

Liz Monk  
01495 742162

12 October 2010

Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held in The Council Chamber, Civic Centre, Pontypool NP4 6YB on **Tuesday 19 October 2010 at 10.30am** to consider the business set out in the attached agenda.

Please note, this meeting of the Cabinet will be run digitally – i.e. there will be no papers at the meeting (except for press and public copies).

Yours sincerely

**Liz Monk**  
**LEAD OFFICER, CABINET SUPPORT**

**On behalf of Alison Ward, Chief Executive**

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**EXECUTIVE MEMBERS**

Councillor Bob Wellington (Chair)  
Councillor Lewis Jones (Vice Chair)  
Councillor Mary Barnett  
Councillor Cynthia Beynon MBE  
Councillor Gwyneira Clark  
Councillor Richard Clark  
Councillor John Cunningham MBE KSG  
Councillor Brian Mawby  
Councillor Marlene Thomas

**ALSO INVITED TO ATTEND**

**Officers**

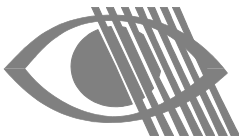
Peter Durkin, Deputy Chief Executive  
Liz Monk, Lead Officer Cabinet Support  
Alison Ward, Chief Executive  
Lynda Willis, Chief Legal Officer and Monitoring Officer  
  
Assistant Chief Executives  
All Chief Officers

## Additional requirements

Please do not hesitate to contact Democratic Services on the number or email address below if you wish to attend a meeting and you would like us to take into account any special requirements you may have.



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All Committee Rooms are accessible by wheelchair. Please contact us before the meeting and we can ensure that the room is arranged appropriately.



**Cyfieithiadau Cymraeg** Os hoffech dderbyn copi o'r agenda hwn neu unrhyw adroddiad arall yn Gymraeg, cysylltwch â ni ar y rhif ffôn neu'r cyfeiriad e-bost uchod.

**Welsh Translations** If you would like a copy of this agenda or a particular report in Welsh or any other Community Language, please contact us on the telephone number or email below.

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# CABINET

10.30am on Tuesday 19 October 2010  
The Council Chamber, Civic Centre, Pontypool NP4 6YB

## A G E N D A

	Page No	Sponsor
1. <b>Attendance</b> <i>Attendance register to be signed</i>	None	Leader
2. <b>Apologies for absence</b> <i>Apologies should be given in advance of the meeting to Liz Monk on tel: 01495 742162 or by email to <a href="mailto:liz.monk@torfaen.gov.uk">liz.monk@torfaen.gov.uk</a></i>	None	Liz Monk
3. <b>Declarations of Interest</b> <i>To receive declarations of interests in respect of items on this agenda, which should be <b>declared verbally and written</b> in the declarations of interest list</i>	None	Leader
4. <b>Minutes - Cabinet – 14 September 2010</b> <i>To be confirmed as a correct record</i>	1-12	Leader
5. <b>Update on actions from the above meeting</b> <i>Update attached</i>	13-14	Alison Ward
6. <b>21<sup>st</sup> Century Schools- A Strategic Outline Programme</b> <i>To update Cabinet on the work of the 21<sup>st</sup> Century Programme and seek approval to continue with the submission of the Strategic Outline Programme</i>	15-74	Mark Provis
7. <b>Highways Winter Maintenance Service Provision and Funding Pressures</b> <i>To inform Members of the actions proposed/undertaken following the 2009/10 winter and also to seek the approval to fund the Authority's contribution of £68,400 to a Regional Salt Barn based in Ebbw Vale from the General Fund Balance.</i>	75-86	Christina Harray
8. <b>Addressing Property and Highway Risk Areas Using Prudential Borrowing Funds</b> <i>To seek approval to a risk based process for the allocation of prudentially borrowed funding to address property and highway risk areas</i>	87-94	Ed Evans
9. <b>Request by the Public Catalogue Foundation to Catalogue Oil Paintings in Council Ownership</b> <i>To seek approval for details of oil and other relevant paintings in Council ownership to be catalogued and published by The Public Catalogue Foundation as part of a national project.</i>	95-101	Peter Durkin

10.	<b>Shared Resource Centre - Future Accommodation Considerations</b>	102-107	Farooq Dastgir
	<i>To seek approval to cease the marketing and the letting out of units in the Blaenavon Business Centre (BBC) Gilchrist Thomas Industrial Estate, whilst an assessment of the tenancy profile of the Centre is undertaken</i>		
11.	<b>Date of next meeting (for information)</b>	none	Liz Monk
	<i>The next ordinary meeting of the Cabinet is scheduled for Tuesday 30 November 2010 at 10.30am in the Council Chamber, Civic Centre, Pontypool</i>		

**MEETING OF THE CABINET OF TORFAEN COUNTY BOROUGH COUNCIL**  
held on Tuesday 14 September 2010 at 10.30am to 12.00 noon  
in the Council Chamber at the Civic Centre, Pontypool

***NB the agenda for and the reports presented to this meeting are available to view at <http://www.torfaen.gov.uk/CouncilAndDemocracy/CouncillorsDemocracyAndElectio ns/CouncilMinutesAgendasAndReports/CouncilMinutes/Cabinet/14-09-2010a.pdf>***

**MINUTES**

1. **Attendance:** Councillor Bob Wellington (Leader) (in the Chair)

**Executive Members** (with portfolios): Councillors:

Mary Barnett - Children and Young People  
Cynthia Beynon MBE – Equalities and Community Safety  
Gwyneira Clark – Planning, Public Protection and Housing  
Richard Clark – Corporate Governance  
John Cunningham MBE, KSG – Neighbourhood Services  
Lewis Jones - Deputy Leader  
Brian Mawby - Health, Social Care and Well-being  
Marlene Thomas - Resources

**Officers:**

Nigel Aurelius – Assistant Chief Executive (Resources)  
David Congreve – Assistant Chief Executive (Communities)  
Sue Evans – Chief Officer, Social Care and Housing  
Richard Gwinnell – Lead Officer, Council and Member Support  
Christina Harrhy – Chief Officer, Neighbourhood Services  
Allan Jones – Energy Manager  
David Lilly – Head of Financial Services  
Mark Provis – Chief Education Officer  
Alison Ward – Chief Executive  
Lynda Willis - Chief Legal Officer and Monitoring Officer

**Also attending:**

Lynda Chandler – Gwent Frailty Project (shadowing A Ward)  
Sally Church – Head of Leisure and Community Services  
Delyth Harries – Assist. Chief Legal Officer/Deputy Monitoring Officer  
Mark Howcroft – Head of Finance, Neighbourhood Services  
Steve Jeynes – Head of ICT Operations  
Andrew Maisey – Head of Procurement  
Victor Mbvundula – Asset Management Team  
Bryan Moylan – Neighbourhood Services (shadowing C Harrhy)  
Gareth Philips – Countryside Team  
Ben Rooke (Digital Cabinet IT Support)  
Julian Williams – Head of Strategic Human Resources

1 member of the press and public (in the public gallery)

**Action**

**2. Apologies for Absence**

2.1 None

**3. Declarations of Interest**

3.1 Councillors John Cunningham, Lewis Jones and Marlene Thomas declared personal but not prejudicial interests in agenda item 9 (the closure of the County Hall catering facilities) as they were Directors of Monitor Facilities Management Co. Ltd.

