While there is a clear strategic framework around episodes of going missing and reporting mechanisms into panel, inspectors found variability in the timely offer of an interview following a missing episode. In some cases, there was a lack of persistence in engaging young people with return home interviews. The quality of the information obtained was often poor. This means that the local authority cannot be assured in all cases that the broader risks associated with

children going missing are known and being addressed in order to reduce that risk. Neither can the local authority be assured that young people are always being effectively supported to reduce their risk-taking behaviour.

14. There are effective systems in place to identify and monitor children missing from education and children who are electively home educated (EHE).
15. A small number of children are supported through private fostering arrangements. Inspectors found that, for some children, there is a delay in securing a suitable legal framework that best meets their needs. Safety is assessed, and support and monitoring of children in private fostering arrangements is in place. However, this may not always be the most suitable arrangement to secure stability and long-term planning for their future.

The experiences and progress of children in care and care leavers: Good

16. When children come in to care, they receive a good service. Decision-making is based on clear assessments of children's needs that are appropriate and timely. Children are matched carefully with carers who promote their needs and help them to achieve.
17. There are well-established and collaborative working relationships with the local judiciary and the Children and Family Court Advisory and Support Service (Cafcass), which have a clear focus on the child. This ensures that timely and appropriate decisions are made in order to safeguard and secure permanence for children. There is judicious use of parental agreement to accommodation.
18. Social workers know their children well and understand key factors that contribute to children's stability in placement and the child's unique experiences and context. The stability of the social work staff team means that children benefit from established relationships with someone they know well. Sensitive and thoughtful direct work to elicit children's wishes and feelings influences planning and interventions for children. All children in care benefit from life-story work that helps them to understand their situations. Children's wishes and feelings are actively sought and acted on.
19. The importance of contact with birth family members is well understood by social workers. The sensitive approach taken to engage birth families in clear and up-to-date contact plans means that there is a positive impact on children's emotional needs. This also contributes to the stability of placements.
20. Foster carer recruitment, training and approval are effective. Foster carers report that they feel part of the professional network and that their views are valued and used to influence policy and developments. The service has been able to address the issue of sufficiency of local foster carers through a new

recruitment strategy. This has resulted in a substantial increase to the number of foster carers and means that the majority of children can live with Barnsley carers.

21. Carers are well informed of children's needs before placement. Supervising social workers take care to ensure that children are matched appropriately to a fostering family, including for long-term fostering. Important consideration is also given to the needs of foster carers' birth children. As a result, children are helped to develop secure attachments in stable placements.
22. Children's care plans identify and meet their needs. Children experience improved outcomes when they come in to care. They are encouraged to develop their interests and aspirations. Children are supported to participate in their reviews, with independent reviewing officers (IROs) providing effective oversight and challenge. The positive approach taken to engage with birth families means that children benefit from information shared by birth families that would otherwise be withheld because of the difficult emotional climate that surrounds family separation. This is a strength of the children in care team.
23. There are a small number of children whose emotional health needs are not being adequately met by the provision of a child and adolescent mental health service (CAMHS). The provision of consultation for carers does help to support placements. However, there remain gaps in the provision of direct support to children from CAMHS. Where CAMHS cannot meet the identified emotional health needs of children in care, social workers can access funding from the local authority for external therapeutic support or refer to commissioned third sector providers. Schools are creatively using the pupil premium funding grant for a range of therapies to support children with additional emotional health needs.
24. The majority of children benefit from timely and well-considered options for permanence. Foster to adopt is used when appropriate to support early permanence. Social workers recognise the importance of promoting all aspects of permanence, including special guardianship, adoption, long-term fostering and a return to family. High-quality special guardianship assessments inform decisions regarding whether children can safely stay within their extended family network. Careful thought is given to the relationships of brothers and sisters in considering future permanence plans.
25. Children with a wide range of needs benefit from achieving permanence through adoption, including older children, brothers and sisters together, and children with complex needs. Persistence in family finding can extend timescales for some children. The local authority recognises that the timescales for matching children need to improve to enable children to move into their new families without undue delay. The adoption support fund is used well to meet children's therapeutic needs in both their adoptive or special guardianship placements.

26. Child permanence reports are well written, child centred and bring the child to life. They are an effective tool for matching. Decisions made by the agency decision maker (ADM) are clearly recorded, with a good rationale for ratification of the adoption plan.
27. Life appreciation days provide a guided journey through the child's life. This enables adopters to develop empathy for and understanding of the child's experiences. Letter box contact is well managed, ensuring that children can maintain contact with significant family members to promote their identity and sense of family history.
28. The virtual school headteacher provides strong leadership and direction for her team. There are effective relationships with schools in monitoring the quality of personal education plans (PEPs), tracking attendance and the use of the pupil premium grant, and in providing appropriate challenge. The quality of PEPS has improved since the last inspection, although there is a recognition that the quality of targets is variable. The termly personal education plans (TPEPs) are detailed and set out expected outcomes for a wide range of therapeutic inputs for children in care. These happen in the school environment and include art and play therapy and nurture sessions. The percentage of children in care attending a good or better school has increased. Attendance for children in care is in line with the national average, and persistent absence is below the national average. However, the local authority knows that incidents of fixed-term exclusion for children in care remain too high. The virtual school headteacher is providing additional support for schools. For example, training has been provided for designated teachers to support teachers to be trauma- and attachment-focused and to understand their impact on pupils' learning and behaviour.
29. Historically, employment, education and training (EET) levels for 17- and 18-year-olds have been below the national average and below statistical neighbours. As a result, an EET panel was established to bring together targeted information advice and guidance (TIAG), the virtual school headteacher and the future directions service. This has been successful in achieving an increase in the numbers of 17- and 18-year-olds in EET. Although improving, only around half of all young people aged 19–21 are in EET, and this remains a priority for the local authority to improve.
30. There is an active and vocal children in care council (CiCC), Care4US, which has worked hard to influence service development through its annual 'takeover of the service event' and on such areas as The Pledge, peer mentoring, recruitment for foster carers, presenting to the corporate parenting panel and developing the documents for reviews.
31. Young people leaving care benefit from proactive and diligent personal advisers, who work hard to keep and maintain relationships with them, even

when young people are reluctant to engage. Support needs are captured in plans that are co-produced with young people. They are up to date and simple to understand. Although young people receive information about their health histories, there is more to do to ensure that this information is meaningful and provided in a more accessible format.

32. For some older young people, particularly where they have been involved in criminal activity, assessments and subsequent intervention is not informed by multi-agency information about the range of risks to which they are exposed. The risks that children may pose to others is not always well understood, and a lack of understanding of criminal exploitation also results in social workers failing to fully evaluate the risks posed to young people by others at the point that they return to the community. For a small number of older children, this means that although they are provided with support, effective multi-agency plans are not in place early enough. This leaves them potentially vulnerable to further exploitation.
33. Children in care and care leavers receive assistance and support from a range of services in order to strengthen their journey into full independence. For example, there is good support from allied services such as the targeted information advice and guidance service (TIAG), council tax exemption up to the age of 25, and ring-fenced council apprenticeships. Opportunities for young people to remain with foster carers after their 18th birthdays are promoted, and all young people are in suitable accommodation that meets their needs. This means that young people are benefiting from stability in their living arrangements, which is promoting their confidence in their increasing independent skills.
34. Most care leavers spoken to described Barnsley as a good place to experience care. Senior managers have been highly receptive to the views of young people and have acted swiftly when issues have been raised with them. Several care leavers told inspectors that they had been well supported through leaving care and into independence, through university and into employment.

The impact of leaders on social work practice with children and families: Good

35. Effective and principled leadership by the executive director, chief executive and leader of the council models and sets out high aspirations for children in Barnsley. Collectively, they have driven the continuous improvement journey that shows that practice in Barnsley is now good and that the majority of children receive a good service that is making a difference to their lives.

36. Strategic and operational partnerships are mature and effective, and thresholds for services are understood across the partnerships. There is political commitment to protecting the children's services budget, as well as continued investment.
37. The service benefits from a stable and highly committed leadership team, led by the executive director, which has been instrumental in delivering against the continuous service improvement plan. The self-assessment is realistic and demonstrates ambition to continue to do even better. Service effectiveness is well understood, and areas for development and improvement are identified and progressed. There is a clear focus on continuous learning and improvement throughout the organisation and from external peer review and challenge.
38. Senior managers are held to account through a clear governance structure from the chief executive down. The involvement of the lead member, executive director and service director in practice observations and the visibility in social work teams is impressive. A range of trackers and panels have improved management oversight and help prevent drift and delay in most areas of the service, particularly in relation to achieving permanence.
39. The audits reviewed by inspectors did not always fully involve social workers or take account of feedback from children and families and were not moderated. This means that audit activity misses some opportunities to develop practice through feedback. The service recognises that the approach to audit and learning from audit is ready for further development. Other quality assurance activity is better embedded, including lead member visits, themed audits, dip sampling and reporting arrangements. These all contribute to a framework for quality assurance that has clear lines of accountability from the top down.
40. Managers have a good grip on most areas of practice. This has led to improvements in the timeliness of social work assessments, in the strength of the voice of the child and in dynamic planning. However, some sampling activity by managers to assure themselves of the quality of practice on timeliness of progression to the initial child protection case conference (ICPCC) lacks rigour. This has led to a false assurance of the robustness of practice in this area. Inspectors have identified that the reporting on timeliness of strategy meetings to the ICPCC has led to an inaccurate picture of the degree of delay experienced by children. Furthermore, this means that a small number of children have not had the benefit of being protected through a child protection plan at the earliest opportunity.
41. Leaders understand well the communities they serve. The infrastructure of early help has been redesigned through a family centre delivery model, which has meant a more equitable distribution of targeted resource in local communities. This is aimed at strengthening the resilience of children and their families through the provision of a wide range of services and interventions in

the neighbourhoods in which they live. Thresholds for early help are clearly understood, and this has resulted in lower level work being diverted away from social work services to universal or targeted early help for assessment and intervention.

42. There is a clear strategic infrastructure for monitoring vulnerable groups such as those children who are sexually exploited and those who go missing. However, senior managers recognise that while training has been delivered for the workforce, the understanding of contextual safeguarding is not yet as consistently embedded through practice as it might be. Neglect and its cumulative impact on children is well understood and has been supported using the graded care profile. This enables earlier identification of neglect and helps to target interventions in order to improve children's circumstances.
43. Leaders have responded appropriately to the gaps in mental health provision through a respectful challenge to the Clinical Commissioning Group (CCG). This has contributed to an improvement in timeliness for access to the CAMHS initial assessment, and senior managers from both services are jointly tracking timeliness of interventions offered by CAMHS. However, some children in care who require direct mental health provision and support from CAMHS are not yet receiving a timely enough service for treatment.
44. Barnsley council is an effective and proud corporate parent. Leaders are ambitious for children in care and are particularly well engaged with the active CiCC. Senior leaders and the corporate parenting panel have regular contact with children and ensure that the views of children and young people influence how services are delivered.
45. Improvements in the education of children in care is a priority for leaders, although there remains more to do. Children are benefiting from an effective virtual school. This has improved the overall quality of PEPs and has included a creative use of the pupil premium grant that has supported schools to be trauma and attachment aware, ensuring more effective support for children.
46. Social work practice in Barnsley is flourishing. Social workers are confident practitioners who know their children well. Practice is child-focused and the voice of the child is embedded throughout the service. Manager oversight of individual cases is clearly evidenced. Leaders and managers have created a culture in which social workers are valued, feel valued, and are proud to work for Barnsley.
47. Workforce stability is excellent, which means that children benefit from being able to develop consistent relationships with social workers. While caseloads are high for some social workers, they feel that they can practise effectively because of co-allocation, supervision and management oversight, and a supportive service and team culture. Social workers report that they benefit from reflective supervision, although this is not always well recorded. Staff

morale is high, and staff are proud to work in Barnsley. They are positive about the support, guidance and training they receive and the visibility of senior managers.



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Piccadilly Gate
Store Street
Manchester
M1 2WD

T: 0300 123 1231
Textphone: 0161 618 8524
E: enquiries@ofsted.gov.uk
W: www.gov.uk/ofsted

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

JOINT REPORT OF THE EXECUTIVE DIRECTOR (COMMUNITIES) AND THE EXECUTIVE DIRECTOR (PEOPLE) TO CABINET ON 6 FEBRUARY 2019

EXTENDING THE SCOPE OF EXTRA CARE PROVISION

1.0 PURPOSE OF REPORT

- 1.1 To seek Cabinet's approval for introducing a 24 hour care element within two of the four extra care schemes in the Borough as part of improving the accommodation and support offer to older people in need of care and support.

2.0 RECOMMENDATIONS

- 2.1 **That Cabinet gives approval to the introduction of the proposed model of extra care provision, indicated in Section 4.0 of this report and to proceed with the commissioning and procurement of a care and support provider for this purpose.**
- 2.2 **That a follow-up report on the implementation and benefits of the new scheme, be submitted for Cabinet's consideration during 2020/21.**

3.0 INTRODUCTION

- 3.1 Extra care housing is housing with on-site care, primarily for older people where occupants have specific tenure rights to occupy self-contained dwellings and where they have agreements that cover the provision of care, support, domestic, social, community and other services..
- 3.2 The physical environment may include the provision of amenities such as hairdressing and café facilities to further promote independent living among older people, whilst the care and support element will include housing related support, low level personal support, together with early intervention and formal care, which is provided as part of a care and support plan. Care and support is located on-site and available 24 hours per day.
- 3.3 The principal focus of such models is to promote independent living in older age and to provide 'homes for life' wherever possible. The wrap-around model of care and support provides a flexible offer to those living in the scheme whilst reflecting a sliding scale of support as individual needs change, preventing the need for alternative services, notably admission to residential care.

- 3.4 The inclusion of extra care in the Council's housing and support offer to older people in need of care and support in the Borough, has formed part of its strategic intentions since 2004 where the Older People's Board Housing Strategy described the development of extra care as essential to promote long term independence and reduce the need for more institutionalised care.
- 3.5 In the Council's latest Vulnerable and Older People's Housing Needs Assessment which was considered by Cabinet at its meeting held on 15th June 2016, a consultant's report, commissioned and published the previous year, commented upon the absence of extra care housing schemes, in comparison to other similar areas, and recommended a re-model of current schemes to include a care offer.
- 3.6 In addition, the recent Peer Challenge concerning value for money and the effective use of resources in adult social care, which was also considered by Cabinet at its meeting held on 14th November, this year, also identified an opportunity to *"...Extend the scope of extra care to promote independence and longer life opportunities and to redress the balance of referrals to residential care."*
- 3.7 Current Position
- 3.8 There are 4 extra care facilities located across the Borough with a total capacity of 227 units. In two of these schemes there is a total of 41 service users (out of 117 tenants) including those with a direct payment and those who self- fund, who are in receipt of a care package.
- 3.9 All 4 facilities have day-time, on-site, low level support from the current housing provider which is jointly funded under-contract by the Communities Directorate and the People Directorate.
- 3.10 A review of the above facilities carried out in 2017, concluded that:
- They do not reflect the fundamental principles of extra care in that there is no on-site care and support.
 - They do not support the Council's corporate objectives and associated outcome statements, particularly in helping reduce demand for additional services and support, through access to early help and in enabling individuals to be happier, independent and active.
 - Current provision is unlikely to help deliver the Council's objective of reducing admissions to residential care (*figures suggest an average of 3-5 admissions per scheme, per year*)

4.0 PROPOSAL AND JUSTIFICATION

- 4.1 With this in mind, it is proposed that the Council goes out to market to procure the on-site provision of care and support (including well-being and housing related support) within 2 of the Borough's 4 extra care schemes during 2019/20. This is based upon the financial investment which the Council is able to currently fund and a consideration of the needs of present occupants of the 4 schemes.

- 4.2 Subject to Cabinet's approval, the 2 schemes to be selected have the highest number of tenants in receipt of a funded care package and an older age profile. Therefore, it is likely that these individuals could benefit more quickly from the model proposed.
- 4.3 In addition, the provision of an added care and support element in 2 extra care schemes rather than 1 will form a more attractive offer to potential providers and improve provision, particularly in enabling the flexibility for staff to operate across two schemes in managing demand.
- 4.4 It is proposed that Cabinet gives approval for the Council and housing partners, through the allocations process, to change the balance of individuals with care needs, within the extra care schemes to the following:
- 20% low care needs (0-10 hours per week)
 - 50% medium care needs (10-21 hours per week)
 - 30% high care needs (21+ hours per week)
- 4.5 This model should be based on 24 hour access to support utilising a minimum of 2 care staff from 7.00am to 7.00pm, 7 days per week, together with 1 waking night staff from 10.00pm to 7.00am and 1 full-time equivalent wellbeing worker(s) operating a minimum of 10 hours per day, subject to the needs of the scheme.
- 4.6 The proposed contract should reflect a core and flex model of delivery, thereby allowing the introduction of more workers as the above balance is achieved and the number of tenants with care and support needs increases. It is also proposed that new referrals for tenancies at the 2 selected schemes should be screened to identify those with either medium or high care needs as part of maximising the use of support in the scheme.