3.2 Councillor Barnett declared a personal but not prejudicial interest (later in the meeting, during the discussion of agenda item 9) due to her membership of Bron Afon (in relation to County Hall catering).

3.3 No other interests were declared.

**4. Minutes – Cabinet – 13 July 2010**

**4.1 AGREED – that the minutes of the Cabinet meeting held on 13 July 2010 be confirmed as a correct record and signed by the Chair.**

**5. Updates on actions agreed at the above meeting**

5.1 The updates were noted.

*NB it was agreed to take agenda item 7 before agenda item 6. The minute content below reflects the business as it happened – whilst the numbering of the minutes reflects the order as shown on the agenda.*

**7. Gwent-wide Integrated Community Equipment Service (GWICES) – award of contract**

7.1 The Cabinet considered a report of the Chief Officer, Social Care and Housing (CO,SC&H), seeking approval to enter into a contract for the GWICES. The CO,SC&H outlined the report and described the extensive bid-evaluation process in detail.

7.2 Members commented and/or questioned (in summary):

- that the process appeared to very thorough, with a lower cost, higher efficiency outcome
- that mobility aids for elderly people were not always collected

and re-used, once they had been finished with, resulting in waste: a further report on this issue was requested

- whether a full audit of mobility aids and adaptations (including in sheltered housing facilities for example) should be undertaken, to ensure the authority knew what was where and that it was being maintained and managed properly?

7.3 The CO,SC&H responded that steps were being taken to improve the recycling, checking and stock control of mobility and other aids and that most trace-able items were now bar-coded, so the authority knew where the equipment was at any stage. She would be happy to report back with more detail in due course.

7.4 Cabinet **AGREED** – for the reasons set out in the report:

- (i) the award of a five year contract for the provision of a community equipment service to Organisation B, with an option to extend for a further two years, depending on the performance of the service provider in the first five years;
- (ii) the holding in reserve of Organisation A to safeguard the continuity of service provision; and
- (iii) to receive a further report in due course on the management (e.g. maintenance, stock control and recycling) of community equipment (e.g. mobility aids).

**Sue Evans**

**Sue Evans**

**Sue Evans**

## **6. Revenue budget 2010/11 - quarter one forecast**

6.1 The Cabinet considered a report of the Head of Finance, presenting the first quarter budget monitoring position for the current year.

6.2 The Head of Finance briefly presented the report, highlighting in particular:

- that the report contained a forecast only for the remainder of the year (based on what had happened in quarter one)
- the headline forecast itself (of a potential overspend of approx £1.5 million by year-end, based on today's information) and
- the departmental spending and the reasons for any variances from original budget.

6.3 The Executive Member for Resources stated that she had met with trade union representatives before the Cabinet meeting, as she usually did before Cabinet meetings. They had raised concerns in respect of the statement at paragraph 5.10 "... which will allow consideration of alternative service provision options" and were eager to establish that this did not spell further externalisation of services.

6.4 The Chief Executive stated that the Council worked in partnership with the trade unions and that they would be the first to know of any externalisation plans, if there were any. She assured members that

this was not the case and that there was nothing clandestine meant by that statement.

6.5 Members commented and/or questioned (in summary):

- that the position at the end of quarter one was good – with any variance clearly under control and discipline clearly evident
- that the potential overspend was only a projection of what could happen, if steps were not taken to correct the position
- that some service areas enjoyed underspends and spending choices: Neighbourhood Services on the other hand had no choice; and the overspend predicted was not of its own making
- that it was essential to look at the wider picture and bear in mind that in-year changes could significantly alter the current budget position (e.g. the current underspend in education could be wiped out very swiftly if out of county placements increased)
- that the position reflected prudent management and difficult choices had already been made (e.g. around school transport)
- that there was a need for additional staff in Members Services: would there be sufficient monies left over for that?

6.6 The Assistant Chief Executive (Resources) stated that it was well acknowledged that the overspend in Neighbourhood Services was due largely to anomalies in respect of the transfer of responsibilities to Bron Afon; that all services were under pressure; and that any new spending aspirations would need to be looked at alongside all the other corporate and spending priorities.

6.7 **Cabinet AGREED, for the reasons set out in the report, that:**

- (i) the forecast position in respect of each of the service areas be noted;
- (ii) the actions being taken by service Chief Officers to address their variances be noted;
- (iii) the proposal to transfer the excess of the pay award budget, circa £500,000, from services to a central budget head be approved;
- (iv) the intention of the Deputy Chief Executive's service to contribute £23,000 to the Elections reserve be approved;
- (v) the Chief Education Officer presents a report to a future Cabinet, outlining proposals on how the Education service wishes to utilise their projected forecast; and
- (vi) the specific approvals required around any current or future use, or amendment, of service specific reserves are actioned by the Executive Member for Resources in accordance with normal practice.

**Nigel Aurelius**

**Peter Durkin**

**Mark Provis**

**Cllr Marlene Thomas**



**8. Green and food waste recycling facilities**

8.1 The Cabinet considered a report of the Chief Officer Neighbourhood Services (CONS), which she presented briefly, outlining additional costs identified (and the reasons for them) in respect of the tripartite work on future options for green and food treatment facilities.

8.2 Members commented and/or asked (in summary):

- that the increase in costs was very significant
- the council was committed to working in partnership with others to achieve the best long term recycling solution; the Assembly supported the scheme; and we should push ahead
- the costs of external consultants in particular had risen very substantially – was there a risk that they could rise again?
- it was important to monitor and scrutinise costs closely and keep members informed of any significant changes (this concern had also been raised by trade union representatives)
- it would ideally be preferable to pay staff, not consultants.

8.3 The CONS responded that the cost increase was significant, but the work involved in preparing to procure the new facilities had trebled as a result of recent Assembly requirements; more staff were required; it was much better to pay more now to get the project right from the start (than to pay a lot more ultimately if the contract and recycling facilities were not effective); that costs were being monitored closely and a fixed-price arrangement had now been reached with the consultants; and that she did not foresee the costs rising significantly again.

8.4 **Cabinet AGREED for the reasons set out in the report:**

- (i) that the annual contribution supporting the procurement programme be increased from £7,000 per annum to £66,000 per annum for 2010-11 to 2012-13; and
- (ii) that this additional £59,000 be funded from the uncommitted revenue budget.

**Christina Harrhy**

**Dave Lilly**

**9. County Hall catering service – closure**

9.1 Councillors John Cunningham, Lewis Jones and Marlene Thomas declared personal but not prejudicial interests in this agenda item as they were Directors of Monitor Facilities Management Co. Ltd. In answer to a question, the Chief Legal Officer and Monitoring Officer confirmed that they could speak but not vote on this matter.

9.2 The Cabinet considered a report of the Deputy Chief Executive, presented by the Head of Strategic Human Resources, highlighting the

increasing financial losses in respect of the County Hall catering facilities and seeking approval to the closure of those facilities.