5.0 CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The 'wrap-around' model of care and support would provide a flexible offer to service users within the proposed scheme and provide a valuable sliding scale of support as individual needs change thereby preventing the requirement for additional services, including potential admission to residential care.
- 5.2 Whilst the Local Authority could continue with the current model of provision in the Borough, the recommended proposal will help improve outcomes for older people in need of care and support and is a more cost effective proposal in the long term which has been recommended previously by the Council, through its Vulnerable and Older People's Housing Needs Assessment as well as sector based peers.

6.0 IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The introduction of a care and support element within extra care will provide a valuable, further support option for older people with care and support needs and contribute to improvements in the health and wellbeing of tenants, thereby enabling them to better participate within their communities and reduce the effects of isolation.

7.0 FINANCIAL IMPLICATIONS

7.1 The financial implications of the proposal to introduce a 24 hour care/support model into 2 of Barnsley's 4 extra care schemes is outlined below and summarised in the attached Appendix A.

7.2 Existing Provision

The current extra care housing schemes offer the following services: on-site housing related support, property management support and overnight safety and security through the Central Call monitoring / response service. Housing related support (low level support) is provided under a block contract funded by the Communities Directorate at an average cost of £45K per scheme. Property management / maintenance is provided by the registered housing provider and funded through levied rent and service charges on tenants (eligible for housing benefit support). Call monitoring/response is provided by the Assisted Living Technology service and funded by a charge to the tenants (average income of £9k per scheme).

Currently, care support is delivered (by various external domiciliary care providers) through care packages to individual tenants with assessed needs and eligible for social care support. Around 41 tenants in both identified schemes are assessed as requiring care support, of which 17 are BMBC social care funded clients (homecare /direct payment provision) at a cost estimated at £185k.

7.3 Proposed model

Paragraphs 4.4 - 4.6 outline the on-site care support model proposed for both identified schemes. The table below gives a breakdown of the potential cost / investment required to implement a 24 hour care / support provision across 2 schemes based on the proposed model:

	£
Estimated contract cost (care provider)	293,095
Less existing funding:	
Housing support funding	-45,000
Central call / response charges	-8,034
Total net cost for 1 scheme	240,061
Total net cost for 2 schemes	480,122

The estimated contract cost is based on an assumed hourly rate for care (including waking nights) and wellbeing support workers applied against an estimated total number of hours of provision per annum. It is also assumed that the funding contribution from Communities Directorate for housing support as well as charges for the central call response service would continue as present.

The following summarises some of the key assumptions and factors for further consideration:

- i. The actual tendered hourly rate of provision (via the procurement process) may be higher than the assumed rate used in the costing above.
- ii. Above costing is based on current needs profile / number of social care tenants at both schemes. Whilst, the aim of the scheme is to re-balance the proportion of social care and non-social care tenants this is unlikely to be achieved in the short term. As a result it is not anticipated that the implementation of this scheme would result in cost savings from reduced admissions to residential care in the short term.
- iii. It should be noted that as the number of tenants with care and support needs increases, an increase in staff would be required resulting in increased contract cost (based on the core and flex model of delivery).
- iv. The above funding requirement would be mitigated or reduced as some current tenants in receipt of care packages (estimated at £185k) cease their existing provision and transfer their care to the on-site provider. There is always the small risk of some tenants that would choose to retain their existing care provider (or direct payment provision).
- v. Assessing of tenants to the care element of the on-site model would be based on assessed care needs (including a financial assessment). As a result self-funding tenants with care needs would be expected to make a contribution towards any care provision of the on-site model.

7.4 Funding and value for money considerations

It is proposed that the required funding requirement (FYE £480k) is contained within the existing resource envelope for Adult Social Care through the realignment of the Older People residential / nursing care provision budget. The increased level of recurrent health funding / contributions towards cost of care packages and the effective monitoring of direct payments accounts mean that there is scope to fund this requirement from existing resources.

Whilst the current profile of tenants in the schemes is unlikely to yield any significant return (or cost savings) on investment in the short term, nevertheless extra care housing schemes (with a high proportion of tenants with medium to high level care needs) has been demonstrated to be a cost effective option for supporting Older People in the community (and an alternative to residential care provision).

8.0 EMPLOYEE IMPLICATIONS

- 8.1 There are no implications for Local Authority employees emerging through the recommended proposal. However, there are potential implications for staff employed by the current housing provider which is providing the low level support within the schemes, through the tendering process for the procurement of a care and support provider..

9.0 LEGAL IMPLICATIONS

- 9.1 In relation to current tenants within the Scheme, the Service Director (Legal Services) has advised that whilst the Authority can actively work with those service users in receipt of a care package, at present, to transfer their care to an on-site provider, there is no legal obligation to do so. However, there could arise a financial risk to the Authority should individuals choose to retain their current care provider or direct payment.
- 9.2 A further review of current tenancy agreements is required should the Council change the current provision around housing related support. For existing tenants it is likely that a variation to the tenancy agreement would be required. For new tenants, reference to the on-site care provider could be included within the tenancy agreement. In order to remain compliant with the Care Act (2014) individuals would retain their right to change care provider should they wish to do so.
- 9.3 Existing tenants pay a nominal fee for access to the Council's response service. Again, the Council would be unable to make it a mandatory requirement that service users change this arrangement as individuals retain the right of choice over how their needs are met. However, this would be something which the Council could offer or encourage as an alternative arrangement.
- 9.4 For new tenants, the Council and Housing Provider could consider the inclusion of a nominal fee for on-site service provision, as part of a service-level agreement. This would clearly identify the respective role and responsibilities of each partner.

10.0 CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 There are no implications for accessing services through the current range of channels and there should be no impact upon the onus in favour of Digital First transactions.

11.0 COMMUNICATIONS IMPLICATIONS

- 11.1 Subject to the proposal being approved and adopted, steps will be taken to commission and procure a care and support provider, after which information for the benefit of service users, families and the media will be developed on the new scheme.

12.0 CONSULTATIONS

- 12.1 Consultation on the proposal(s) has been conducted with tenants in the 2 proposed extra care schemes with the response that 24 hour on-site care would be welcomed by most tenants. However, the following comments were raised in relation to the proposed change:
- Tenants are concerned over increased costs and the majority were unwilling to pay a voluntary contribution towards this.

- Service users with existing care packages expressed that they would wish to keep their current provider but would consider utilising the on-site support provider in the evenings and at weekends, in terms of maintaining wellbeing, as care provision would need to be in line with an individual assessment.
- Tenants are concerned that they would lose staff currently supporting them through the current schemes and with whom they have formed good relationships.

12.2 Consultation has also been carried out with the current housing providers who commented on the following:

- Concern over whether the proposed model of extra care with a care element, is achievable.
- The impact in relation to the housing management function.
- The impact on tenants of the potential need to increase rents in order to cover costs.
- Achieving the right balance between care and support.
- Re-addressing the balance between care and support may lead to less referrals for extra care as it may be seen as a care home.

12.3 Should the proposal be recommended for approval by Cabinet, further consultation will take place with current tenants as part of implementing the 24 hour care and support model. In particular, consultation will be required with current tenants who are in receipt of a care package in order to share with them, the benefits of having one provider offering 24 hour care and support within the scheme as part of a more holistic approach.

12.4 The Council's Senior Management Team has been consulted on the proposal and is supportive of this development to extra care in the Borough.

13.0 THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 Barnsley MBC Corporate Plan (2017-20)

13.2 The proposal to introduce a care element into 2 of the Borough's Extra Care Schemes, will support the Council's policy outcomes of reducing demand for services through access to timely help and in helping people live healthier, happier, independent and active lives.

13.3 The Corporate Performance Report for Quarter 2 indicates that the number of admissions to residential and nursing care among people aged 65 or over during 2018/19 is considerably below that of the corresponding period in 2017/18. Currently, the Authority's performance reflects that we are on track to achieve and better our year-end target for 2018/19. The availability of extra care accommodation with on-site care and support would help further reduce admissions into residential care.

13.4 Barnsley Health and Wellbeing Strategy (2016-20)

- 13.5 As part of its whole-systems based approach, the Borough's Health and Wellbeing Strategy enables a focus on innovation and outcomes in order to meet the significant challenges of an ageing population in which people are living longer but with a concomitant rise in the number of people with a long-term condition and who require care and support.
- 13.6 The introduction of a care element into the extra care schemes envisaged, will help in the prevention of older people in need of care and support from entering residential and nursing care in the long term, whilst, at the same time, maximising independence and avoiding social isolation. Maintaining the health and wellbeing of these people will enable and inspire them to continue to play a rewarding role in their communities, based on their years of experience and build valuable social capital.

14.0 PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 14.1 The proposal, if approved, will continue to meet the specific care and support needs of individual service users with a protected characteristic as defined by the Equality Act (2010) and Public Sector Equality Duty. This will be an explicit requirement within the specification for the scheme which will form an integral part of the commissioning and procurement of the care and support provider.
- 14.2 A full equality impact assessment of the proposed scheme will be undertaken, during 2019/20.

15.0 TACKLING THE IMPACT OF POVERTY

- 15.1 The proposed model of extra care would have no adverse impact upon the Borough's strategy and plan for tackling child and family poverty. In September 2017, Full Council approved, for adoption, a revised policy of financial charging for adult social care packages. However, for those service users who, following a financial assessment, are assessed as being unable to afford to pay a full or partial contribution towards their care and support package, their entitlement to fully funded care and support will remain unaffected.

16.0 TACKLING HEALTH INEQUALITIES

- 16.1 Please see Paragraphs 13.5 and 13.6 of this report.

17. REDUCTION OF CRIME AND DISORDER

- 17.1 There are no implications for tackling crime, disorder and anti-social behaviour or in promoting community safety, emerging through this report.

18. RISK MANAGEMENT ISSUES

- 18.1 Whilst the proposal would reduce dependence on alternative and additional services, including admissions to residential and nursing care, it could limit the level of choice available to service users, in terms of their care and support provider,

although individuals would still retain the option of receiving a direct payment to arrange their own care and support.

- 18.2 Equally, the advantages and benefits of the proposals are based upon assumptions concerning the level of need, which are highlighted in Section 7.0 of this report. These, together with the legal considerations indicated in Paragraphs 9.1 – 9.3, represent potential risks which will be managed and mitigated as part of service and financial planning and through the Adult Social Care and Health Risk Register,

19.0 HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

- 19.1 There are no implications for the health and safety of the public or workforce arising through the proposal or for the resilience of the Borough in an emergency.

20.0 COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

- 20.1 The proposal would be compatible with the EU Convention.

21.0 CONSERVATION OF BIODIVERSITY

- 21.1 There are no implications for the local environment or the conservation of biodiversity emerging through the proposal.

22.0 GLOSSARY

- 22.1 None, applicable.

23.0 LIST OF APPENDICES

- 23.1 Appendix 'A': Summary of financial implications. .

24.0 BACKGROUND PAPERS

- 24.1 If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Lennie Sahota: Interim Service Director (Adult Social Care and Health)

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APPENDIX A
Prepared on Behalf of the Finance Service Director

FINANCIAL IMPLICATIONS

DEVELOPMENT OF EXTRA CARE 24/7 ONSITE CARE PROVISION

i) <u>Capital Expenditure</u>	<u>2018/19</u> £	<u>2019/20</u> £	<u>Total</u> £
	0	0	0

To be financed from:

To be financed from the SEN provision fund capital grant

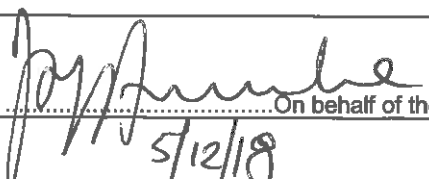
ii) <u>Revenue Expenditure</u>	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
Procurement contract - extra care onsite care provider	0	586,190	586,190
	0	586,190	586,190
<i>Existing budget provision:</i>			
Housing support funding (Communities)	0	-90,000	-90,000
Central Call / Response charges (Communities)	0	-16,068	-16,068
Net Cost / Funding requirement	0	480,122	480,122

To be Financed from:

The net cost will be contained within existing resource envelope for Adult Social Care through the realignment of the Older People residential care budget (NB net cost would be mitigated as tenants with existing homecare / DP care packages transfer to the onsite care provider)

iii) Impact on Medium Term Financial Strategy

There is no impact on the Council's medium term financial plan

Agreed by:  On behalf of the Finance Service Director
 5/12/18

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Joint Report of the Executive Director People and
Executive Director Place to Cabinet

Darton Academy and Outwood Academy Carlton - Work to Accommodate Additional Pupils

1.0 Purpose of the Report

- 1.1 To provide an update on the demand for school places in the Central Planning area in September 2019 and September 2020;
- 1.2 Request approval for the capital funding necessary to deliver a programme of works required in re-modelling Darton Academy to meet the demand for school places in the Central area of the Borough;
- 1.3 Request approval for the capital funding to provide a mobile classroom / portakabin to be installed at Outwood Academy Carlton to meet the demand for school places in the Central area of the Borough.

2.0 Recommendation

- 2.1 **Cabinet note the position with regard to the demand for school places in the Central Planning area in September 2019 and September 2020;**
- 2.2 **Cabinet Approval is given to fund the estimated £642,477 capital cost for the re-modelling work required at Darton Academy utilising the Basic Need Grant awarded by the Department for Education to address the shortfall in pupil places in the central planning area in September 2019 and September 2020.**
- 2.3 **Cabinet Approval is given to fund the estimated £150,000 capital cost of providing a mobile classroom / portakabin at Outwood Academy Carlton utilising the Basic Need Grant awarded by the Department for Education to address the shortfall in pupil places in the central area in September 2019.**

3.0 Introduction

- 3.1 Local Authorities are under a statutory duty to ensure the sufficiency of school places in their area.
- 3.2 There are three schools that serve the central planning area, providing 4,100 secondary school places; Horizon Community College (2,000 pupils), Barnsley Academy (900 pupils) and Darton College (1,200 pupils).
- 3.3 Current projections indicate a rising demand for school places in the central planning area. There is a demand for an additional 83 places in September 2019 and 60 places in 2020.

- 3.4 The demand for school places from September 2021 onwards has been addressed in a separate Cabinet Report (CAB 12.12.2018/6) with proposals to look at various options, one of which is for a new Free School to be built and run by a Multi-Academy Trust (MAT).
- 3.5 The Authority has a statutory responsibility to address the demand for a total of 83 places for the academic year 2019/2020 and a further 60 places for the academic year 2020/2021, making a total of 143 places in the central planning area. It should be noted that providing for these 143 places it will not affect the viability of the proposal for a Free School to open at the earliest in 2021.
- 3.6 Horizon has agreed to accommodate an additional 20 pupils on a temporary basis in both 2019/2020 and 2020/21 without the need to make any changes to the building.
- 3.7 The Authority initially approached both Barnsley Academy and Darton Academy to determine whether they would each be prepared to accommodate a bulge class of 30 pupils in September 2019 and September 2020 to address this shortfall. Barnsley Academy has since indicated that it is not be in a position to accept additional pupils.
- 3.8 Notwithstanding the fact that Outwood Academy Carlton does not form part of the central planning area the school is in close proximity to the planning area, is currently judged as a Good school by Ofsted and the school admission applications received for the 2019/2020 academic year supports the need for them to now be included in the current proposals, with a view to them accommodating an additional 30 pupils as a bulge class in September 2019.
- 3.9 Darton Academy, which is now part of Delta Academy Trust, has agreed to accommodate an additional 63 pupils over the 2 years, which will require some internal remodelling building work to create the additional classrooms and other space required.
- 3.10 Darton Academy is a PFI School and any projects undertaken have to be carried out in line with the PFI Project Agreement and are subject to agreement by the funders. It is intended that the majority of the work will be carried out in stages through Medium Value Change Variations and that a High Value Change that requires a Deed of Variation to the Project Agreement will only be required for one area of work with a view to optimising best value.
- 3.11 A meeting has taken place between the Authority, NPS Design Team and Amey's Project Manager to capture the work required and to work up preliminary designs and indicative costings have been provided.
- 3.12 Outwood Academy Carlton has agreed in principle to accommodate an additional 30 pupils in September 2019, which will require the procurement and installation of a mobile classroom / portakabin on the school site. It should be noted that this is subject to formal approval by the Outwood Academy Trust Board.
- 3.13 Outwood Academy Carlton is a Design and Build School and is therefore not subject to agreement by the funders as is the case in a PFI School.

3.14 If the above proposals are accepted current data suggests that there will still be a shortage of 10 places in September 2020. The Authority feels that it will be in a position to accommodate these places across the secondary schools estate as a whole without the need for any further work to take place. It is worth noting that pupil projection data fluctuates periodically as pupil movement occurs.