9.3 The Head of Strategic Human Resources outlined the report, commenting particularly that:

- he was grateful to the contribution of the Head of Finance (Neighbourhood Services) in getting to this position
- the deficit on the catering facilities was increasing, with costs rising and income falling, as it had been for some years
- County Hall was due to close in the near future, so to keep the catering facilities was unsustainable
- several meetings and many discussions had been held with the staff affected
- no objections had been received from staff or trade unions (to the proposed closure) – everyone recognised the reality of the situation
- all attempts would be made to redeploy staff into other roles wherever possible – the council had a good record of doing so and would also look at early retirement requests if applicable and re-training staff for different roles
- the catering service was very good: the closure was in no way a reflection of the quality of the service, but simply a reflection of the need to disinvest and a recognition of the financial reality.

9.4 Members commented that:

- closure of the facilities was the only realistic option
- Monmouthshire County Council asked for the facilities to remain open but were unwilling to contribute more funding
- Monmouthshire also had an obligation to help find alternative employment for the staff
- the catering service was excellent, but no longer viable and
- Bron Afon\* and other partner organisations may be able to help provide staff catering facilities following the closure of those at County Hall.

\* Councillor Barnett declared a personal but not prejudicial interest at this point due to her membership of Bron Afon.

9.5 The Head of Strategic Human Resources stated that all alternative options would be explored.

9.6 **Cabinet AGREED, for the reasons set out in the report, that the existing County Hall catering function be ceased from 31<sup>st</sup> March 2011.**

Peter Durkin

## 10. Energy Strategy

10.1 The Cabinet considered a report of the Assistant Chief Executive

(Resources), outlining and seeking approval to the actions proposed within the Energy Action Plan.

10.2 The Assistant Chief Executive (Resources) presented the report, commenting:

- that there was a need for a persistent and relentless look at reducing energy usage
- costs were going up and carbon emissions needed to come down
- significant achievements had been made already but more needed to be done: a cultural shift was needed
- the action plan contained many ideas for invest to save measures, which could be implemented when the money became available (e.g. to fit energy monitors or cut-off switches)
- overall it was suggested that £460,000 be spent, to save £300,000 per year – this was a very quick payback period and
- further reports would be submitted in due course, seeking approval to go ahead with particular measures.

10.3 Members commented and/or asked:

- why street lighting was not mentioned in the report?
- that more needed to be done, for example all new council buildings or larger private developments should include energy saving/energy recycling facilities such as solar panels, meters, better heating controls etc
- why further reports to Cabinet were needed – could the investment not be made without further approval?
- whether the Local Development Plan would need to refer to the need for better energy management in new developments?

10.4 The Assistant Chief Executive (Resources) responded that street lighting had been a major contributor to the energy and financial savings achieved to date, but this action plan was about new measures which could be taken in future. If Cabinet wished and agreed the appropriate delegation, decisions to make the investments necessary when the funds became available could be made by the Executive Member (Resources).

10.5 The Assistant Chief Executive (Communities) also responded, that the issue of more energy saving or recycling measures in new developments and council buildings was not a planning matter as such, but a sustainability issue. Efforts were being made to mainstream sustainability considerations into decisions (and the Local Development Plan for example), discussions were continuing with various partners, and he was due to report back to Cabinet with a progress report in the near future.

**10.6 Cabinet AGREED, for the reasons set out in the report:**

## Action

Nigel  
Aurelius/Allan  
Jones/Exec  
Member for  
Resources

(1) that the actions proposed in the Energy Strategy Action plan be approved in principle but not implemented until the funding for each action is identified and approved by the Executive Member for Resources as part of the medium term financial plan and capital strategy; and

(2) that a further report be submitted, updating members on the Sustainability Strategy and proposing additional ways to ensure that energy reduction/re-use measures (e.g. meters, solar panels etc) are built into all significant future developments where possible.

Dave Congreve

### **11. Arts Connect – South East Wales valleys and Monmouthshire Regional Shared Arts Service**

11.1 The Cabinet considered a report of the Chief Officer Neighbourhood Services (CONS), seeking approval to work towards the principle of developing a regional shared service for the arts within the South East Wales, Monmouthshire and Vale of Glamorgan area during 2010/11.

11.2 The CONS outlined the report in detail, commenting particularly that:

- Sally Church (Head of Leisure and Community Services) had played a pivotal role in developing the proposals
- there were many benefits (outlined in the report) to collaboration – this was a 21 year vision for the arts (theatres/events etc)
- considerable consultation had already been undertaken with the local authorities in the region
- Cabinet was asked to give a mandate to continue to develop the proposals, which could ultimately mean 10% efficiency savings across the constituent authorities
- a further report would be submitted to Cabinet in Spring 2011.

11.3 Members commented and/or asked:

- that they supported the principle of a shared service for the arts
- that this was collaboration (Beecham etc) in action and possibly the only way “the arts” could survive as a public service
- that arts services could lose out significantly in funding cuts
- that officers should be thanked and congratulated for this work: it demonstrated excellent leadership
- that a shared service would increase capacity across the region and be better for staff (in terms of increased experience and flexibility)
- that the trade unions welcomed and commended this approach
- why Monmouth theatre was excluded?
- that the views of volunteers (of whom there were many) as well as staff and other relevant stakeholders should be obtained and taken into account
- that care should be taken in engaging specialist support from

## Action

outside the authorities – it could be more effective to use the services of local people and “arts volunteers”

- local venues (e.g. theatres) should be protected as far as possible: if school children had to be transported en masse to far-off facilities, this would have a significant adverse effect on their learning (and school budgets).

11.4 The CONS reported that Monmouth theatre was excluded as it was in the process of converting to a Trust and that there was every intention to increase the protection of local facilities.

### 11.5 Cabinet AGREED, for the reasons set out in the report:

- **the principle of establishing a regional shared service for the Arts, covering partner authorities across South East Wales, Monmouthshire and the Vale of Glamorgan**
- **the engagement of specialist support if appropriate, utilising the balance of the Making the Connections Arts Connect budget (WAG funded) and Arts Council of Wales funding, to help develop the service model in preparation to move to a regional shared service and**
- **that a further report be submitted to Cabinet, detailing the proposed model for implementation.**

Christina  
Harry/Sally  
Church

Ditto

Ditto

## 12. The Regulation of Investigatory Powers Act (RIPA) 2000

12.1 Cabinet considered a report of the Chief Legal Officer and Monitoring Officer (CLO&MO), seeking approval to policy and guidance and the role of members in scrutinising RIPA activities.

12.2 The CLO&MO outlined the report briefly, commenting:

- that there had been 75 authorisations since 2003, or 10 a year on average
- most of those related to the siting of cameras
- the authority was inspected regularly to ensure compliance
- new requirements had recently been introduced around the role of members in scrutinising RIPA and the seniority of the officers involved in authorising operations and
- hence the new policies and guidance required approval.

12.3 Members commented and/or asked:

- who had a “need to know”?
- could the Executive Member for Resources look at the list?
- that ward members who were involved in a “problem solving group” (PSG) would usually know the identity of people being surveilled

## Action

- that ward members were sometimes excluded from PSGs, while people from outside the area with no local connection or qualifications were involved: this was strange
- ward members had a right to know (albeit not interfere in) what was going on in their wards
- PSGs were effective, as was their membership
- cameras often needed checking quickly after incidents, in order to identify perpetrators: this was not happening.