4 0 Proposal and Justification

4.1 It is proposed that the Authority progresses with detailed designs to re-model areas within Darton Academy by September 2019 since this will be both more cost effective for the Authority and less disruptive to school opposed to doing the work in two separate stages in 2019 and 2020. The proposed design has been agreed following consultation with the School and comprises of the following:

- Re-configure the ground floor science department into 3 separate classrooms and infill the viewing gallery void above the science classroom to create a classroom on the first floor.
- Re-configure the Food Technology Room by installing 4 additional work areas to free up the Post 16 kitchen for use in the main catering service periods
- Install partitions to 3 open learning spaces around the atrium to create enclosed classrooms which will remove the disruption to learning during the split lunch service periods.
- Re-configure the first floor Creative Suite / Art Barn to provide 4 separate classrooms by installing partitions. Infill the void above the textiles and electronics area with a mezzanine floor to create a further learning space and install partitions above and below the mezzanine floor to split areas into 2 classrooms on each floor.
- Review car parking area to determine if adequate.

4.2 It is proposed that the Authority progresses with the procurement of a mobile classroom / portakabin to be installed at Outwood Academy Carlton by September 2019.

5.0 Consideration of Alternative Proposals

5.1 Given that there is only a demand for an extra 143 secondary school places, accommodation will have to be at existing schools. Of the three schools in the central area Barnsley Academy indicated that it will not be in a position to accept additional pupils.

5.2 For the above reasons Barnsley Academy is rejected as a possible alternative solution.

6.0 Implications for Local People and Service Users

6.1 The implication is positive in that the demand for additional school places in the Central Planning area of the Borough will be met locally.

7.0 Financial Implications

7.1 A total shortfall of 143 secondary school places have been identified for September 2019 (83 places) and 2020 (60 places) respectively. It is proposed that most of the additional places are accommodated in the following schools; Horizon, Darton Academy and Outwood Academy Carlton. It should be noted that Horizon has agreed to accommodate an additional 20 pupils in each year without the need to make any changes to the building, whilst some remodelling works would be required at Darton Academy and possibly at Outwood Academy Carlton.

Capital costs – Darton Academy

7.2 A total of 63 additional places would be accommodated at Darton Academy, 33 in September 2019 and an additional 30 in 2020. Accommodating these additional places will require some internal remodelling building work to create the additional classrooms and other space required (see paragraph 4.1). The capital cost is estimated at **£642k**, and is comprised of: design fees (£27k); works (£409k); project management (£41k); professional fees (£66k); furniture, equipment & ICT costs (£100k).

7.3 Although a significant element of the above cost is indicative, effort has been made to ensure a reasonable degree of certainty. Preliminary designs (based on minimum educational requirements) have been agreed with the Academy Trust, with the indicative cost of works worked up (by NPS and Amey project management) to give greater certainty towards RIBA Stage 3. However, actual value of the works will not be confirmed until designs are finalised and tenders received.

7.4 As highlighted in para 3.10, Darton Academy is a PFI school – capital works are subject to the PFI agreement and approval of the funders. Professional fees £66k (legal and funders fees) arising from Change Notices or deeds of variation are unavoidable and have been factored into the indicative costs. Whilst these costs have been estimated on the same basis as the Penistone Grammar school extension works, it is yet to be confirmed and could change in line with the LEP specific requirements.

7.5 On completion of the re-modelling work at Darton Academy there will be an increase in operating costs associated with Facilities Management and Lifecycle which will be reflected in the annual unitary charge paid to the Barnsley Local Education Partnership. Such costs are unable to be quantified until the design stage has been completed. Funding of the annual operating costs will be met by the Academy Trust from their own budget through the increased funding they will receive as a result of the increase in pupil intake.

Capital costs – Outwood Academy Carlton

7.6 To accommodate additional 30 school places from Sept 2019 at Outwood Academy Carlton, the procurement and installation of a mobile classroom / portakabin on the school site has been proposed. A cost of **£150k** (inclusive of fees) is estimated for the installation, based on a similar work / cost at another PFI school in Barnsley.

- 7.7 Following installation of a mobile classroom / portakabin at Outwood Academy Carlton there will be a slight increase in operating costs associated with Facilities Management which will be quantified on completion. Funding of the annual operating costs will be met by the Academy Trust from their own delegated budget.

Funding & Value for Money

- 7.8 The total cost of accommodating the shortfall in school places (143) in the central area by Sept 2020 is estimated at **£792k**, which equates to around £5.5k per school place. Assurance around value for money can be demonstrated by comparing the cost per school place (£5.5k) to the ESFA basic need funding rate of £16k per secondary place.
- 7.9 The ESFA have recently awarded the Council Basic Need Grant Allocation (£6.4m) in 2020/21 to address the projected shortfall in school places in the central planning area (which is being addressed / progressed through the Free School Application route). Therefore it is proposed that the above indicative costs is funded utilising the Basic Need grant allocation. However, the funding will not be received until financial year 2020/21, but school places are required to be provided for September 2019/20. It is proposed that the Council cash flow the project until the grant funding is received.
- 7.10 However, it needs to be noted that there is a risk that the ESFA could recoup the £6.4m basic need grant as part of funding a new Free School in Barnsley. In such event, alternative funding will need to be identified, which could result in having to re-prioritise or defer funding allocated for other schemes / priorities.

8.0 Employee Implications

There are no direct employee implications.

9.0 Communications Implications

There are no direct Communication implications at this stage in the process.

10.0 Consultations

Consultation will take place with Building Control, Highways and Transportation as part of the design development process.

11.0 The Corporate Plan and the Council's Performance Management Framework

- 11.1 Darton has recently become an Academy School within the Delta Academy Trust which has a track record of improving schools performance. As such it should support the Councils priority as set out in the Corporate Plan for 2017 – 2020 People Achieving Their Potential is as follows;

‘Every child attends a good school and is successful in learning and work.’

- 11.2 The Re-Modelling work will provide additional pupil places and also enhance the learning experience within the School, thus contributing towards this priority.

11.3 Outwood Academy Carlton was rated as 'good' in all categories of inspection by Ofsted in December 2015 and as such meets the Councils priority as set out in the Corporate Plan for 2017 – 2020 People Achieving Their Potential which is:

'Every child attends a good school and is successful in learning and work.'

11.4 The provision of additional places at a school rated 'good' also indirectly supports the Thriving and Vibrant Economy 20:20 Outcome 5 of creating more and better housing as potential residents are more likely to move into an area that can accommodate future educational needs of their children. In turn this would increase the opportunity of potential income streams for the Authority from New Homes Bonus, Council Tax and Business Rates.

12.0 Promoting Equality, Diversity and Inclusion

12.1 Re-modelling Darton Academy will enable children to be accommodated nearer their own homes thereby encouraging social inclusion. A shortfall in local school places is likely to have a greater impact on those with protected characteristics such as disabled people and people on low incomes.

12.2 Both academies are state of the art facilities which were built around the principle of inclusion.

13.0 Tackling the Impact of Poverty

There are no direct implications.

14.0 Tackling Health Inequalities

There are no direct implications.

15.0 Reduction of Crime and Disorder

There are no implications

16.0 Risk Management Issues

Risk Detail	Probability and Impact	Score	Mitigation
Failure to complete projects within agreed timescales and hence deliver sufficient secondary places thus breaching statutory duty.	Probability - low Impact - high	3 (Amber)	There is an agreed procurement route and the Authority is working closely with the Local Education Partnership to ensure the projects are delivered on time.
The initial budgeted cost may not be sufficient to meet the final tendered cost	Probability – medium Impact - high	2 (Red)	Tendered procurement exercise to establish Value for Money. Proposed to carry out work under a number of Medium Value Changes and one High Value Change to

Risk Detail	Probability and Impact	Score	Mitigation
			reduce professional and legal fees incurred.
Cost escalation – Works/Other –There is a risk that the architectural requirements will result in a design that exceeds the project cost. Also poor cost control and poor project management could lead to an escalation in cost.	Probability - medium Impact - low	5 (Green)	Responsibility for managing the project within the budget will lie with the BLEP.
Insufficient pupil numbers to utilize created space	Probability - low Impact - high	3 (Amber)	The forecast for additional school places shows a clear demand for school places in the central area of the Borough and actual applications already received supports the demand for places at both Darton Academy and Outwood Academy Carlton.

17.0 Health, Safety and Emergency Resilience Issues

The project will be managed by the Barnsley Local Education Partnership who will be responsible for complying with Health and Safety Legislation.

18.0 Compatibility with the European Convention on Human Rights

There are no implications.

19.0 Conservation of Biodiversity

There are no implications.

20.0 Glossary of Terms and Abbreviations

21.0 List of Appendices

Appendix A Financial Implications

22.0 Details of Background Papers

None

Officer Contact: M.T. Rawlins and Nina Sleight

Date: 11/12/2018

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APPENDIX A
Prepared on Behalf of the Finance Service Director

FINANCIAL IMPLICATIONS

Darton Academy and Outwood Academy Carlton - Work to Accommodate Additional Pupils

i)	<u>Capital Expenditure</u>	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000	<u>Total</u> £'000
	<u>Darton Academy works:</u>				
	Capital Works		409		409
	Design Fees		26		26
	Furniture, equipment & ICT		100		100
	Project management		41		41
	Professional Fees (PFI funders / legal)		66		66
	<u>Outwood Academy Outwood</u>				
	Portacabin installation (incl fees)		150		150
		<hr/> 0	792	<hr/> 0	<hr/> 792

To be financed from:

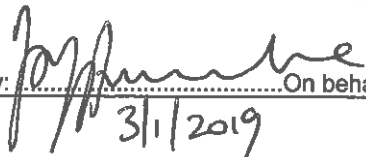
To be financed from the Basic Need capital grant allocation in 2020/21 - however costs would be funded (cashflow) by the council in the interim

ii)	<u>Revenue Expenditure</u>	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000	<u>2020/21</u> £'000
	N/A				
		<hr/>		<hr/>	

To be Financed from:

iii) **Impact on Medium Term Financial Strategy**

There is no impact on the Council's medium term financial plan, other than costs would need to be cash financed in advance of the receipt of the grant in 20/21

Agreed by:  On behalf of the Finance Service Director 3/1/2019
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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of Executive Director, Place

Barnsley Active Travel Strategy 2019-2033

1. Purpose of the Report

- 1.1 To seek Members approval to adopt the Barnsley Active Travel Strategy 2019 - 2033. This is appended to the report in Appendix 1.

2. Recommendation

2.1 It is recommended that:

- 2.1 Members adopt the Barnsley Active Travel Strategy 2019-2033 as set out in Appendix 1;**

3. Introduction

- 3.1 Active travel via walking and cycling is vital to support economic growth and improve the quality of life for Barnsley's residents. This document sets out Barnsley Metropolitan Borough Council's (BMBC) vision and key outcomes it wants to achieve, as well as the main barriers to engaging and participating in active travel and the key actions needed to be achieved to overcome these barriers.

- 3.2 In Barnsley, the importance of active travel is growing due to three main reasons:

1. The BMBC Local Plan envisages just over 21,000 new homes being built and a significant expansion of the local economy by 2033, which will see Barnsley's economy narrow the gap with our neighbours in the Yorkshire and Humber region and nationally.
2. Increasing concern about levels of excess weight/obesity, poor health outcomes and health inequalities across all sections of the population, which have grown on the local and national agenda. The role that sedentary lifestyles play in obesity has stimulated interest in promoting active travel.
3. In May 2018, the Sheffield City Region (SCR) saw the election of its first Mayor. The elected Mayor has committed in their manifesto to the appointment of an active travel commissioner to work with local authorities in the city region to promote health, the benefits of walking and cycling and ensure new planned routes properly integrate with other forms of transport.

3.3 The vision of this Strategy is to *“create a borough where active travel is a preferred choice, supported by a connected network of high quality, safe and inviting cycle routes and footpaths for all people to use”*. Achieving this vision, will assist the Barnsley economy to grow and promote social inclusion whilst mitigating potential increases in congestion and air pollution, tackle poor health outcomes and inequalities and integrate with and complement other sustainable forms of public transport. By achieving this vision the Strategy will align with the BMBC and SCR Transport Strategies, the BMBC Health Strategy and the BMBC draft Local Plan.

3.4 Following adoption of this Strategy, work will begin on an Implementation Plan, which will set out specific interventions to help deliver the vision and outcomes of this Strategy. These interventions will align with the three actions in the Executive Summary on page 1. The Implementation Plan will cover a 5 year period and will be refreshed in 2024.

4. **Proposal and Justification**

4.1 Achieving our vision, leading to more people walking and cycling will contribute to the following outcomes:

- Improved health and reduced health inequalities by introducing active travel into everyday life;
- Increased economic growth and productivity leading to higher living standards;
- Reduced congestion on the highway network by providing better travel choices;
- Improved Air Quality;
- Safer active travel routes

4.2 These outcomes will be realised by delivering the following actions:

Action 1 – Integrating Active Travel into the Planning Process;

Action 2 – Maintaining and Expanding our Active Travel Routes;

Action 3 – Supporting Active Travel in the Community.

4.3 The economic potential stems both from the direct benefits of having more people walking and cycling and the wider indirect benefits to the economy and health services. Barnsley hosted the Criterium races in 2017 and 2018 and also a stage of the Tour de Yorkshire in 2018. BMBC is also trying to boost Barnsley’s tourist and visitor attraction sectors. Attracting more people into the town centre and to these visitor attractions will boost footfall and associated spend to the benefit of businesses and create additional employment opportunities.

- 4.4 The indirect economic benefits stem from the boost to productivity and the tackling of social exclusion. The current transport system in Barnsley, although adequately serving our present needs does face a number of issues going forward. On many of our key routes, congestion levels are increasing. Not only does this impact on car users, it also impacts on the commercial viability of our bus network, with increased congestion leading to poor bus journey times, as well poor punctuality and reliability issues. Several bus services which used to serve various parts of the borough are no longer running due to the lack of commercial viability.
- 4.5 The economic aspirations in our draft Local Plan may be undermined, if employment opportunities appear, but people are not able to access those jobs due to lack of available transport, or if our roads becomes gridlocked, causing significant delays.
- 4.6 Active travel is part of a wholesale package, which includes sustainable transport to promote modal shift and provide a realistic alternative to the private motor car.
- 4.7 Poor health outcomes and health inequalities in Barnsley are also a key driver for promoting active travel. The chief medical officer of England advises that adults between the ages of 19 and 64 should be active daily and achieve up to 150 mins of moderate activity per week. However, in Barnsley in 2018, only 60.9% achieve this level. In addition, levels of obesity are a growing problem, which is also reflected in regional and national levels. In Barnsley, over 73% of adults, 18% of 4 to 5 year olds and 32% of 10-11 year olds are classed as overweight or obese. Children who are overweight or obese are also more likely to carry this on into adulthood, which potentially leads to poor health outcomes that are likely to increase the likelihood of Type 2 diabetes, dementia, cancer and heart disease. Tackling these health issues have direct and indirect financial costs arising from treatment for both Local Authorities and the National Health Service (NHS).
- 4.8 These health problems, although affecting the whole of the Barnsley borough, do tend to have a greater proportional impact on the poorest areas in Barnsley. Although average life expectancy in Barnsley at birth for men is 77.9 years, in Penistone East this is 82 years, while for men in Dearne North it is only 75.3 years. For women, the difference is even greater, with average life expectancy being 81.6 years, with Penistone East being 86.1 years and Wombwell being only 78.6 years.
- 4.9 Congestion is also a significant source of air pollution. Barnsley has six Air Quality Management Areas (AQMA's), which are defined as having air quality which falls below acceptable national standards. Associated health problems caused by poor air quality include chronic obstructive pulmonary disease (COPD), heart disease and lung cancer, which like the health impacts of obesity and sedentary lifestyles, tend to affect the most vulnerable in society, such as children, the elderly and those on low incomes.

Active Travel Study

- 4.10 In early 2018, the BMBC public health team commissioned Sustrans to undertake work on an Active Travel Study, the purpose of which was to provide an evidence base to feed into the Active Travel Strategy. As part of this Study, existing travel patterns in Barnsley were reviewed, surveys conducted which captured people's attitudes, motivations and barriers to active travel, conducted modelling, utilised the Propensity to Cycle Tool (PCT) which identified the area's most likely to benefit from improvements to active travel infrastructure and Route Concept Design along 11 routes to illustrate potential areas for investment.
- 4.11 What the surveys indicated, were that the main barriers to participating in active travel are associated with the high cost of cycling and the lack of access to a bicycle, closely followed by safety concerns and the lack of cycling infrastructure, as well as concerns regarding commuting time and distance. Other barriers relate to the weather and people's concerns about their levels of personal fitness and disabilities.
- 4.12 These barriers contribute to the current state of transport use in Barnsley at the present time. Survey data as presented in Figure 1, shows that 60% of respondents commute as a car driver to places of employment or study, whereas the figure for active travel is 36%. Those travelling via public transport account for 21%.
- 4.13 Figure 4 sets out the percentage of children actively travelling to school over the 10 years between 2008 and 2018. A comparison of this decade shows the proportion of primary school pupils walking to school has held steady over the last 10 years, at just under 60%. There has however been a steady decline in the numbers of secondary school pupils walking to school, which has fallen from 42.8% to just over 30%. Cycling levels for both primary and secondary school pupils have remained at low levels throughout the decade.
- 4.14 The Active Travel Study has indicated the potential for increasing numbers engaged in active travel if the right hard and soft interventions were implemented. Figure 2 shows that 41% of respondents travel less than 5 miles to work or employment, with that figure jumping to 68% of respondents travelling less than 10 miles. In addition, as shown in Figure 3, the journey time for 40% of respondents is less than 20 mins, while 80% of respondents have a commute of 40 mins for less. Although it may not be feasible for all these to be converted to active travel, these are the types of journey's, which are short and quick, which are most likely to achieve modal shift or incorporate active travel as part of the journey and combine this with other forms of sustainable transport.
- 4.15 To achieve our vision and encourage modal shift to active travel, this Active Travel Strategy will be delivered in partnership, with many of the proposed interventions to be presented in the Implementation Plan being delivered via external sources of funding. This will provide an opportunity to build upon and strengthen existing partnership working and deliver our economic and public health aspirations in partnership with the City Region.

5. **Consideration of Alternative Approaches**

5.1 This Strategy sets out BMBC's vision, key outcomes and actions for active travel in Barnsley which will complement both the BMBC and draft SCR Transport Strategies. Not adopting this Strategy will affect the level of buy-in and support BMBC can expect to help deliver its sustainable transport aspirations, which in turn could compromise the Borough's economic and public health aspirations.

5.2 Not adopting the Strategy will also make it difficult for BMBC to engage with the Active Travel Commissioner appointed by the SCR Mayor and integrate active travel into the wider sustainable transport network.

6. **Implications for Local People/Service Providers**

6.1 Good quality active travel links which complement our sustainable transport network are essential to the quality of life of Barnsley's citizens, with transport being vital to the economic growth and development of the borough. This Strategy will help to mitigate growing congestion and encourage Barnsley's population to become more active to promote and improve levels of public health.

7. **Financial Implications**

7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

7.2 Whilst there are no direct financial implications for the Authority from the adoption of the Strategy, there will clearly be a range of financial "asks" as the interventions to support the Strategy are developed. Further reports will therefore be submitted to Cabinet for consideration when these are more fully formed.

7.3 As indicated in the Strategy (chapter 7) opportunities for funding exist across a range of external sources (e.g. Sheffield City Region Growth Fund, SY Transport Plan) as well as from internal sources such as Public Health Grant. Officers will endeavour to ensure that these opportunities are effectively optimised as part of the intervention development process.

8. **Employee Implications**

8.1 There are no immediate employee implications associated with this report, however there will be some implications in terms of workload for Design/Transportation and Public Health staff within the Place and Public Health directorates once the Implementation Plan is adopted.

9. **Legal Implications**

9.1 None arising from this report.

10. **Customer and Digital Implications**

- 10.1 None directly arising from this report, however as part of the Implementation Plan the use of digital media and digital interventions may be explored and where appropriate implemented.

11. **Communications Implications**

- 11.1 The interventions used to deliver our outcomes and actions will require the support and assistance of corporate communications, who will assist and advise on promotion and marketing.

12. **Consultations**

- 12.1 Executive Director Place
Executive Director Public Health
DMT Place
DMT Public Health
SMT (Senior Management Team)
Sustrans
BMBC Highways DC
BMBC Public Health

13. **The Corporate Plan and the Council's Performance Management Framework**

- 13.1 This Strategy will help achieve the ambitions of the Corporate Plan by implementing a range of interventions designed to make the people of Barnsley more active, thereby contributing to a thriving and vibrant economy, helping people achieving their potential and building strong and resilient communities.

14. **Promoting Equality, Diversity and Social Inclusion**

- 14.1 This Strategy will support interventions that ensure good accessibility of development and promotes good active travel links.
- 14.2 This Strategy sets out a vision of ensuring that employment and leisure opportunities as well as essential facilities such as health, training and education are accessible via active travel and that these facilities can be used by all.
- 14.3 An Equality Impact Assessment (EIA) has been started so we can ensure the benefits of this strategy can be felt by all sections of the community. It has so far identified the need to better understand the specific barriers that some sections of the community face which might limit their active travel choices, for example disabled people, older people, young people and those on low

incomes. It proposes we consider what data we have on these barriers already and consult with these groups so we can identify the best solutions to enable and encourage them to make active travel choices. The EIA will continue to be updated as the strategy is implemented.

15. **Tackling the Impact of Poverty**

- 15.1 An underlying cause of poverty can be the inability to access employment opportunities wherever they may arise. This can be due to the lack of a car, or the lack of public transport provision. Boosting active travel will provide additional avenues to access employment. Indirect benefits to the economy from mitigating congestion and boosting the productivity of the Barnsley economy will help boost incomes and reduce poverty.

16. **Tackling Health Inequalities**

- 16.1 This Strategy is fully aligned with the BMBC/SCR Transport Strategies and BMBC Public Health Strategy. Achieving the main outcomes as set out in this document and implementing active travel interventions will boost the health of the Barnsley population and reduce health inequalities.

17. **Reduction of Crime and Disorder**

- 17.1 One of our outcomes aims to improve the safety of active travel routes. Interventions to be set out in the Implementation Plan will help to achieve this and will lead to a reduction of crime and disorder.

18. **Risk Management Issues**

- 18.1 Failure to adopt this Strategy could result in stakeholders failing to understand Barnsley's ambitious development plans and the active travel interventions needed to underpin them as part of the wider sustainable transport package. This would reduce the level of stakeholder buy-in, which could compromise the necessary partnership working required to deliver these interventions.
- 18.2 Reduced levels of stakeholder understanding and buy-in in the BMBC Active Travel Strategy could compromise the success of funding bids necessary to deliver improvements to the active travel offer in Barnsley.
- 18.3 The Implementation Plan when developed, will include a brief risk register detailing the main threats to the successful implementation of the Plan and the wider Strategy.

19. **Health, Safety and Emergency Resilience Issues**

- 19.1 None associated with this report.

20. **Compatibility With the European Convention on Human Rights**

20.1 None associated with this report.

21. **Conservation of Biodiversity**

21.1 None associated with this report.

22. **GLOSSARY**

23. **LIST OF APPENDICES**

23.1 Appendix 1 – The Barnsley Active Travel Strategy 2019-2033

24 **Background Papers**

Sustrans Barnsley Active Travel Study 2018

Barnsley draft Local Plan 2014 – 2033

Barnsley Transport Strategy 2014-2033

Sheffield City Region draft Transport Strategy 2018-2040

Housing Strategy 2014 – 2033

Jobs and Business Plan

Barnsley Public Health Strategy – 2018-2021

Office Contact: Mark Anderson Telephone No: 01226 772214 17th Jan 2019

Financial Implications/Consultations ...
.....07.12.18.....



..... Date :

Consultations on the financial implications have taken place with representatives of the Executive Director of Finance.



Barnsley Active Travel Strategy

2019-2033

Index

Executive Summary

Chapter 1 – Introduction.....Page 4

Chapter 2 – Why Active Travel.....Page 6

Chapter 3 – Barriers to Active Travel.....Page 9

Chapter 4 – Policy Context.....Page 11

Chapter 5 – Current Position of Transport Use in Barnsley.....Page 14

Chapter 6 – Outcomes and Actions.....Page 17

Chapter 7 – Funding and Stakeholders.....Page 18

Annex

Executive Summary

“Creating a borough where active travel is a preferred choice, supported by a connected network of high quality, safe and inviting cycle routes and footpaths for all people to use”

It is recognised there are many reasons why people engage in active travel. It could be as a means of day to day transport, improves health, is a sport and leisure activity, or could be part of someone’s job.

Delivering this vision will lead to more people walking and cycling and contribute to the following outcomes:

- **Improved health and reduced health inequalities by introducing active travel into everyday life;**
- **Increased economic growth and productivity leading to higher living standards;**
- **Reduced congestion on the highway network by providing better travel choices;**
- **Improved Air Quality;**
- **Safer active travel routes.**

These outcomes will be realised by delivering the following actions:

- **Action 1:** Integrate Active Travel into the Planning Process;
- **Action 2:** Maintain and Expand our Active Travel Routes;
- **Action 3:** Support Active Travel in the Community.

Increasing active travel for utility and leisure trips will help Barnsley tackle some of its key social and public health issues:-

- Barnsley is one of the most deprived health authorities in the country;
- Nearly a third of its area is within the top 10% of the health deprivation rankings;
- Many areas are in the top 10% of the employment deprivation ranking.

In addition, air pollution is today a leading public health issue in the UK affecting children, people with lung conditions and the elderly hardest. Certain areas of Barnsley are designated as Air Quality Management Areas (AQMA’s), with traffic congestion being a key

contributor. AQMA's are locations where statutory air quality objectives are not likely to be achieved. Currently across the Barnsley borough there are six AQMA's, with most of these located within the Urban Barnsley area, and another at Langsett.

Sustrans Active Travel Study

In 2018, BMBC Public Health commissioned Sustrans to develop an *Active Travel Study* to provide an evidence base to feed directly into this *Strategy*. This consisted of survey data, route analysis, mapping and provision of an analysis as of the current levels of active travel in Barnsley today. It also provides a very thorough understanding as to the main barriers we face in increasing participation.

A snap shot of this evidence indicates the following:

- Nearly a third of commuters live within a 5km radius of Barnsley town centre;
- The area where most people live is also the same as where most people work;
- 60% use a car to commute although quite a few will combine this with other modes of transport such as walking;
- 61% of people travelling solely by car to work have a return journey distance of up to 10 miles.

In addition, the *Study* highlighted that cycling in Barnsley is increasing at workplaces where interventions have been made to improve trip end facilities and where incentives to encourage cycling have been offered. It also shows that cycling levels on the Trans Pennine Trail (TPT) are highest where good traffic-free cycling infrastructure is provided for journeys that people want to make for work or leisure.

In addition to providing the underpinning evidence base, the *Active Travel Study* has also set out a number of key recommendations which will assist with the development of our *Active Travel Implementation Plan*.

Active Travel Implementation Plan

The *Active Travel Implementation Plan*, which will be developed after the adoption of this *Strategy*, will establish a rolling programme of interventions which will help to deliver our actions, and which will align with our stated outcomes. These interventions will be delivered between 2019 and 2024 and consist of hard and soft measures financed by internal and external sources. In 2024 the *Implementation Plan* will be refreshed with a new set of interventions proposed covering the period up to 2029.

This rolling programme will be set out and agreed via the Active Travel Group and Sustainable Travel in Barnsley board (STIB).

Targets

We have set the following targets to help us achieve our outcomes:

- The numbers travelling to work/study via active travel to increase to over 50% by 2033. (currently 36% - *Active Travel Study 2018*);
- Increase the proportion of primary school pupils traveling to school by active travel to 85% (currently 59%) and secondary school pupils to 65% (currently 31%) by 2033.
- All primary school pupils to received Bikeability Level 2 training by 2033.

1. Introduction

Active Travel involves making journeys by physically active means. Barnsley Metropolitan Borough Council's (BMBC) *Active Travel Strategy* aims to make active travel an attractive and realistic choice for short journeys to enable and encourage people to walk and cycle as part of their daily lives. By developing and promoting accessible, safe and well-planned active travel opportunities, this *Strategy* will help to establish Barnsley as a pioneering borough for active travel.

Aligned to the BMBC *Corporate Plan*, it seeks to:

- Create a thriving and vibrant economy;
- Enable people to achieve their potential;
- Build strong and resilient communities.

It also aligns with the principles of the *BMBC Public Health Strategy* which aims to achieve four health outcomes:

- Our residents will start life and stay healthy;
- Our residents will live longer healthier lives;
- We will narrow the gap in life expectancy and health between the most and least healthy;
- We will protect our communities from harm, major incidents and other preventable health threats.

This *Strategy* will also align with and help feed into the active travel aspirations of the Mayor of the Sheffield City Region (SCR), who announced in July 2018 the vision of “getting more people walking, running or cycling on short journeys”. The Mayor has taken inspiration from the *Beelines* project in Greater Manchester and has commissioned the Sheffield Hallam University's Advanced Wellness Research Centre (AWRC), to look at the best examples of active travel plans from around the world.

Success will be judged by implementing those interventions deemed the most cost-effective, increasing investment and ultimately increasing the distance people in Barnsley travel by active means whilst contributing to the delivery of wider economic, environmental, social and health outcomes.

Success will be achieved by:

- Establishing the case for Active Travel and linking this to wider aspirations such as promoting sustainable economic growth and reducing congestion and carbon emissions;
- Getting buy-in and support within BMBC, its partners and the wider community;
- Identifying potential actions and prioritising these in terms of importance, effectiveness, affordability and deliverability;
- Setting out how we will deliver these actions in terms of timescale and resources;
- Highlighting and obtaining the required resources to deliver our plans, including developer contributions through the planning process.

Progress to Date

The promotion of active travel will continue to build upon work already undertaken by BMBC. To give a flavour of progress to date, a number of achievements have been achieved, including:

- Creation of the Barnsley Cycle Hub funded through the South Yorkshire Access Fund;
- Development and expansion of Community Active Travel Hubs working with Area Councils;
- Ongoing development of Walk Well programme;
- Recruitment of a Bike-It officer funding;
- Bikeability training in Schools;
- Accessibility mapping tool created;
- Hosting of the Criterium Cycle Race 2017 and 2018;
- Hosted start of a stage of 2018 Tour de Yorkshire and will also host a start in 2019;
- Development of a Sustainable Travel Supplementary Planning Document (SPD);
- Ongoing development of a pipeline of walking and cycle routes;
- Attendance at the South Yorkshire Cycling and Active Travel Group (SYCAT);
- Nomination of a Council member as the Barnsley Active Travel Champion.

2. Why Active Travel

Supporting Inclusive Economic Growth

BMBC is planning for substantial economic growth which will see a vast expansion of jobs and housing to benefit our economy and raise Barnsley's economic importance within the SCR to allow it to reap the full benefits of the Northern Powerhouse. Our Local Plan envisages just over 21,000 new homes and just short of 300 hectares of additional employment coming forward for development by 2033. Much of this employment growth will be located a J36 and J37 of the M1, locations which benefit from excellent links to the wider SCR and Yorkshire and Humber region and London. In addition, Barnsley town centre is also undergoing substantial redevelopment, with new retail, employment and entertainment facilities which will see the creation of a thriving night time economy. However, economic growth without productivity growth will not bring the expected improvements to living standards the public will expect. If our employment aspirations come forward but people are not able to access these opportunities or our roads become gridlocked, causing significant delays, then we will not reach our full economic potential.

One of the key drivers to maximising this economic potential therefore is via active travel, which will form part of a wholesale package of transport measures, including bus and rail, which will promote modal shift and provide a realistic alternative to the private motor car. We will work with our partners in the Barnsley Bus Partnership (BBP) to align the bus network to the demands of the future economy of Barnsley. For example, during 2017 and 2018, long distance services with limited stops have been successfully trialled and implemented to places such as Leeds and Meadowhall. Through the BBP, we will investigate other similar bus services where demand exists. The intention is that users will combine these longer journeys with active travel and put into action this wholesale package of transport measures.

The economic benefits of active travel are substantial and backed up with an ever expanding amount of literature (see Annex). These economic benefits are derived not only from productivity enhancements but also via indirect benefits from improvements to health. In addition, increasing evidence suggests increased levels of cycling mean less money needs to be spent on road construction, repair and maintenance costs. (i) (Cycling – The Way Ahead for Towns and Cities – European Commission).

As Barnsley is trying to build up its leisure and visitor attraction sector it's interesting to note that nationally, cycle tourists spend on average around 9% more per head per trip, or around £81 per head per trip than non-cycling tourists. (ii) (*The Value of Cycling: Fiona Raje and Andrew Saffrey*). With over 50 miles of route in Barnsley the TPT is one of our key strategic assets. It crosses the entire Barnsley borough and connects to the wider TPT network crossing the north of England from coast to coast. Our ambition will be to get more of

Barnsley's residents using this network, and encouraging more people from outside the borough to visit Barnsley via the TPT.