12.4 The CLO&MO responded that the report sought approval to policy covering covert operations (not every-day CCTV operations); that the length, type and reason for operations varied; that the Executive Member for Resources needed to be satisfied that the proper process was followed and may be entitled in certain circumstances to know details (on a confidential basis) of particular investigations;

12.5 The Assistant Chief Executive (Communities) stated that the police needed to know quickly after an incident and that he would obtain a response from the Community Safety Partnership on the speed of response to requests for CCTV footage.

David Congreve

12.6 **Cabinet AGREED for the reasons set out in the report to:**

- **adopt the policy and guidance on the use of direct surveillance and covert human intelligence sources referred to in the report as Appendices A, B and C;**
- **adopt the policy and guidance on the acquisition of communications data referred to in the report as Appendix D;**
- **delegate any further amendments to the above documents to the Chief Legal Officer and Monitoring Officer;**
- **delegate the annual review of the RIPA policies to the Executive Member for Resources and**
- **request the Resources and Corporate Business Overview and Scrutiny Committee to scrutinise the use of RIPA on an annual basis.**

Lynda Willis

Exec Member  
Resources

Lynda Willis

**13. Brookfield School – surplus to requirements**

13.1 Cabinet considered a report of the Head of Asset Management, outlined by the Assistant Chief Executive (Resources)), seeking approval to declare the former school site surplus to requirements and dispose of it.

**13.2 Cabinet AGREED for the reasons set out in the report:**

- (i) that, following its closure, Brookfield Primary School be declared surplus to requirements and
- (ii) that the site is subsequently disposed of for the best consideration obtainable; such terms to be approved by the Executive Member for Resources on the recommendation of the Head of Asset Management and the Chief Legal Officer and Monitoring Officer.

**Pauline James**

13.3 Councillor Mawby left the meeting at this point.

**14. Micro-hydro scheme – Afon Llwyd, Blaenavon – contract**

14.1 Cabinet considered a report of the Chief Officer, Neighbourhood Services, seeking approval to award a contract in respect of the above scheme.

14.2 **Cabinet AGREED, for the reasons set out in the report, that Pico Energy Ltd. be appointed to undertake the detailed design and installation of a micro-hydro generation scheme on the Afon Llwyd in Blaenavon, at a cost of £194,590.**

**Christina  
Harrhy**

**15. Waste Procurement Joint Committee – appointment of substitute**

15.1 Cabinet considered a report of the Chief Officer, Neighbourhood Services, seeking agreement to appoint a deputy to attend the Waste Procurement Joint Committee (if a previously-appointed representative was unable to attend).

15.2 **Cabinet AGREED, for the reasons set out in the report, that, in the event of either Councillor Cunningham or Councillor Marlene Thomas being unable to attend a meeting of the Joint Committee for any reason, that the Executive Member for Neighbourhood Services be authorised to appoint any other member of the Council’s Cabinet to deputise in his/her/their place/s.**

**16. Date of next meeting (for information)**

16.1 Cabinet noted that its next ordinary meeting was scheduled for Tuesday 19 October 2010 at 10.30am in the Council Chamber, Civic Centre, Pontypool.

**Chair .....**

*NB Councillors who left the meeting briefly (e.g. for a comfort break) during an officer presentation or a debate are not listed in the minutes above as having left and returned. Councillors are only listed as having left/returned if they were absent from the Chamber when a decision was taken.*

**Richard Gwinnell**  
**LEAD OFFICER COUNCIL AND MEMBER SUPPORT**  
**27 September 2010**



## CABINET

## ACTION SHEET – 14 September 2010

Date	Minute para	Action to be taken	By whom and when - if time scale decided	Action taken?
15.09.09	6.3	The Acting Assistant Chief Executive (Resources) agreed to provide Cabinet with a report on Procurement Activities.	Nigel Aurelius	
15.09.09	7.5	The Executive Member for Regeneration stated that a review of the grants awarded to voluntary organisations was currently being undertaken and he would bring a report to Cabinet once the review was completed.	Cllr Richard Clark / David Congreve	#The review was completed under delegated authority and has been implemented. Further adjustments are likely as a result of the spending outlook for 2010/11,.Briefings are being held with the Executive Member , and any decisions will form part of the Council's budget process
1.12.09	9.6	A further report is presented to Cabinet upon completion of the Leadership Development Programme detailing the programme evaluation outcomes.	Christina Harry	
16.2.10	7.5	To recommend to Council that the necessary changes are made to The Constitution with regard to the new Joint Committee re the Inter Authority Agreement	Lynda Willis	
23.3.10	8.6	Cabinet approved the transport policy as attached at appendix one to the report.	Sue Evans	
18.5.10	13.4	Cabinet agreed that the Chief Officer Social Care & Housing enter into further negotiations with Aneurin Bevan Health Board to formulate detailed options and proposals for the integration of Mental Health & Learning Disability services with a view to a further report being presented to Cabinet	Sue Evans	

14.9.10	10.6	Cabinet agreed that a further report be submitted, updating members on the Sustainability Strategy and proposing additional ways to ensure that energy reduction/re-use measures (e.g. meters, solar panels etc) are built into all significant future developments where possible.	David Congreve	#Scoping report going to green team for discussion 7 <sup>th</sup> October: likely cabinet item 30 <sup>th</sup> November
14.9.10	11.5	Cabinet agreed that a further report be submitted to Cabinet, detailing the proposed model for implementation of the regional shared service for the arts within the South East Wales, Monmouthshire and Vale of Glamorgan area during 2010/11.	Christina HARRY./Sally Church	
14.9.10	12.5	The Assistant Chief Executive (Communities) stated that the police needed to know quickly after an incident and that he would obtain a response from the Community Safety Partnership on the speed of response to requests for CCTV footage.	David Congreve	

# denotes action completed and will be removed from the next action sheet

Liz Monk, Lead Officer Cabinet Support  
8 October 2010

**CABINET**  
**19 OCTOBER 2010**

**TORFAEN'S 21<sup>ST</sup> CENTURY SCHOOLS PROGRAMME – A STRATEGIC OUTLINE PROGRAMME**

*Report Submitted by: Mark Provis, Chief Education Officer*

*Report Written by: Tony Walker, Assistant Chief Education Officer and Head of Forward Planning and Performance*

**1. Area Affected**

1.1 County Borough wide.

**2. Purpose of Report**

2.1 This report updates Cabinet on the work of the 21<sup>st</sup> Century Programme and seeks approval to continue with the submission of the Strategic Outline Programme.

**3. Recommendations**

3.1 To seek approval to submit to the Welsh Assembly Government Torfaen's 21<sup>st</sup> Century Schools Strategic Outline Programme (Appendix 1).

3.2 To seek approval to carry out informal consultation during the Spring Term 2011.

**4. Background**

4.1 The Council inherited an ageing building stock from the former Gwent County Council and there was evidence of significant under-investment before 1996. The situation has improved since the inception of Torfaen but there is much left to do if we are to provide facilities fit to deliver the modern day curriculum.

4.2 The Assembly Government in 2002 gave a commitment to have all schools in Wales 'fit for purpose' by 2010. This commitment was given in response to the acknowledgement that some school buildings in Wales were not of sufficient standard to deliver the increased demands of the curriculum and policy initiatives in the 21<sup>st</sup> Century. Inspection by Estyn has also shown that up to a third of primary and a fifth of secondary schools in Wales have serious "shortcomings" in their accommodation.

4.3 Continuing commitment to improvement can be seen in The Learning Country: Vision into Action, however, the Assembly Government states in the 2006 document that schools will be "fit for purpose" on the basis of target dates agreed with individual local authorities". This is in response to the realization that the vast majority of local authorities in Wales were not able to meet the 2010 targets.

- 4.4 As part of the process of improving school buildings each local authority was asked by the Assembly to draw up an Asset Management Plan. The plans should have outlined the current state of school buildings within an authority area and a capital programme detailing improvements to existing schools and any plans for new build.
- 4.5 At a similar time the Welsh Local Government Association commissioned Pricewaterhouse Coopers to carry out a piece of research to make an assessment of the current position of local authorities regarding capital investment across a number of service areas including education. The conclusion of that report is that an estimated £1.6 billion (a conservative estimate by today's standards) minimum is needed in order to make all schools in Wales fit for purpose. The cost to Torfaen has been reported to Members previously as possibly in excess of £200 million.
- 4.6 To address the school estate the Welsh Assembly Government (WAG) now plans a long term investment programme that will have an impact throughout the whole of Wales, creating a generation of 21<sup>st</sup> Century Schools. The programme is currently being developed in collaboration between the Welsh Assembly Government (WAG) and local government in Wales, led by the Department for Children, Education, Lifelong Learning and Skills (DCELLS) and the Welsh Local Government Association (WLGA); a co-production which is aimed at driving successful delivery and effective outcomes.
- 4.7 For many years the ability of local authorities and schools in Wales to invest in a better school environment has been constrained. Since 2005, significant funding has been provided by WAG to enable local authorities to supplement local finance so that more projects can be implemented, alongside a limited number which have been funded entirely from local sources. Most of these projects have been for new or refurbished primary schools, while only a few major secondary school or other larger projects have been possible. In most areas these one-off projects have had to be aimed at the most urgent needs, whilst other priorities have had to be held back through a lack of capital funding. Some local authorities have been able to make significant progress in school modernisation, but many have not.
- 4.8 Now, a strategic approach aimed at investment across the whole estate in Wales for ages 3 to 19 and over a longer term is being implemented. The 21<sup>st</sup> Century Schools Programme provides a major opportunity for all schools in the maintained sector in Wales to receive necessary investment. From 2012 and continuing for 15 years or more, funding will initially be provided in 4 year bands of 3 years for major elements of long-term programmes to be agreed between each local authority and WAG. The aim is to bring to an end the piecemeal approach to investment of the past and to move away from annual formulaic allocation of funding for projects.
- 4.9 The main features of the new approach are:
- The programme has been developed jointly by WAG and local government in a unique collaboration. A Programme Board was established in March 2009, which met regularly in shadow form prior to its official establishment following the programme's launch conference in March 2010. This Board has equal representation from WAG and local government, with representation also from colleges and schools with a religious character, and has been co-designing the structure and detail of the programme. A small central programme team funded

by WAG and based at the WLGA has been established to take the programme forward to implementation.

- Local authorities have been asked to look ahead and produce an initial overview of the changes they wish to implement over a 12-year period. This overview will need to support the wider strategies needed to create school improvement and successful outcomes for children and young people. In particular it will need to underpin proposals for the creation of high quality school environments of the right size, in the right places and of the right type for children and young people in their locality. This Strategic Outline Programme (SOP) will therefore identify the initiatives and steps that can be taken in each authority to meet the three key aims of the national programme. These might involve short, medium, or long term change in the configuration of the local school estate, planning effective future provision for children and young people.
- A high level school estate survey was commissioned by WAG, with the co-operation of the local authorities, diocesan authorities and schools to provide a common set of baseline data about the condition of all schools and their suitability for current and future needs. This data should inform investment decisions and has been available for the local authorities and diocesan authorities to use from May 2010 in support of their SOP submissions.
- In order to deliver these local programmes, authorities have to identify a range of options for investment, whether it be for new-build schools, amalgamation, closure and replacement with new, upgrade or refurbishment. Where possible these individual projects must be strategically grouped together to maximize the local impact and to procure value for money. These groups of projects then have to be categorised into those needed soon, and those needed later.
- Projects, wherever possible, should meet a set of standards to be published later in 2010, which is referred to as the 21<sup>st</sup> Century Schools Standard. This will cover minimum requirements that should be met in all schools, whether existing or new, to provide high quality environments both internally and in the spaces around schools. The standards will relate to matters such as sustainable and low carbon design, heating and ventilation, acoustics, accessibility, catering arrangements, social areas, facilities for outdoor learning, and use of ICT, amongst others.
- Local authorities will be expected to aim for balance in their proposals between all sectors, be they Welsh medium, faith based or community provision, for children and young people with special or additional educational needs, and to provide supporting information for the preferred options. The local authorities will be expected to have engaged with diocesan directors/boards of education and with colleges and others in the further education sector, considered opportunities for integrating public services and to have worked effectively with other local authorities in the area in arriving at their strategic programmes.
- Once proposals have been prioritised, projects will be allocated funding in appropriate bands of 3 years duration. It is intended that the long-term programme will be published in 2011 to enable local authorities and schools to plan with confidence. SOPs will need to be refreshed periodically, and re-submission might be on a bi-annual basis to permit reevaluation of priorities in a

changing environment. This is a long term investment programme that requires both WAG and local government to bring together capital resources to achieve national objectives and local priorities. By working together in this way WAG and local government will look to maximize the collective purchasing power of the education system to reduce costs, and to maximize the benefit of this investment to the Welsh economy.

- The programme is fully aligned to the SEF, the agreed National Purpose for Schools and the National Model for School Improvement and at its launch earlier this year the Minister stated that proposals would not be considered if they did not significantly address surplus places.

## **5 Torfaen Vision of 21<sup>st</sup> Century School**

5.1 The key aims set by WAG are incorporated with Members priorities to produce the following vision for Torfaen and was supported by Members at the seminars held in July and September this year:

- To create safe learning environments for schools and communities that will enable the successful implementation of strategies for school improvement and better educational outcomes and life chances for children and young people that are aligned to our key strategies: Corporate Plan, HSCWB, SEF, Welsh Medium Education Strategy.
- To achieve greater economy and efficiency through appropriate sized schools, collaboration and better use of resources to improve the cost effectiveness of the education system. In doing so, ensuring that we have schools of the right type, right size in the right place.
- To develop a sustainable education system with all schools (equally) meeting national building standards and reducing the recurrent costs and carbon footprint.
- To achieve high quality inspirational buildings appropriate for new educational developments, ICT-rich technologies and adaptable to cater for the changing needs of the future.
- To understand the needs of the whole community, especially children and young people, in providing an outstanding resource where school facilities can be shared throughout the day and which can offer a range of co-located facilities such as Childcare, Health and Social Services, Adult Education, Youth and Play Services.
- To achieve inclusive settings, providing appropriate provision for the individual learning needs of all pupils, providing pleasant and appropriate spaces for all school users; spaces in which pupils, including those with special educational needs and disabilities feel that their needs are respected and which enable members of the school workforce to achieve and reflect together.