It is recognised that BMBC may have to finance such schemes via external sources and therefore will have to sell the economic benefits to acquire funding to expand active travel infrastructure within the borough. The Department for Transport (DfT), values very highly any scheme which returns more than £4 for every £1 invested. The benefit-to-cost ratios (BCR) of cycling schemes are on average anywhere between £5: £1 to £19: £1 with some as high as £35.5: £1. (iii) (The Value of Cycling: Fiona Raje and Andrew Saffrey). In 2017, the Government announced the creation of the '*Transforming Cities Fund*' (TCF), which aims to improve productivity and spread prosperity through investment in public transport. In mid-2018 the DfT sought to identify potential areas for investment. BMBC proactively engaged with this process via the SCR and submitted two potential areas of interest. In addition, in early 2019, a further bid was submitted to create an active travel link along the A635 from Ardsley to Goldthorpe.

Supporting a Healthy Lifestyle

The benefits of active travel aren't just restricted to the economic realm but also bring extensive benefits to people's health, which as early as 1992 were acknowledged by the British Medical Association (BMA). (iv) (Cycling towards Health and Safety – British Medical Association). Since then it has become widely accepted that regular, moderate physical activity is very good for health (both mental and physical). Policies and strategies at a national level place increasing emphasis on this importance, particularly given the inadequate levels of physical activity and increasing prevalence of obesity evident amongst children and adults.

Use of motorised vehicles such as cars and motorbikes do not involve any significant physical exercise, which when combined with a generally sedentary lifestyle significantly increase risk of obesity and ill health. Cycling is classified as a higher intensity activity that benefits individual health as well as contributing to other public health goals such as reduced car travel and associated carbon emissions and it is far easier to incorporate exercise into day-to-day routines than to take time out to exercise through sport or other activities. Even public transport users benefit from the walk at either end of the journey.

The chief medical officer of England advises that adults 19 - 64 years of age should aim to be active daily and achieve up to 150 mins (2 1/2 hours) of moderate intense activity over the week. (v) (UK Physical Activity Guidelines – Department for Health and Social Care). The *Barnsley: Our Profile 2018* report states that 60.9% of over 19's currently achieve this level of physical activity in Barnsley compared with 64.6% in Yorkshire and Humber and 66% in England. Current physical activity guidelines for children (aged five to 18 years) are for moderate to vigorous intensity physical activity of at least 60 minutes and up to several hours every day,

and that 'vigorous intensity activities', including those that strengthen muscle and bone, should be incorporated at least three days a week.

Low Carbon Transport

The private motor car provides easy access to employment, education, retail, leisure and social facilities. Whilst this provides immense opportunities, there are significant costs and dis-benefits in terms of air pollution, congestion and noise which impact negatively on our economy and the health of the Barnsley population.

Air pollution is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, it particularly affects the most vulnerable in society such as, children, the elderly and those on low incomes, with victims tending to suffer from non-communicable conditions such as heart disease, stroke, lung cancer and chronic obstructive pulmonary disease (COPD).

Barnsley's air quality issues are typical of a borough consisting of urban and rural areas, and although 27% of residents (vi) (2011 Census), do not have access to a private motor vehicle, emissions from road transport are a major source of air pollution, and the underlying reason for declaration of our Air Quality Management Areas (AQMA). Although Barnsley's air quality issues are not as significant as other areas within the SCR, it is important to continue to protect and improve air quality standards.

In the long term the replacement of diesel and petrol vehicles with electric and hybrid models and the roll out of Electric Vehicle (EV) charge points will address some of these issues. However in the short term, many short journeys which are better suited to walking and cycling are still being made using private motor vehicles. Ensuring that these short journeys can be made via safe active travel routes as well as providing good access to public transport, will help us to meet our air quality targets and allow Barnsley to contribute to the UK's statutory commitments to mitigate climate change.

3. Barriers to Active Travel

As part of the Sustrans *Active Travel Study* an online survey was conducted to capture local people's attitudes, motivations and barriers to active travel. This was conducted as an open-ended question, and revealed the biggest barriers to be the cost of cycling and lack of access to a bicycle, closely followed by safety concerns and the lack of infrastructure. Other barriers raised were with regards to the weather and concerns regarding levels of personal fitness and disability. Also the time it takes to cover a set distance via cycling is not deemed competitive against the car.

Full information of this survey is provided in the Sustrans *Active Travel Study* in *Appendix C*.

What Works

People tend to walk more in places where there is a mix of residential and retail facilities and cycle more when there is dedicated cycling infrastructure which provides a separation from traffic. Town-centre streets that encourage safe cycling and pedestrian movements can provide economic benefits to local shops and restaurants. The '*Secure by Design*' scheme, promoted by South Yorkshire Police can be used to influence the design of active travel routes to encourage use.

Promotion of active travel should be delivered through multiple organisations including schools, workplaces, health bodies and BMBC, as well as via social media. As investment in public transport can also lead to increases in active travel, this will be promoted via the Barnsley Bus Partnership.

We will encourage and enable people to make active travel choices by:

- Mitigation of the impacts of major transport routes (road or rail) by considering speed reductions, using low-noise surfacing or barriers, providing good safe crossing facilities and providing safe, attractive alternative routes to avoid the need to walk alongside major highways;
- Safe, attractive and direct walking routes and pedestrian facilities to public transport,
- Provision of safe and attractive off-road cycling facilities where appropriate;
- Well-positioned and maintained facilities such as cycle stands;
- Positive messages and promotions, emphasising the health benefits of active travel which are known to be more effective than 'environmental' messages;

- Effective complementary interventions such as residential and workplace/school travel plans.
- Making active travel achievable for all sections of the community, including by ensuring active travel routes are accessible and inclusive for all.

Evidence indicates that if levels of active, sustainable travel are to increase, clearer political leadership and commitment is needed in terms of strategic resource allocation, fiscal interventions and innovative design that positively discriminate in favour of walking, cycling and use of public transport use over the car (vii) (Aldred. R. – Transportation Research – Part A – 2018)

4. Policy Context

This *Strategy* supports the ambitions of the Department for Transport's (DfT) *Cycling and Walking Investment Strategy (CWIS)* and contributes to the delivery of the *Barnsley Transport Strategy*, which in turn links to the spatial vision set out in the *Barnsley Local Plan* and the vision for the City Region as set out in the *SCR Transport Strategy 2018-2040*.

National Planning Policy Framework (NPPF)

The *NPPF* sets out the national planning policy for England. It provides a framework within which locally-prepared plans for housing and other development can be produced, with at its heart the principle of the presumption in favour of sustainable development. This *Strategy* will also align with the *National Planning Practice Guidance (NPPG)*.

Cycling and Walking Investment Strategy (CWIS)

This national *strategy* outlines the government's ambition to make cycling and walking a natural choice for shorter journeys, or as part of longer journeys by 2040 and sets out the aims/objectives and targets that the Government will work towards in the short term. It details the financial resources available and includes a number of indicators to judge performance. It also sets out the governance arrangements that will be put in place and outlines existing actions and those planned for the future.

At a local level CWIS is realised by the Local Cycling and Walking Infrastructure Plan (LCWIP) which uses a strategic approach to identifying cycling and walking improvements required at the local level. They enable a long-term approach to developing local active travel networks, ideally over a 10 year period.

Sheffield City Region Transport Strategy (SCR) – 2018- 2040

This regional *strategy* aims to promote a forward-looking City Region with integrated transport connections that supports economic growth and improves quality of life. To realise this vision the *Strategy* states the goals to be achieved, the policies to be adopted, and the conditional outcomes by which we will measure our success. The four goals of the SCR Transport Strategy include:

1. Support Inclusive Economic Growth;
2. Create health streets where people feel safe;
3. Improve the quality of our outdoors;
4. Promote, enable and adopt different technologies.

Specific transport policies include:

- Making our streets healthy places where people feel safe;
- Enhancing our multi-modal transport system to encourage sustainable travel choices and is embedded in the assessment of transport requirements for new development, particularly for active travel;
- Improving sustainable and inclusive access to our green and recreational spaces.

South Yorkshire Cycling Action Plan (SYCAP)

The *SYCAP* will deliver the SCR Strategic Economic Plan and outlines the benefits of cycling to the South Yorkshire economy, health and environment, whilst examining the potential for change, funding and value for money. Its vision sets out the region's strategy for cycling in order to achieve four high level objectives:

1. Realising the economic potential of cycling;
2. Improving health and reducing health inequalities by introducing cycling into everyday life;
3. Improving cyclists' safety and feeling of safety;
4. Providing leadership and partnership.

Barnsley Transport Strategy

The *Barnsley Transport Strategy* sets out the transport priorities for the local area up to 2033. It aligns to the SCR Transport Strategy and aim to work towards building a brighter future and a better Barnsley. The strategy's four key priorities are as follows:

1. Promote Economic Growth and Strategic Connections;
2. Promote Inclusion, Accessibility, and Better Quality of Life;
3. Promote High Quality Natural Environment, Local Air Quality and Climate Change;
4. Promote Safety, Security and Health.

Barnsley Local Plan

This is the development plan for the Barnsley borough. It considers the future use of all land within the borough, and establishes policies and proposals up to the year 2033. The Local Plan is used to consider planning applications and to coordinate investment decisions that affect the towns, villages and countryside of Barnsley. It provides policy in many areas, including Transport.

Barnsley Sustainable Travel Supplementary Planning Document (SPD)

This *SPD* for Sustainable Travel is designed to provide specific guidance to developers of what transport infrastructure is expected when development is proposed. It facilitates discussions through the pre-application process and provides guidance on S106 monies. It supports and expands on the transport policies listed in the Barnsley Local Plan.

Barnsley Public Health Strategy 2018-2021

The Barnsley *Public Health Strategy 2018-2021* demonstrates the commitment of BMBC to work with partners to improve the health of all people living in Barnsley. This *strategy* contributes to achieving BMBC's vision of, 'a brighter future and a better Barnsley' through four long term public health outcomes:

- ☑ Our residents will start life healthy and stay healthy;
- ☑ Our residents will live longer healthier lives;
- ☑ We will narrow the gap in life expectancy and health between the most and least healthy;
- ☑ We will protect our communities from harm, major incidents and other preventable health threats.

Barnsley Parking Strategy

BMBC are currently developing a parking strategy for the borough, which will outline how parking in Barnsley will be delivered and how parking areas will be managed. The potential to establish cycle parking facilities at parking areas will be explored in the *Implementation Plan* and in the *Sustainable Transport SPD*.

Barnsley Air Quality Action Plan (AQAP)

This *AQAP* has been produced as part of BMBC's statutory duties required by the Local Air Quality Management Framework. With a focus to improve air quality in Barnsley between 2016 and 2021 it contains a number of actions designed to improve air quality in our AQMA's and in the Borough as a whole.

Healthy Streets

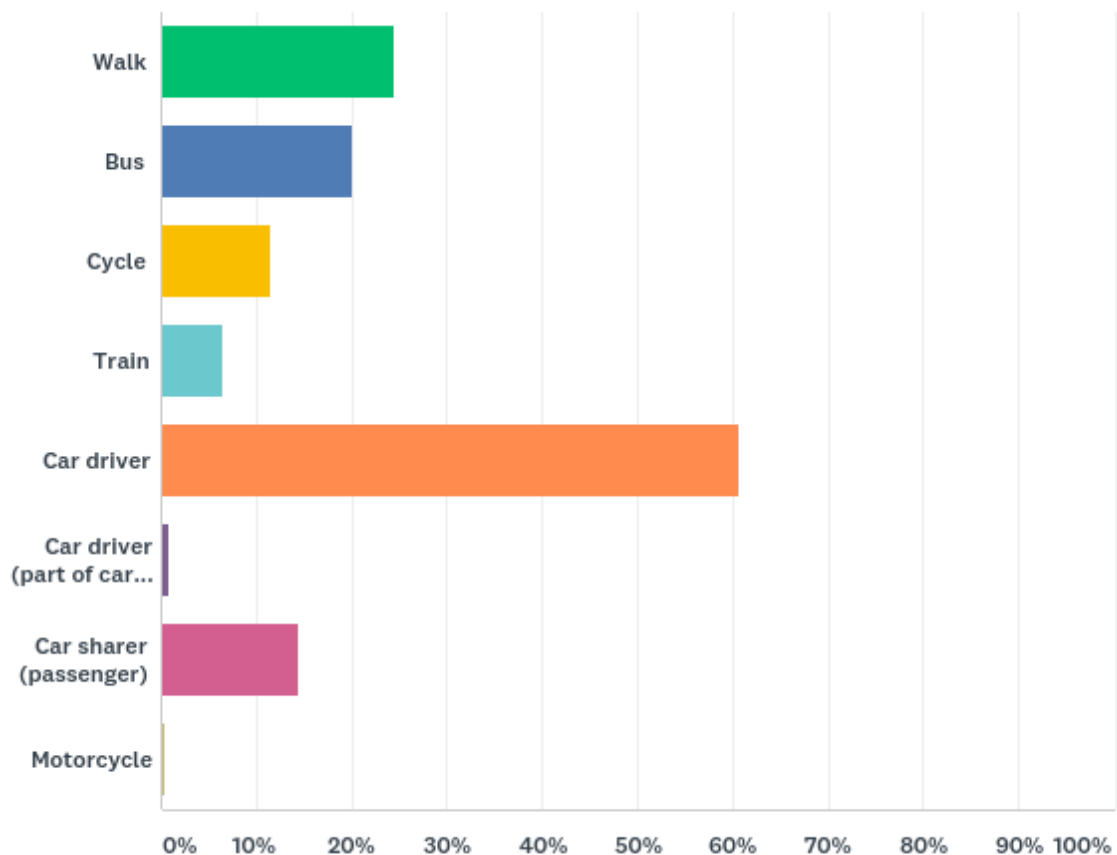
Healthy Streets is a concept developed in partnership between the Mayor of London and Transport for London (TfL). It is a system of policies and strategies designed to encourage people to travel more sustainably.

It aims to improve people's experiences of our streets, helping people to be more active and enjoy the health benefits of being on our streets.

5. Current Position of Transport Use in Barnsley

Figure 1

Travelling to Work and Study



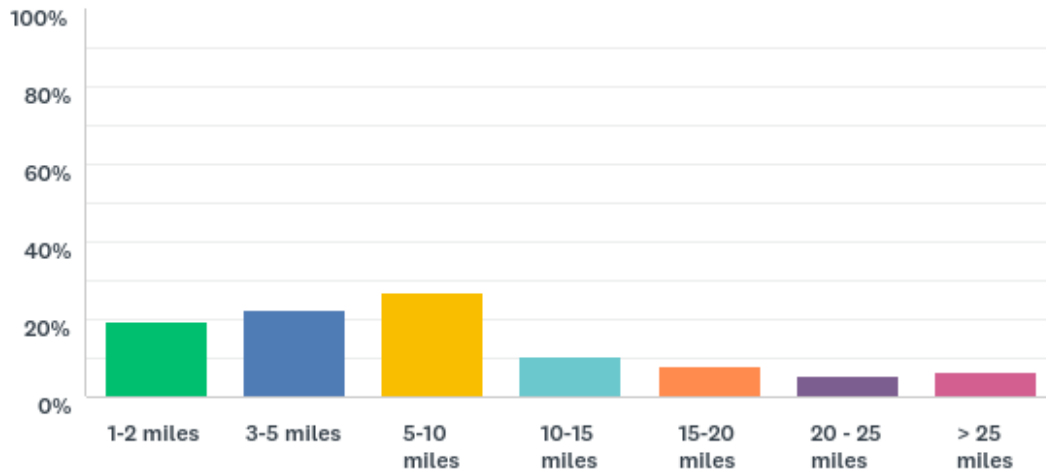
Active Travel Study 2018

Currently 60% of respondents use a car to commute, although many combine this with other modes of transport such as walking. Nearly 25% walk and 11% cycle, whilst 15% commute as a car passenger, with 20% commuting via bus and 6% by train.

Although a direct comparison with England and the Yorkshire and Humber Region is not possible, the 2011 Census states that for England, 36.9% of commuters travel to work via private motor car, and in Yorkshire and Humber the figure is 38.4%.