## **6 Evaluation Criteria**

6.1 The above investment objectives were used to create critical success factors for the purpose of evaluating a long list of options:

- Rationalisation of education estate
- Removes excess surplus places
- Schools in the right place
- Schools should be no smaller than 420 other than in exceptional circumstances
- Lower transport costs to the Council
- Collaboration across neighbouring authorities where appropriate
- Schools rebuilt or refurbished to modern standards, minimising running costs
- Schools rebuilt or refurbished to modern standards, minimising CO2 emissions.
- Provide options for English Medium, Welsh Medium and Faith Schools within a reasonable distance
- Parents and children more likely to walk or cycle to school
- Reduced traffic congestion from the school run
- Meetings BREEAM excellence where appropriate
- Hazardous, life expired buildings and facilities replaced
- Safe routes in the community addressed
- Enable all children and young people to develop to their full potential
- Enhanced community safety through engagement and participation in use of the local school and its facilities by its immediate community
- Reduced transition points and increased continuity of provision
- All children and young people to have accessible Early Years provision
- To maximize attendance
- Establish strong professional learning communities in schools
- Technology rich environment
- Provide opportunity to extend learning beyond the classroom
- Flexible, adaptable teaching and learning spaces
- High quality buildings and facilities, both inside and out, that inspire learners and the community
- To offer children and young people a curriculum that engages and motivates them to learn
- Opportunity to completely co-locate other services (eg health centre on a school site)
- To deliver a more integrated services through the provision of multi-agency space for Council services
- Ensure that all schools are community focused (school in the right place, utilized throughout and beyond the school day)
- All schools made fully accessible for the whole community
- Enable the majority of children to be taught in their local schools in mainstream classes and/or smaller groups alongside their peers
- Enables children with profound and multiple learning difficulties to experience inclusive provision

## **7 Torfaen's Strategic Approach for the Whole Estate**

7.1 The Investment Objectives and Critical Success Factors were used to develop Torfaen's Strategic approach:

- Children, staff and users are kept safe
- Supporting the best teaching and learning
- A long term Capital programme: 15 to 25 years
- Strategic vertical/horizontal
- Concerning the whole school estate
- Fully utilised existing sites and resources
- Technology Rich Environment
- Rationalise the number of schools
- Take out surplus places
- Right size in the right place
- Community focused
- Mixture of new build, refurb and extend and refurb
- Collaboration with other services, agencies and authorities
- Inclusive
- Sustainable
- Local Authority/Voluntary Aided funding achievable under these proposals (eg 30%)
- Organised into groups of schools
- Enhance teaching and learning
- A focus on clusters
- Catchment
- Existing sites
- Consider co-location
- Condition and suitability
- Reduce the number of small schools
- Reduce transportation costs and journey times
- Enable parents and pupils to walk to school
- Collaboration
- Projected pupil numbers and surplus places
- Community schools at the heart of their community

7.2 The above approach identified a number of key issues and opportunities that in turn generated a long list of options. Using the above approach it was possible to produce a short list of options for each cluster that had coherence across the whole estate.

7.3 A preferred option was identified for each cluster and costed as required by WAG.

## **8 Implications of Applying Torfaen's Strategy**

8.1 The overall implications of the potential preferred options are given below:

### 8.2 Primary School Proposals

- At a total cost of £116.6M, all schools will be improved with a balance of new-build (8), refurb ( 5 ) or extend & refurb (4).
- Reduction in the number of primary schools (including nursery) from 32 to 20 over the life of the programme.
- Schools that require no work total 3.



- Reduction in the percentage of surplus places from 18% to 8%
- Release of 17 sites for Capital Receipts
- Achieve in excess of £1M recurring Revenue Savings
- Achieve in excess of £5M Section 106 Agreements
- Eliminate backlog in maintenance of £17m approx.
- Reduce the number of smaller schools (under 315) from 18 to 1
- Secure the future of the expanding Welsh medium provision

### 8.3 Secondary School Proposals

- At a total cost of £153M, all schools will be improved, with a balance of new-build (1-2 schools and 1 Post-16 centre) and refurb (4-5)
- Establish Post-16 Centre and closure of English medium 6th forms
- Reduce Secondary schools from 7 to 6 and eliminate excessive secondary surplus places
- Release of 1 site for Capital Receipts
- Eliminate backlog in maintenance of £15m approx.
- Achieve significant recurring Revenue Savings

## 9 Potential Preferred Options

9.1 The detailed breakdown of the preferred options on a cluster basis is given below:

### 9.2 Croesyceiliog Cluster – Preferred Option

- Total capital investment of £69M to build a new Secondary school, reduce Primaries from 5 to 3, adjusting capacities to suit catchment needs and establish co-located 3-16 provision.

#### Band A

- Maendy/Sebastopol – Build a new 420 school on the current Maendy site £10.5M
- Pontnewydd/Sebastopol – Build a new 420 school on the current Pontnewydd site £9.5M

#### Band B

- Build a new 11-16 secondary school (subject to Post 16 review) on the current Croesyceiliog Comprehensive site - £37M

#### Band C

- Croesyceiliog/Llanyravon - Build a new 525 school co-located on the Comprehensive site - £12M
- Reduces Primary surplus places from 29% to 8% based on catchment need by the time the Sebastopol area has fully developed
- Replaces 3 primary schools in poor condition
- Avoids building a small 210 school
- Provides 3 new primary schools and a new secondary school.

- Could generate 2 capital receipts, a Section 106 Agreement and significant revenue savings
- Eliminates the maintenance backlog

### 9.3 Llantarnam Cluster – Preferred Option

- Total capital investment of £17.1M to carry out major refurbishment of secondary school 11-16, reduce Primaries from 3 to 2, adjusting capacities to suit catchment needs and establish co-located 3-16 provision. Move Woodlands from Llantarnam Cluster - to Fairwater cluster and adjust catchments to compensate Llantarnam catchment for the loss of pupils.

#### Band A

- Llantarnam - Build a new 315 school co-located on the comp site - £8.1M
- Two Locks - Close
- Nant Celyn - Adjust catchment (see above), establish early years provision

#### Band C

- Major refurbishment and remodelling of Llantarnam Secondary School 11-16 (subject to Post-16 review) - £9M
- Replaces Torfaen's worst condition primary school in band A with a new school
- Makes improvements and replace a shortage of Primary places based on catchment needs in the cluster with a 4% surplus.
- Could generate 2 capital receipts
- Eliminates the maintenance backlog

### 9.4 Fairwater Cluster – Preferred Option

- Total capital investment of £38.5M to refurbish and remodel as an 11-16 secondary school, reduce Primaries from 3 to 2 on current sites adjusting capacities to meet catchment needs. Woodlands moves to this cluster and adjust catchment.

#### Band A

- Blenheim Road / Greenmeadow – Build a new 525 school on Fairwater Comp site - £11.3M

#### Band C

- Major refurbishment and remodelling of Fairwater Secondary School 11-16 on the current Fairwater site (subject to Post-16 review) - £20M
- Coed Eva- Refurbish and keep as 420 - £4M
- Woodlands - Refurbish and increase to 315 - £3.2M
- Reduces primary surplus places from 20% to 4% based on catchment needs
- Replaces one of the poorest condition priority schools

- Could generate 2 capital receipts and significant revenue savings
- Eliminates the maintenance backlog

#### 9.5 Abersychan Cluster – Preferred Option

- Total capital investment of £18.2M to carry out a major refurb of Secondary school 11-16; reduce Primaries from 6 to 3 adjusting capacities to suit catchments.

##### Band A

- Garnteg/Victoria - Refurbish and extend Garnteg to 420 - £5M
- Cwmffrwdroer - Refurbish and extend to 315 with early years provision - £5.2M

##### Band B

- Pontnewynydd - See West Monmouth Cluster
- Brynteg - Close when appropriate alternative provision is Provided

##### Band D

- Major refurbishment of Abersychan Secondary School - £8M
- Realises an appropriate level of surplus places (10%)
- Replaces 2 life-expired unsuitable primary schools with investment channelled into the 2 receiving schools
- It also means the closure of one of the 2 remaining stand-alone nurseries in Torfaen when alternative provision is provided.
- Could generate 3 capital receipts and significant revenue savings
- Eliminates the maintenance backlog

#### 9.6 West Mon Cluster – Preferred Option

- Total capital investment of £24M to carry out major refurb of secondary school, reduce no. of Primaries from 6 to 4, adjusting capacities to suit catchments

##### Band A

- George St./Pontymoile - Refurbish and extend George St. to 420 - £5.5M
- New Inn - Refurbish and keep as 525 £4.3M

##### Band B

- Penygarn / Pontnewynydd - Refurbish and extend Penygarn to 450 - £4M (Pupils living in the Pontnewynydd Primary School catchment school would continue to be in catchment for Abersychan Secondary School).

##### Band D

- Major refurbishment of West Monmouth Secondary School - £8M

- Griffithstown/Kemys Fawr - Refurbish and keep as 420 - £2.2M
- Reduces primary surplus places from 27% to 7% based on catchment need
- Replaces 2 life-expired unsuitable schools with investment channelled into the receiving schools
- Could generate 2 capital receipts and significant revenue savings
- Eliminates maintenance backlog

#### 9.7 Welsh Medium Cluster – Preferred Option

- Total capital investment £21.4m to carry out major refurbishment of secondary school 11-18, reduce the Primaries from 3 to 2 but increase back to 3 should demand continue to rise.

##### Band A

- YP - Build a new 420 school on the Avesta site - £9.5M.
- Blaenavon pupils to Brynmawr Welsh Medium Primary School (Subject to discussion with Blaenau Gwent Borough Council).

##### Band B

- YGC - Refurbish and reduce capacity to 315 - £3.4M
- YP – To become 525 to accommodate YBO if alternatives to establish more localised provision in the north of the borough is not realised.

##### Band C

- Should demand increase, establish a larger school on the Avesta site and a 3rd/4th schools in a refurbished Llanyravon/Greenmeadow (subject to preferred option in Croesyceiliog and Fairwater clusters)

##### Band D

- Major refurbishment of YGG (Secondary School) 11-18 - £5M
- Secures the future of Welsh medium education in Torfaen by providing more suitable schools both in the north and south of the Borough with some further options beyond 2013 to accommodate additional growth should demand rise
- Could generate 2 capital receipts
- Eliminates the maintenance backlog

#### 9.8 VA Cluster – Preferred Option (Subject to further discussion with the Roman Catholic and Church in Wales Diocesan)

- Total capital investment £55.4m to build a new joint faith secondary school 11-16, reduce the Primaries from 5 to 3 adjusting existing capacities to meet demand and co-located 3-16

##### Band A

- St. David's RC / Our Lady's RC – Build a new 315 school co-locating with a new joint faith based 11-16 secondary school and a new CiW primary on a site to be

- determined. - £7.7M
- Land Purchase £10m.

#### Band B

- Build a new joint faith based 11-16 secondary school (subject to Post 16 review) on a site to be determined - £30M

#### Band C

- Henllys /Ponthir – Build a new 315 school plus early years co-locating with a new joint faith based 11-16 secondary school and new RC primary on a site to be determined. - £7.7M (excludes cost of land)
- Reduces RC Primary surplus places from 23% to 11%
- Provides CiW Primary surplus places of 8% allowing growth on a site which could later be extended further
- Improves suitability of all schools
- Replaces 2 poor condition RC primary schools on unsuitable sites
- Replaces the poor condition RC secondary school with a new joint church secondary school, securing it's future in its change from an 11-18 to an 11-16 school
- 2 of the remaining 3 church primary schools will be co-located with the Comp.
- Could generate 5 capital receipts, significant revenue savings and eliminates maintenance backlog

9.9 The costs at this stage are indicative and have been based on gross floor areas multiplied by cost data based on current projects. In addition, it has been uplifted to include additional ICT requirements. Examples have also been tested with WAG for appropriateness but will not be able to be firmed up until the outline business case has been completed and is timetabled for April 2011 to March 2012.

9.10 Running in parallel with the 21<sup>st</sup> Century Schools Programme is the Post 16 (Secondary School) Review. For completeness the preferred option of a new post 16 centre has been costed and included in Band B at £45m (including land purchase).

## **10 Banding/Costing**

10.1 The potential preferred options have been banned according to need and opportunities over the life time of the programme.

<b>Band</b>	<b>Projects</b>	<b>Value (£m)</b>
Band A 2012-2014	Primary – 6 new builds, 3 refurb and extend, 1 refurb Voluntary Aided Land Purchase ICT strategy project	£76.6m £10m £4m
Band B 2015 - 2017	New Post 16 Centre Secondary schools – 1-2 new builds Primary schools: 1 refurb and extend, 1 refurb Consideration of alternative options for Welsh medium Primary provision in the North	£122.9m
Band C 2018 - 2021	Primary schools: 2 new builds, 1 refurb and extend, 2 refurb Secondary schools –1 new build, 1 refurb	£58.1m
Band D 2021-2023	Secondary schools – 3 refurbs	£21m
	Secondary school closure adjustment ICT project band A Total	-£9m -£4m £279.6m
	NB – Pre Project Design Work	£1m
	Grand Total	£280.6m

## 11 Financial Implications

- 11.1 The proceeding paragraphs outline the strategic vision of 21<sup>st</sup> Century School provision across all our estate. It is an ambitious plan with an equally ambitious price tag. However, it has been prepared in accordance with the guidance currently outlined by the Assembly, is strategic in approach, sets out a vision for educational provision that will have a generational impact and therefore equally requires a strategic approach to its financing. The fact that it comes at a time when public sector funding is under significant threat should not detract from our desire to make it work.
- 11.2 The following paragraphs outline a suggested approach to funding and it is based upon our understanding of the current requirements ('rules') of the Assembly ie:
- The bid is to be submitted over four bands A to D covering the period 2012 to 2024 – 12 financial years;
  - Overall there is a match funding requirement upon the Authority of 30% (based upon Tranche 3 funding);
  - However, this match funding does not have to be in each of the individual bands but on the overall programme;
  - The Assembly will only provide funding in 3 of the 4 bands.
- 11.3 These are important, particularly the indication that the match funding requirement can be met on a programme basis rather than in individual bands. It is on this basis that our funding approach is put forward.
- 11.4 Such a funding requirement cannot be considered without it being seen within the context of our overall capital programme. Members will know that our current programme, which runs until 2012/13, is largely committed on our current major

flagship schemes eg Blaenavon, YGG and Crownbridge. There is very little headroom available and, given the scale of the schemes that must be retained as a contingency element at the moment. There is also likely to be a requirement for match financing in relation to the 14-16 Technology Rich Learning bid and of course over the period our core allocation is likely to be reduced by 10% per annum.