Figure 2

Average regular return journey commute distances in Barnsley

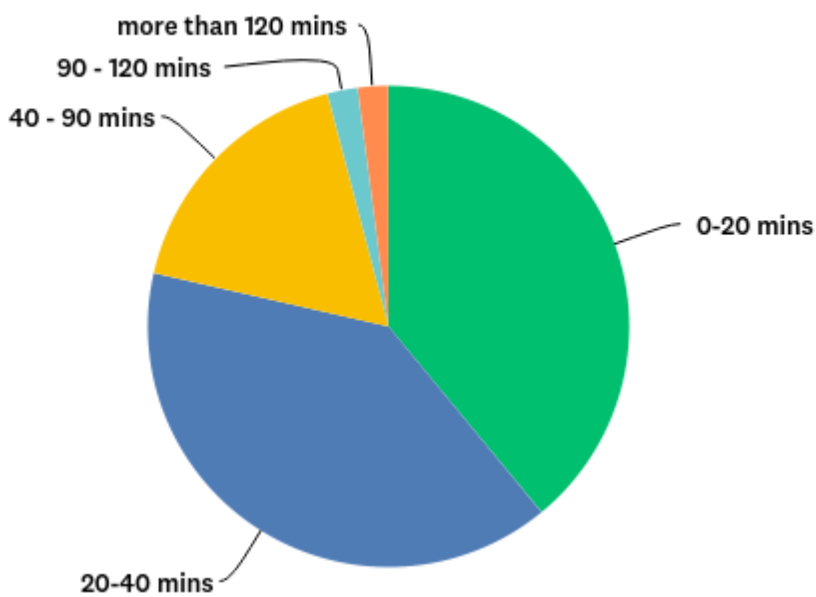


Active Travel Study 2018

- 41% make a regular return commute of less than 5 miles;
- 27% commute between 5-10 miles;
- 68% of regular return journeys are less than 10 miles.

Figure 3

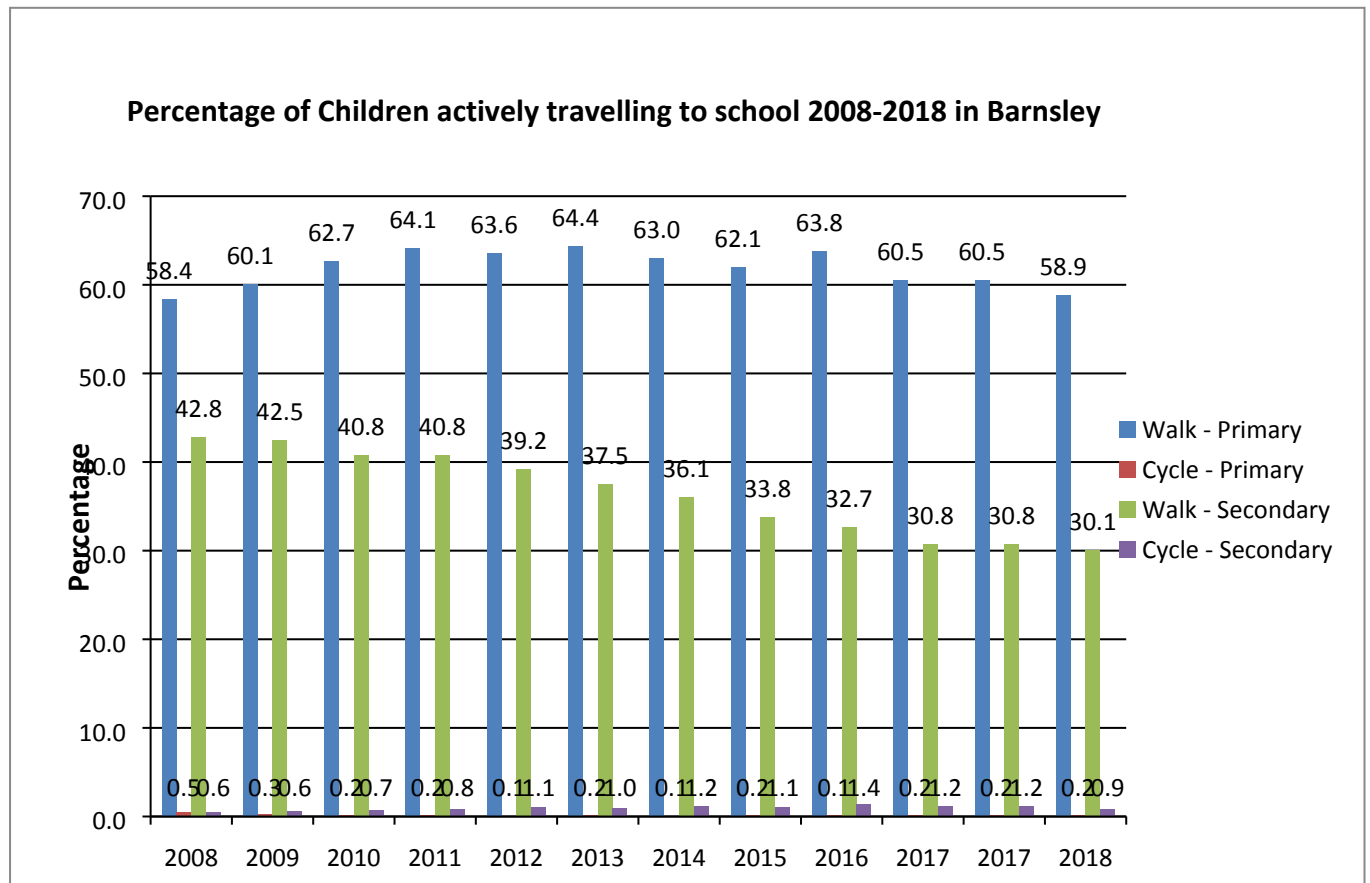
Average regular return journey commute times in Barnsley



The time used for regular return journeys is less than 20 minutes for 40% of people. The same percentage also takes double the time, averaging between 20 and 40 minutes.

Further information regarding travel patterns in Barnsley are to be found in the *Sustrans Active Travel Study*.

Figure 4



School Census Data

A comparison of 2008 with 2018 shows the proportion of primary school pupils walking to school has held steady over the last 10 years, at just under 60%. The main concern revolves around secondary school pupils with the numbers walking to school declining from 42.8% to just over 30%. Cycling levels for both primary and secondary school pupils have remained at low levels throughout the decade.

Public Rights of Way

At 450 miles (750 km), BMBC public rights of way (PROW), combined with the Trans Pennine Trail (TPT) manages one of the longest public rights of way networks in England, providing routes to retail, education, employment facilities, as well as leisure routes for gaining access to the countryside.

6. Outcomes and Actions

This *Strategy* will contribute to the following outcomes:

- Improved health and reduced health inequalities by introducing active travel into everyday life;
- Increased economic growth and productivity leading to higher living standards;
- Reduced congestion on the highway network by providing better travel choices;
- Improved Air Quality;
- Safer active travel routes.

These outcomes will be realised by delivering the following actions:

Delivering our Outcomes

Action 1: Integrate Active Travel into the Planning Process

This *Strategy* will ensure active travel is prioritised in future planning processes. In addition, it will encourage active travel to be better integrated with other types of transport, e.g. walking to the bus stop or cycling to the train station. This *Strategy* will link with the BMBC Sustainable Transport SPD to provide a commitment to encourage active travel.

Action 2: Provide and Maintain Active Travel Routes;

Barnsley needs purpose fit active travel routes that people want to use. Barnsley's existing walking and cycling routes have been developed over time as resources have allowed. They are not always continuous nor direct, and may not serve important areas of interest, which means that some people who would like to actively travel are unable to do so. It is important that these routes are well maintained and designed to be as inclusive as possible.

Action 3: Support Active Travel in the Community.

There is a need to encourage and promote active travel in our community. People need the skills, confidence, correct information and most importantly the motivation to make active travel a preferred choice. Initiatives to support this change include pedestrian and cycle training, road safety campaigns, projects to encourage active travel to schools and employment and promotion and advertisement of available routes.

Achieving these actions will be assisted by the undertaking the recommendations outlined in the *Sustrans Active Travel Study*.

7. Funding and Stakeholders

Funding

This *Strategy* will play a vital part in securing Government external funding to promote active travel and seek infrastructure improvements when new developments are built. The *Active Travel Study* identifies areas with the greatest potential for increases in commuter cycling, based on Census data/BMBC data via the Propensity to Cycle Tool (PCT). This tool will be used to help ensure our investment is effective and targeted, and help support funding bids.

SYCAP already indicates it aims to spend a minimum of £10 per head of population every year and make a step change in cycling. It also expects to raise a substantial local contribution from the following sources and match any funding made available through the Government's '*Cycling Delivery Plan*'.

Funding for investment will mainly come from the following sources:

- South Yorkshire Transport Plan;
- Sheffield City Region Growth Fund;
- Department for Transport;
- BMBC public health budgets;
- BMBC highway budgets;
- S106 contributions;
- European structural funding;
- Contributions from partners, for example universities and rail operators;
- Grants via third sector organisations, for example landfill tax and lottery awards.

Governance

Governance and management of this strategy will be provided by the Active Travel Group and STiB. The procedures for data collection, monitoring and evaluation to assess the success are briefly outlined below, but will also be determined in more detail by the Active Travel Group.

Communications

Publicity and Communications for the strategy will be conducted by BMBC Communications Team.

Monitoring and Review

Monitoring will play an important part in making sure the *Strategy* is a success and the following will be monitored:

- Walking: average trips undertaken and distance travelled per person per year, and mode share of trips;
- Cycling: average trips undertaken and distance travelled per person per year, and mode share of trips;
- Travel to work (main mode) mode share of walking and cycling;
- Travel to school mode share;
- Cycle ownership;
- Public satisfaction with provision for walking and cycling;
- The proportion of the population walking or cycling for at least 30 minutes per month;
- Usage and spend on the TPT.

Annex

Economic Growth and Active Travel

A **London School of Economics** study showed that the gross cycling contribution to the UK economy in 2010 was £2.9bn. This takes into account factors such as bicycle manufacturing, retail and cycle related employment. This equates to £230 per cyclist per year.

Research commissioned by **Cycling UK** found that if cycle use increased from less than 2% of all journeys (current levels) to 10% by 2025, and 25% by 2050 (as recommended by the Parliamentary Cycling Group's 'Get Britain Cycling' report), the cumulative benefits would be worth £248bn between 2015 and 2050 for England – yielding annual benefits in 2050 worth £42bn in today's money. This calculation even takes into account the fact that long term benefits are worth less than those achieved in the shorter term. These benefits are generated chiefly through a physically fitter population, but also in terms of reduced congestion and absenteeism, improved air quality and other areas.

In May 2018, the **Institute of Fiscal Studies (IfS)** released the report, *Securing the Future: Funding Health and Social care to the 2030s*, which detailed the significant demand and spending pressures the NHS is expected to face up to the 2030's due to an aging population, which if not tackled will lead to a significant decline in health and social care standards and outcomes unless significant tax rises are made of over £2000 per household in the UK.

Illness as an outcome of physical inactivity has been conservatively calculated to directly cost the NHS up to £1bn per annum. Indirect costs have been estimated as £8.2bn per annum. There are seven conditions which currently inflict the biggest cost pressure and which are all associated with physical inactivity. These include: Type 2 diabetes, dementia, cerebrovascular disease, breast cancer, colorectal cancer, depression, and ischaemic heart disease. Within 20 years, reductions in the prevalence of these conditions due to increased physical activity would lead to savings of roughly £17 billion (in 2010 prices) for the NHS, after adjustments for an increased risk of road traffic injuries. It is also predicted that the cost-savings to the NHS would rise sharply towards the end of the period and beyond the 20 year period because of the long lag between reductions in prevalence of some cancers and dementia.

The **World Health Organisation (WHO)** has attempted to quantify the economic impacts of cycling via developing a Health Economic Assessment Tool (HEAT). This produces an estimate of the health benefits of cycling in a local area. Evidence indicates it actually underestimates these benefits as it only considers reduced mortality and not reduced morbidity gained through regular physical activity. In addition, other monetary benefits such as reduced employee absenteeism are not included. Nevertheless, the tool provides a useful starting point for an economic assessment of the health benefits of cycling.

The DfT has adopted HEAT for cycling as part of its comprehensive online guidance on the appraisal of transport projects and wider advice on scoping and carrying out transport studies.

At a local level the **Glasgow Centre for Population Health (GCPH)** used the HEAT model in 2012 to analyse the economic benefits of cycling. Data used consisted of the 2001 census and cordon count data recorded from 2009 to 2012. Applying the HEAT model to the 2001 census alone yielded a mean annual benefit of nearly £1m, while assessments of cordon counts gave a cumulative benefit of over £14.5m. It should be remembered that the commercial benefits of increased cycling to the local economy were not included in this calculation.

Supporting a Healthy Lifestyle

Despite this guidance, levels of obesity and ill health are increasing. The **2016 Childhood Obesity Plan: A Plan for Action**, advised that nearly a third of children aged 2 to 15 are overweight or obese and that younger generations are becoming obese at earlier ages and staying obese for longer. In May 2018, the Local Government Association analysed Public Health England figures which showed 1 in 25 children are now severely obese. This is highly significant for the children of Barnsley which historically has high levels of obesity and striking health and life expectancy inequalities compared with other areas in England.

Air quality

A study by Bristol City Council on the subject of 'comparisons of air pollution exposures in active versus passive travel modes in European Cities' raised a key concern regarding the lack of awareness amongst the public and decision makers as to the potential high air pollution exposure levels for motor vehicle occupants. High pollutant exposure levels in urban areas, particularly under typical commute driving conditions, exposes vehicle occupants to health risks that are often significantly greater than that for those travelling by other modes, notably pedestrians and cycle users. There are false assumptions by motor vehicle occupants that air quality will be better inside a sealed vehicle than outside and that air conditioning may provide sufficient additional protection from poor air quality. This is not to negate concerns about air pollution exposure among other travel mode users but rather to highlight a lack of recognition as to serious health risks to motor vehicle occupants.

The annual health cost to society of the impacts of particulate matter alone in the UK is estimated to be around £16 billion and in 2015 8.39% of all deaths in the UK were due to poor air quality.

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

**REPORT OF THE
EXECUTIVE DIRECTOR OF PLACE
TO CABINET ON 6th FEBRUARY 2019**

European Social Fund Pathways Projects

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of the successful application for European Social Fund (ESF) grants to fund two employment support projects, "***Pathways to Success***" and "***Pathways to Progression***", which together, will deliver integrated employment support for people with complex and/or multiple barriers to work, including intensive support for Barnsley's most vulnerable workless residents.

2. RECOMMENDATIONS

- 2.1 **To agree to accept the ESF grants for the PATHWAYS TO SUCCESS and PATHWAYS TO PROGRESSION projects and contribute the required match funding.**
- 2.2 **To agree a sub-contract with the lead partner, Sheffield City Council and undertake the responsibilities of delivering the Barnsley activity detailed below...**
- 2.3 **To approve the minor restructure in order to ensure successful delivery of both projects.**

3. INTRODUCTION

- 3.1 Barnsley Council's first two priorities in the Corporate Business Plan are:
- to create more and better jobs and good business growth
 - to increase skills to get more people working.

Success in these two areas also contributes towards reducing demand through access to early help and helping people to become healthier, happier, independent and active. Having quality work increases wellbeing and reduces levels of poverty and deprivation.

- 3.2 In recent years the council has seen significant progress; unemployment has decreased significantly from its historic high and, although higher than national and regional levels, the out of work claimants were 3.4% in November 2018. Adult skill levels are improving at all levels; GCSE and A level attainment has been steadily improving. The number of 16 – 18 year olds not in education, employment or training (NEETS) fell to 4.5% in June, which puts Barnsley in line with the region and well below the England average of 6.6%. The employment rate for the

council's care leavers is above the national average and the percentage of adults with a lifelong learning difficulty or disability has recently improved.

- 3.3 However, there are still significant challenges to address. Barnsley still has significant higher levels of economic inactivity, There are over 18000 adults who are inactive in the labour market, 15,800 of whom would like to work and the percentage of workless households is 3.8% higher than Great Britain's average In addition the borough has areas where worklessness, high benefit dependence is entrenched and NEET young people are concentrated. Despite significant progress in skill levels, the adult population remains less skilled than regional and national counterparts.
- 3.4 Barnsley's response to these challenges is the "*More and Better Jobs Plan*" which aims to achieve the following success measures by 2020.
- 1) There is stronger ambition across businesses, organisations and people of all ages.
 - 2) All schools and colleges have excellent business engagement and employability activity; (Getting Ready for Work).
 - 3) The proportion of people claiming out of work benefits is reduced by a third (from 13% to 9%) and the gap to national average reduced; (Getting into Work).
 - 4) Workforce skills, progression and earnings are increased, with the gaps to national average on NVQ Level 3+ and NVQ Level 4+ qualifications reduced by a third. (Getting on in Work).
- 3.5 Employment and Skills supports the corporate objectives of a "Thriving Economy" and "Helping People Achieve Their Potential" by delivery of the Employment and Skills Plan "***More and Better Jobs***". The key outcomes are:-
- Increase skills and get more people working through the delivery of the More & Better Jobs Strategy and Young People's Skills and Enterprise Strategy.
 - Reducing demand through access to early help through developing employment support for vulnerable groups.
 - People are healthier, happier, independent and active by working with employers to support employee health & wellbeing.
- 3.6 ***The More and Better Jobs Plan*** is supported by ***The More and Better Jobs Taskforce***, which has a balanced representation of businesses, council services, educational bodies and the third sector. The Taskforce identifies where they can work together to make a positive impact, champions the work and co-ordinates activity. It has identified and promoted 10 Work readiness competencies and an Employer Promise which aims to increase employability and access to employment opportunity for both young people and adults.
- 3.7 A particular focus for the authority is to support those individuals who are most vulnerable. This is reflected in the work of the Taskforce and the work of the Local Integration Board (LIB). The LIB will take an overarching monitoring and co-ordination role for employment support projects, promotes collaborative working between local providers to maximise the impact of employment support and creates

an integrated support framework so that participants get the support they need, when they need it.

- 3.8 To support these objectives, officers have developed a suite of funding bids for European Social Fund grant funding. The proposals complement and build on current BMBC and wider city region initiatives to provide a whole strategy focused on:-

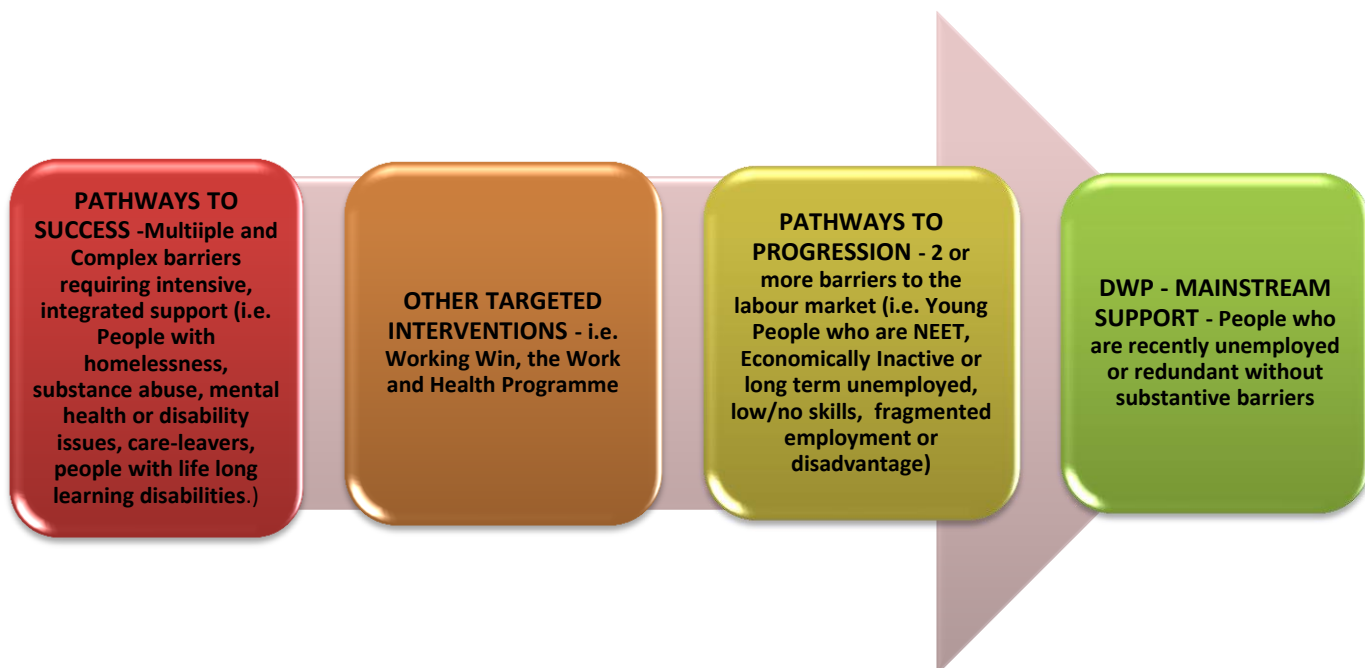
- Getting Ready for Work
- Getting Into Work
- Getting On and Staying in Work

- 3.9 Sheffield City Council are the lead applicant for both these ESF projects and submitted the bid on behalf of all project partners. Activities, outputs, results, grant and match funding are all allocated on the basis of the size of the population of eligible participants. Sheffield City Council are responsible for signing the ESF grant contract with DWP sub-contract project partners, ensuring that ESF compliance requirements are shared across the partnership.

4. Proposals

- 4.1 In September 2017 the Department of Work and Pensions published an ESF call for proposals “to run a project to support unemployed individuals at high risk of long-term unemployment across the Sheffield City Region”. Sheffield City Council have led an application for ESF funding called PATHWAYS TO SUCCESS on behalf of the 4 South Yorkshire local authorities for a three year project to deliver integrated employment support to unemployed and economically inactive individuals.
- 4.2 PATHWAYS TO SUCCESS supports people furthest from the labour market with complex, multiple barriers requiring intensive and integrated support to enable them to progress in the labour market.
- 4.3 The ESF call for proposals for support for young people who are NEET or at risk of being NEET and for economically inactive adults was published in April. Sheffield City Council has successfully submitted a proposal called PATHWAYS TO PROGRESSION with Rotherham and Barnsley Councils as partners. This is a three year project which will support young people and adults who have barriers to the labour market, but which are not as difficult and complex as the target groups in PATHWAYS TO SUCCESS. Therefore the cohort is closer to the labour market in PATHWAYS TO PROGRESSION.
- 4.4 The two ESF funded projects provide additional investment to provide the level of employment support that meets high local needs. They also enable the authority to support internal services, such as Young People’s Targeted Information Advice and Guidance (TIAG), Adult Skills and Community Learning (ASCL), Employment and Volunteering and Healthier Communities. Figure 1 illustrates how the projects complement each other and fit within the employment support landscape.

Figure 1 – The customer journey



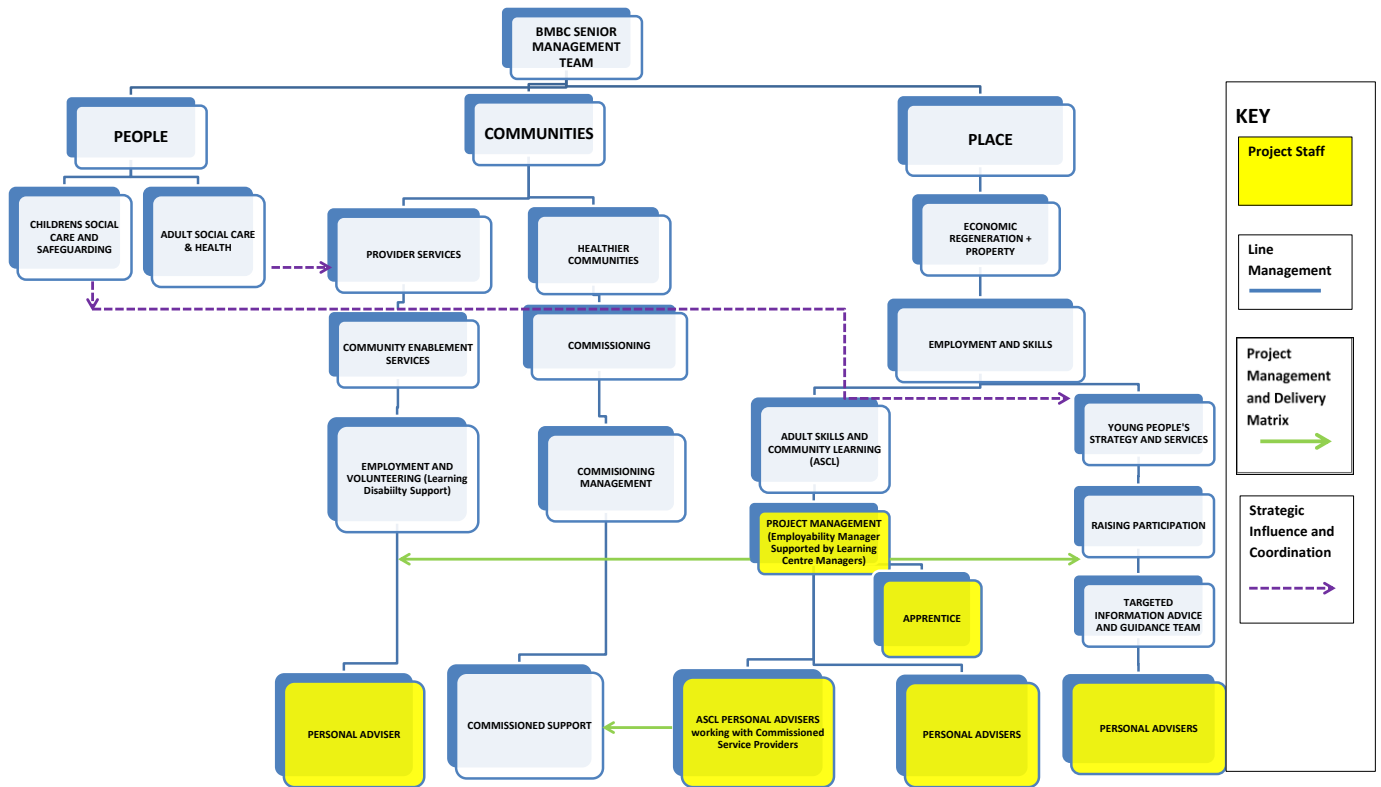
4.5 Building on and supporting the work of the More and Better Jobs Taskforce and the LIB, the two projects will focus on vulnerable individuals who have multiple and complex barriers to the labour market, including key target groups for the council and Jobcentre Plus

- 19 – 21 year old care leavers
- Adults with LLDD
- People with “multiple needs” which encompass mental health (It is anticipated that adults presenting with multiple needs are likely to have a secondary mental health condition)
 - Homelessness and unstable accommodation
 - Substance abuse
 - Domestic violence
 - ASB and ex-offenders
- Local JCP need to address additional groups who although small in number, require an integrated support package to prevent them becoming long term unemployed. These include:-
 - Ex-offenders
 - People on the autism spectrum
 - Refugees and people with ESOL needs
- People with a history of insecure and fragmented employment
- People with Lifelong Learning Difficulties and Disabilities

4.6 In Barnsley we aim to strengthen and build on work across the council to support our most vulnerable service users to employment and will enable us to retain and build the capacity to support individuals to enter and retain employment in support of our **More and Better Jobs Plan**. Our local plans aims to strengthen cross service working and maximize our current investments, as demonstrated in the organogram below, where the ESF posts are highlighted in yellow.-

Figure 2 – Project Staff and Cross Departmental Working

Barnsley Metropolitan Borough Council - Organogram – Pathways to Success



- 4.7 PATHWAYS TO SUCCESS will enable the authority to retain and deploy additional staff to work as personal advisers or keyworkers in key support services, Adult Skills and Community Learning (ASCL), Targeted Information Advice and Guidance (TIAG), who will support care-leavers, Employment and Volunteering who will support people with learning disabilities and difficulties and neurodiversity and to embed a Personal Adviser to work with our commissioned providers in Healthier Communities.
- 4.8 PATHWAYS TO PROGRESSION is based with ASCL and TIAG but includes outreach within local communities. It comprises two strands are targeted at a wider range of young people and adults who have barriers, but are closer to the labour market. With Pathways to Success this provides a continuum of appropriate support.
- 4.9 The projects will offer in-depth personal assessment of individuals' needs, barriers, strengths and personal goals will enable the development of an individual pathway or plan to support participants' progress towards or into education, employment or training. Throughout the project, support will be provided by a specific key worker, who will provide one to one support and advice.

Figure 3 - Examples of activities/actions offered

Actions/Activities
• Basic / foundation skills training
• Skills for confidence in maths & English
• ESOL and literacy training
• Vocational and certificated skills training (i.e. CSCS, basic food hygiene, FLT if meeting certain requirements etc.)
• Traineeship / apprenticeship preparation
• Job matching
• Work experience placements*
• Job-search and interview skills
• Employer encounters <ul style="list-style-type: none"> • mock interviews • work trials • career mentoring (buddying)
• Training / skills tasters *- i.e. Construction Village, BMBC placements (where possible)
• Labour market information.
• Referral to, and support in, mainstream and specialist support services i.e. Recovery Steps, Human Kind, MHT/IAPT
• Motivational support / training – GOALS
• 1:1 Individual Advice and Guidance
• Voluntary work
• Flexible support fund – payments made dependant on individual case basis

5. CONSIDERATION OF ALTERNATIVE APPROACHES

5.1 Do Nothing

5.1.1 Operating any ESF project includes complex claiming processes and includes risks of project non-compliance with grant claw-back. Projects therefore require dedicated resources, which could be argued can be better deployed elsewhere. In addition the distributed project model in Barnsley will require considerable collaboration and has the potential to take up resources in managing a disparate range of activities. It could also be argued that with the recent launches of the Work and Health Programme and the Health Led Employment Trial, there is no need for further support

5.1.2 The two new programmes are welcome additions to Barnsley, where the district has been without a substantial programme of additional support since the ending of the previous ESF programme, (Big Lottery’s ESF holistic support programme only has 40 places for Barnsley).

- 5.1.3 The capacity within the new Work and Health programme is much lower than DWP's previous mainstream programme, the "Work Programme". Barnsley has high levels of people who are economically inactive, a large majority of which have a high level need, or needs. With the introduction of Universal Credit this cohort is entering the work focused system in increasing numbers and with higher levels of multiple and complex problems than JSA claimants exhibited.
- 5.1.4 Doing nothing would deprive the borough of additional resources to support these groups, including additional resources we can utilise in our Adult Social Care and Healthier Communities to support vulnerable groups to succeed in employment and reduce ongoing service demands.

5.2 The Preferred Option

- 5.2.1 The option outlined in section 4 provides additional resource and safeguards capacity in the Targeted Information Advice and Guidance and Adult Skills and Community Learning services. The additional funds will provide resources to engage and progress young people who are NEET or at risk of being NEET and inactive adults.
- 5.2.2 Our statutory obligation is to support young people extends to care-leavers and young people with a learning disability until they are 25 and we have performance targets to support these groups to secure employment. Corporate Outcome 2 is to "Increase skills and get more people working". The authority relies upon external funding to strengthen its work in these areas.
- 5.2.3 Doing nothing would reduce the council's ability to pursue its statutory obligation and corporate outcome. Potentially capacity would need to be reduced in the Adult and Community Learning and Employment and Volunteering teams as previous sources of external funding are ending. Neither would there be additional capacity to strengthen employability support in Healthier Communities' commissioned services.

5.3 Delivery through a Different Model

- 5.3.1 The project models have been developed, building on the best practice of good assessment and strength based approaches using skilled keyworkers to provide consistency and to integrate the right support at the right time to meet the clients' needs. The aim was to streamline the client journey and integrate mainstream support within the client journey and ensure accessibility for vulnerable groups.
- 5.3.2 This requires that support is embedded within mainstream provision and community outreach and one option considered was to sub-contract elements throughout the provider supply chain. Ultimately this option was ruled out due to its complexity and levels of project risk. The current models create a strongly co-ordinated core where the council has relevant expertise and embedding and co-locating keyworkers across a range of provision. This enables the projects to engage with target participants easily, to develop comprehensive and integrated support packages.

- 5.3.3 The proposed model maximizes the ability to integrate support and delivery seamless customer journeys with the flexibility to buy in ad hoc additional goods and services as required for the individual participant to progress.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The two Pathways Projects will support the employability of young people and adults who experience barriers to labour market participation. They will increase the ability for people experiencing disadvantage or out of work poverty to progress in the labour market, access and sustain employment.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 PATHWAYS TO SUCCESS will cost £1,332,258 over the period 2018/19 to 2021/22. The council will be able to draw down £739,470 in ESF Grant (55.50%) and must provide £592,788 in match funding. The match funding will come mainly from existing staffing budgets (£506,772) with a further £76,016 being met from existing operational overhead budgets and £10,000 cash contribution from Healthier Communities.
- 7.3 PATHWAYS TO PROGRESSION will cost £1,073,448 over the period 2018/19 to 2021/22. The council will be able to draw down £590,211 in ESF Grant (55%) and must provide £483,237 in match funding. The match funding will come mainly from existing staffing budgets £413,203 with a further £70,034 being met from existing operational overhead budgets.
- 7.4. If the council chooses to terminate the funding agreement within the contract period it could do so without any clawback of previously paid grant, although, it would suffer reputational damage from this course of action.
- 7.5 The financial implications are summarized in the attached Appendices A, Pathways to Success and Pathways to Progression.

8. EMPLOYEE IMPLICATIONS

- 8.1 The project will safeguard some employees who would otherwise be at risk and require additional recruitment. A full breakdown of new grant funded posts is at Appendix B.

9. COMMUNICATIONS IMPLICATIONS

- 9.1 The project will require local communications and these will use our existing outlets for TIAG and ASCL, both of which have their own social media sites and the council's corporate communications. Sheffield City Council will support marketing and communications by designing and developing branding guidelines and through central procurement of project wide marketing.

10 LEGAL IMPLICATIONS

- 10.1 In order to participate in the project and receive the grant, Barnsley Council will need to sign sub-contracts, with the lead partner, Sheffield City Council (SCC). SCC contracts with DWP on behalf of all partners and is responsible for project compliance and submission of eligible claims. Sub-contracts ensure that project partners are responsible for conforming to the ESF regulations and the project delivery as detailed for their area in the project application. SCC will base its sub-contracts on DWP's ESF contract. A copy of a standard DWP ESF contract has been submitted to BMBC's legal team earlier.

11 CONSULTATIONS

- 11.1 Throughout the development period the following partnerships have been consulted:

- More and Better Jobs Taskforce
- Early Help Delivery - Adults
- Partners and Stakeholders attending Local Integration Board Workshops

In addition to Adult Skills and Community Learning and Targeted Information Advice and Guidance in Employment and Skills, consultation has also been carried out with:

- Healthier Communities in the Communities Directorate
- Employment and Volunteering in the People Directorate
- Finance, Human Resources, Equality and Inclusion and Legal in the Core Directorate.

12. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

- 12.1 The project supports Outcomes 1 and 2.

13. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 13.1 The project positively supports social inclusion by targeting those who are at risk of exclusion. Employment and Skills will be working with colleagues in the Equality and Inclusion and Area Council Teams to support consultation with local communities to continually improve services and ensure provision adapts to the needs of local and regional priority groups.

14. TACKLING THE IMPACT OF POVERTY

- 14.1 The project aim is to provide personalised and integrated employment support that enables participants to secure sustained employment. Although the prevalence of in work poverty is increasing, work remains the best route out of poverty and the ethos of personalisation requires that the projects work to secure appropriate employment rather than any employment.

15. TACKLING HEALTH INEQUALITIES

- 15.1 Employment has been shown to be good for health and to reduce health inequalities. PATHWAYS TO SUCCESS is particularly targeted at individuals with multiple barriers and many of these will have a health dimension. Integration of support from mainstream services and the employment support is core to the Pathways to Success model to promote delivery of the right support at the right time.

16. RISK MANAGEMENT ISSUES

- 16.1 The project has a full risk register which will be reviewed at quarterly meetings. In relation to the specific risk issues for the authority, the risk of grant claw-back is the greatest. A copy of this can be found in Appendices C Pathways to Success and Pathways to Progression.

17. GLOSSARY

- ESF – European Social Fund
- TIAG – Targeted Information Advice and Guidance
- ASCL – Adult Skills and Community Learning
- Pathways to Success – ESF project name for this proposal
- NEETS – Young people not in education, employment or training
- EET – Young people in education, employment or training.
- LIB – Local Integration Board

18. LIST OF APPENDICES

Appendices A:	Financial implications. Pathways to Success and Pathways to Progression
Appendix B:	Human Resource implications
Appendices C:	Risk Registers Pathways to Success and Pathways to Progression

19 BACKGROUND PAPERS

- Call Specifications
- Project Applications
- ESF Standard Contract Template
- More and Better Jobs Plan
- Local Integration Board Framework

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made.

APPENDIX A
Report of the Executive Director of Place

FINANCIAL IMPLICATIONS

European Social Fund Project - Pathways to Success

i) Capital Expenditure	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Total</u>	
	£	£	£		
Not applicable in this instance	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
To be financed from:					
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	

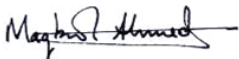
ii) Revenue Effects	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Later</u>	<u>Total</u>
	£	£	£	2021/22	£
Staffing	126,190	356,044	372,160	189,770	1,044,164
Indirect Costs	18,928	53,407	55,824	28,465	156,625
Participant Support	7,767	46,581	49,780	26,741	130,869
Mobile Phones	100	200	200	100	600
	152,985	456,232	477,964	245,077	1,332,258
To be financed from:					
ESF Grant	59,452	258,351	278,384	143,283	739,470
Match Funding - Existing Staff costs	75,536	169,172	173,548	88,516	506,772
Match Funding - Other Base Budget	17,997	28,709	26,032	13,277	86,016
					0
	152,985	456,232	477,964	245,077	1,332,258

There is no impact on the Medium Term Financial Strategy. Costs to be contained within the grant funding available.

Impact on Medium Term Financial Strategy

This report has no impact on the Authority's Medium Term Financial Strategy.

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	£m	£m	£m	£m
Current forecast budget gap	0.000	0.000	0.000	0.000
Requested approval	0.000	0.000	0.000	0.000
Revised forecast budget gap	0.000	0.000	0.000	0.000

Agreed by On behalf of the Service Director and Section 151 Officer - Finance

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APPENDIX A
Report of the Executive Director of Place

FINANCIAL IMPLICATIONS

European Social Fund Project - Pathways to Progression

i) <u>Capital Expenditure</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Total</u>
	£	£	£	
Not applicable in this instance	0	0	0	0
	0	0	0	0
	0	0	0	0
To be financed from:				
	0	0	0	0
	0	0	0	0
	0	0	0	0

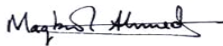
ii) <u>Revenue Effects</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Later</u>	<u>Total</u>
	£	£	£	2021/22	£
				£	
Staffing	103,398	251,955	256,981	131,053	743,388
Staff Travel & Expenses	779	2,172	2,232	1,165	6,348
Personalisation Tool Development	910	3,636	3,636	1,818	10,000
Flexible Engagement/ Transition / Enterprise / Employability	9,807	39,240	39,231	19,614	107,892
Indirect Costs	15,510	37,793	38,547	19,658	111,508
Participant Support	14,943	29,886	29,886	14,943	89,658
Goals Training	0	1,351	1,351	1,351	4,054
Mobile Phones	100	200	200	100	600
	145,447	366,234	372,065	189,703	1,073,448
To be financed from:					
ESF Grant	67,964	206,774	209,410	106,063	590,211
Match Funding - Existing Staff costs	66,845	136,355	139,081	70,921	413,203
Match Funding - Other Base Budget	10,637	23,105	23,574	12,719	70,034
					0
	145,447	366,234	372,065	189,703	1,073,448

There is no impact on the Medium Term Financial Strategy. Costs to be contained within the grant funding available.

Impact on Medium Term Financial Strategy

This report has no impact on the Authority's Medium Term Financial Strategy.

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	£m	£m	£m	£m
Current forecast budget gap	0.000	0.000	0.000	0.000
Requested approval	0.000	0.000	0.000	0.000
Revised forecast budget gap	0.000	0.000	0.000	0.000

Agreed to: On behalf of the Service Director and Section 151 Officer - Finance

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HR Implications – Pathways to Success

<i>Post Number (if new position write 'new position')</i>	Current Directorate and Service Area	Proposed Directorate and Service Area (if applicable)	Current Post Title	Current Grade	Current Hours	Current Reporting Line Manager	Deletion y/n	Proposed Post Title	Proposed Grade	Proposed Hours	Job Profile Number	Proposed Reporting Line Manager
<i>New</i>		<i>Place Economic Reg</i>					<i>N</i>	<i>Information Advice and Guidance Adviser</i>	<i>Grade 6</i>	<i>37</i>	<i>50663</i>	<i>Learning Centre Manager</i>
<i>New</i>		<i>Place Economic Reg</i>					<i>N</i>	<i>Information Advice and Guidance Adviser</i>	<i>Grade 6</i>	<i>37</i>	<i>50663</i>	<i>Learning Centre Manager</i>
<i>New</i>		<i>Place Economic Reg</i>					<i>N</i>	<i>Information Advice and Guidance Adviser</i>	<i>Grade 6</i>	<i>37</i>	<i>50663</i>	<i>Learning Centre Manager</i>
<i>New</i>		<i>Place Economic Reg</i>					<i>N</i>	<i>Corporate Apprentice</i>		<i>37</i>		<i>Employability Manager ASCL</i>

<i>Post Number (if new position write 'new position')</i>	Current Directorate and Service Area	Proposed Directorate and Service Area (if applicable)	Current Post Title	Current Grade	Current Hours	Current Reporting Line Manager	Deletion y/n	Proposed Post Title	Proposed Grade	Proposed Hours	Job Profile Number	Proposed Reporting Line Manager
<i>Safeguarded</i>	<i>Place Economic Reg</i>		<i>Information Advice and Guidance Adviser</i>	<i>Grade 6</i>	<i>37</i>	<i>Learning Centre Manager</i>	<i>N</i>				<i>50663</i>	
<i>Safeguarded</i>	<i>Place Economic Reg</i>		<i>Information Advice and Guidance Adviser</i>	<i>Grade 6</i>	<i>37</i>	<i>Learning Centre Manager</i>	<i>N</i>				<i>50663</i>	
<i>Safeguarded</i>	<i>Communities Day Opportunities/ Free to Go and Employment and Volunteering</i>		<i>Employment and Volunteering Coordinator</i>	<i>Grade 7</i>	<i>37</i>	<i>Locality Manager</i>	<i>N</i>				<i>50112325</i>	

<i>Post Number (if new position write 'new position')</i>	Current Directorate and Service Area	Proposed Directorate and Service Area (if applicable)	Current Post Title	Current Grade	Current Hours	Current Reporting Line Manager	Deletion y/n	Proposed Post Title	Proposed Grade	Proposed Hours	Job Profile Number	Proposed Reporting Line Manager
PATHWAYS TO PROGRESSION – New Posts TIAG Team												
<i>New</i>	<i>Targeted Information Advice and Guidance</i>	<i>Place Economic Reg</i>					<i>N</i>	<i>Information, Advice and Guidance Advisor</i>	<i>Grade 6</i>	<i>37</i>	<i>50663</i>	<i>TIAG Team Manager</i>
<i>New</i>	<i>Targeted Information Advice and Guidance</i>	<i>Place Economic Reg</i>					<i>N</i>	<i>Information, Advice and Guidance Advisor</i>	<i>Grade 6</i>	<i>24hr 25 min</i>	<i>50663</i>	<i>TIAG Team Manager</i>
PATHWAYS TO PROGRESSION – New /Safeguarded Posts ASCL Team												
<i>New</i>	<i>Adult Skills and Community Learning</i>	<i>Place Economic Reg</i>					<i>N</i>	<i>Information, Advice and Guidance Advisor</i>	<i>Grade 6</i>	<i>37</i>	<i>50663</i>	<i>Learning Centre Manager ASCL</i>
<i>Safeguarded</i>	<i>Adult Skills and Community Learning</i>	<i>Place Economic Reg</i>	<i>Information, Advice and Guidance Advisor 93763</i>	<i>Grade 6</i>	<i>37</i>	<i>Learning Centre Manager ASCL</i>	<i>N</i>					

Appendix C - Risk Register – Pathways to Success

as at 18/10/2018

Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Current Probability	Current Impact	Target Score	Target Probability	Target Impact	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
1	Failure to meet project outputs and results within acceptable variances	Unable to draw down full project funding, potential for grant clawback or termination of project	Project Manager	Quarterly monitoring and management boards to assess progress and put in place recovery measures if required	3	M	M	5	L	M	Project has started "at risk" using the match funding resources to address this risk. Will be unable to deploy grant resources until contracts agreed. Action to capture all activity has started. Certain risk factors such as contracting are outside BMBC control	RS		Jan-19	
2	Failure to meet financial profiles within 15% allowed variance	Unable to claim full grant allocated would lead to loss of resources potentially damaging the ability to deliver the full project	Project Manager	Quarterly claims process to monitor budgets, reports to management boards to escalate issues and put in place recovery measures if required	2	H	M	5	L	M	Major risk for grant underspend relates to recruitment delays. The project has been reprofiled to account for delay. Staff cannot be recruited until cabinet agreements and contracts in place. Action to prepare for recruitment and complete processes to ensure prompt start. Issue of contract outside of BMBC control	ED/ RS		Jan-19	
3	Failure to provide sufficiently robust audit trail for expenditure, participants, outputs and results	Clawback of grant and loss of financial resources to the authority. Damage to reputation could have a negative impact on the ability to successfully bid for future funding	Project Manager/ Project Management and Compliance Team	Pathways to Progression and Pathways to Success: - Ensure adherence to ESF regulations and DWP requirements. Establish and maintain compliant claims processes. Business Education Alliance: - As above and provide written guidance and training to project partners. Undertake spot check of systems	1	H	H	3	M	M	Train project staff in correct systems and process. Thorough checking of all claims. Seek guidance in the case of ambiguity and maintain accurate records of decisions via issues logs/project notes and meeting minutes	RS ED/LT		Jan-19	
4	Data Breach or theft of sensitive information	Loss of trust from participants, imposition of fine and reputational risk	Project Manager	GDPR Training of all staff. Password protection for databases, locked storage for hard copy data, provide clear GDPR compliant guidance to participants on use of data and ensure understanding and signed agreement	2	M	H	4	L	H	Establish the boundaries of sharing data with participants and record decisions made. Establish the data sharing agreements with referral partners and additional support providers	SCC/ RS / LT		Jan-19	
5	Delays in recruitment leading to lack of capacity to deliver the project / difficulty in attracting appropriate candidates	Project underperforms and employment support is lost to local population, project unable to maximise its potential grant. Risk to council's reputation	Project Board	Timely completion of required documentation to receive Cabinet approval. Project Managers ensure Job profiles, recruitment documentation is prepared in advanced to reduce delay.	2	H	M	5	L	M	Utilise networks to promote job opportunities and market through social media. Review previously unsuccessful applicants and advise of new opportunity. Consider use of press advertising	ED / RS		Jan-19	
6	Failure to contribute or accurately record match funding	Grant is reduced and some project activities may be unable to proceed	Project Manager / Project Management and Compliance Team	Quarterly monitoring of project claims and partners only receive grant based on the project intervention rate. Rapid escalation to the project board to identify and implement recovery measures.	2	M	H	5	L	L	Chief risk lays in part time staff timesheets, incorrectly coded expenditure and lack of evidence for appropriate defrayal of flexible budgets. Address with staff training, robust claims process and institute process to evidence need and defrayal of participant support budgets	RS / ED		Jan-19	
7	Brexit - Treasury reverses its funding guarantee in the event of exit from EU with no deal	Grant is lost. Staff redundancies would have to be made and capacity to support candidates would be lost. This would have a negative impact on the ability to secure future funding and on the trust of participants	Project Board	This would be outside of the control of the local authority and there are no control measures	4	L	H	5	L	M	The risk is outside of BMBC control, but impact can be mitigated by ensuring accurate and eligible claims are made promptly to reduce level of grant based expenditure at risk. In the event of the risk occurring, it should be escalated to senior managers and politicians to lobby government.	TS		Jan-19	

8	Redundancy/ HR risk post funding	Individuals recruited to new posts will be in fixed term contracts which will extend beyond 2 years. There is the potential for incurring redundancy costs	Project Manager	BMBC Redundancy scheme. Any redundancy would occur on the basis of the business requirement concluding. A further consequence is that specialist staff find alternative work and leave prior to the end of their contracts	4	H	L	6	VL	VL	Seek successor funding in good time to provide clarity and security for staff. If fixed term posts cannot be safeguarded through securing successor projects and funding, Effected staff should be encouraged to apply for vacant posts within the authority. Potential redundancy costs need to be planned for with budgetary outturn contained within the 15% flat rate contribution to establishment costs.	TS/ED RS/LT		Jan-19	
9	Individual wrongly selected for programme	Participants who are wrongly assessed and put on the project may experience stress which could have a negative impact on their recovery	Personal Advisers and referral bodies	Robust assessment process at the outset	5	L	M	6	VL	VL	Clarity of data sharing and ongoing co-ordination between project and support providers	Personal Advisers and referral bodies		Jan-19	
10	Service user unwilling to share personal data with scheme due to due to perceptions of negative impact on claim for benefit or extreme sensitivity of information	Project is unable to support individual who feels unable to give permission to share data required by the Funder. Personal Adviser unable to put in the right support at the right time for participant, provides inappropriate brokers to employment or inadequate in employment support	Personal Advisers and referral bodies	Clear information provided in consent statement and privacy statement which is signed by the participant.	3	M	M	5	L	L	Establishment of honesty and trust with participant and recognition of client's boundaries. Robust monitoring of participant progress	Personal Advisers and referral bodies		Jan-19	
11	Delays to the implementation of appropriate systems & procedures	New processes for collection of participant data are not yet available; participant information may not be fully captured. Staff lack confidence to engage participants or market service to external stakeholders	Project Manager	Utilise current paper based systems for Ambition	1	VH	H	6	VL	VL	Liaise with Sheffield City Council for delivery of new systems and project participant information required. Cross reference current paperwork with 2013/22 ESF regulations to ensure all information is fully captured.	ED		Jan-19	
12	Delays in marketing of project and engagement from referral bodies	Project slippage and underperformance in engaging participants leading to later pressure on achievement of contractual outputs and results	Project Manager	Create interim marketing information and publicise to external referral bodies	3	M	M	6	VL	VL	Promote via authority networks, more and better jobs, Local Integration Board	ED			

Risk Register – Pathways to Progression

as at 18/10/2018

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