11.5 Therefore, for the purposes of the 21<sup>st</sup> Century Schools consideration no funding from the Authority is assumed as match funding in 2012/13, but within the context that we are delivering a number of innovative educational schemes in that period.

11.6 In terms of our Capital Programme going forward funded from any core allocation the following is relevant:

- Our core allocation is likely to be reduced by 10% per annum for five years starting in 2011/12;
- The above means that by 2015/16 our core allocation could be as low as £3.6 million (it is £6 million in 2010/11) – as a working assumption £4 million per annum thereafter is assumed;
- From that core allocation (in addition to 21<sup>ST</sup> Century Schools) we currently have to fund – DFG's; Fees; annual allocations (highways/asset management); waste management; match finance; contingency etc.
- Any allocation to support 21<sup>st</sup> Century schools is within that context.

11.7 Therefore it is suggested that only a maximum of £2 million of core allocation can be assumed at this stage to support the 21<sup>st</sup> Century Schools proposals. This will however represent at least 50% of our available core allocation. Alongside of that and to create space for limited investment in other areas, in particular highways/waste management, it is suggested that DFG's are transferred to revenue over a five year period (as part of the medium term financial plan) starting in 2012/13 and fees to core capital are reduced by 50% on the basis they will be charged against the 21<sup>st</sup> Century Schools programme. Therefore from core capital we should have £2 million to support 21<sup>st</sup> Century Schools and £2 million for everything else.

11.8 The overall project costs to support the 21<sup>st</sup> Century Schools proposals within this report amount to £279.6 million across the four bands and twelve years. This means a match funding requirement for the authority of nearly £84 million over the same period.

11.9 Appendix 2 to this report details the costs over the four bands and the potential funding required from the authority in financial years. With reference to the detail in the appendix the following are the key points:

- £2 million of core capital for 11 years (commencing 2013/14) amounting to £22 million;
- Assumed receipts from education sites currently vacant totaling £5 million over two years – 2013/14 and 2014/15;
- Capital receipts arising out of the proposals assumed to be £25 million in total (16 primary sites and one secondary) between 2017/18 and 2022/23;
- Prudential borrowing of £15 million from school savings arising out of the proposals over three years 2016/17 to 2018/19;
- Prudential borrowing of £5 million supported by savings from the central (LEA)

budget in 2019/20;

- Other contributions totaling £13 million from section 106 and the diocese.

11.10 None of the above can be guaranteed and none is without risk. However it does suggest a coherent way the authority could go about putting together a financing package.

11.11 In paragraph 11.1 the point is made that the Assembly require the 30% match funding on a programme basis rather than individual bands. This is the basis on which this funding proposal has been prepared. Reference again to the appendix shows that the funding scenario outlined in 11.8 produces match funding of 10% of spend in Band A, 19% of spend in Band B, 70% of spend in Band C and 100% of spend in Band D. This is obviously logical as two main components of our funding package ie capital receipts and prudential borrowing will not be available until some of the early proposals are in place. That is you cannot release sites for sale or generate revenue savings until some schools are closed and replaced with new. The Assembly must understand this as the basis for our bid and understand the logic. We do not have the ability to generate significant resources in the early years and meet our other obligations.

11.12 It is highly likely that all authorities will submit significant bids that in aggregate cannot be afforded. It is easy to imagine that the programme period will be extended beyond the current period – maybe out as far as 25 years. Also, whilst we have been encouraged to put our match funding in on a programme basis there may be pressure to provide 30% match funding in each band. We do not have the resources to put 30% or anything like it into Band A. If the Assembly tries to offer us resource on that basis we will be unable to accept it and must be firm in pointing out that was not the basis of their invitation.

11.13 Some other caveats on the above funding:

- The capital receipts figures are not based on any valuation;
- It relies heavily on prudential borrowing which silts up revenue;
- It assumes we will always have a core allocation and that the rules on and flexibility allowed from prudential borrowing remain;
- Revenue has to be found to fund DFG's into the future and the scope for other capital projects is severely limited.

11.14 The above caveats though have to weigh against the significant opportunity to invest in our schools.

11.15 This programme is long term and strategic in nature and will be reviewed every two years. This review will also take into account the funding element.

11.16 In addition to the above capital requirements of the 21<sup>st</sup> Century School proposals there will be a need to bid for Assembly support in relation to pre-project funding. Should the Council be successful with this SOP then it will be asked to prepare an Outline Business Case (OBC). This will be both prescriptive and onerous in its requirements. To do this properly and to the standards expected will require resources, capacity and skills that the Authority does not possess. An estimate of the likely cost to prepare an OBC is in the region of £1 million. A bid will be made to the Assembly for this funding – if that is not successful then clearly the Authority will



have to moderate its expectations because it will not have an ability to fund £1 million from its own resources.

## **12 Consultation**

12.1 In the preparation of the SOP to date, the following have been consulted:

- Green Team
- Chief Officers
- Diocese RC and CiW
- WAG
- WLGA
- Members Seminar x 2
- Police
- Health
- Neighbouring Authorities
- Policy Development Forum
- Headteachers
- Chief Legal Officer and Monitoring Officer
- Assistant Chief Executive Resources

## **13 Learning Communities Overview and Scrutiny Committee**

13.1 The SOP was presented to the Learning Communities Overview and Scrutiny Committee at its meeting on 29 September 2010.

13.1 The Learning Communities Overview and Scrutiny Committee recommend that the Cabinet of Torfaen CBC before reaching a decision on its 21st Century School Proposal consider the following matters and make amendments to the proposal and decide actions as appropriate, if the proposal is to go forward.

### **Recommendation 1**

That an Equality Impact Assessment of the proposal is undertaken immediately after a Cabinet decision is taken.

### **Response 1**

**Equality issues are built into all the processes of the Education Service and is reflected in both Torfaen vision and strategic approach to the 21<sup>st</sup> Century Schools Programme. An Equality Impact Assessment has been built into the programme to be carried out in December 2010/January 2011.**

### **Recommendation 2**

That the geographic location of schools ensures equality of access and an inclusive environment for all.

## **Response 2**

**The proposals have been based on the principle of ensuring that we have the right school of the right size serving the right geographical location. All new, extended and refurbished school will be fully DDA compliant and inclusive as can be evidenced by our current projects.**

### Recommendation 3

That the proposal is essentially a vision and a flexible long term approach will be needed whenever decisions resulting from its implementation are made.

## **Response 3**

**The strategic outline programme is an initial overview and following informal consultation on a range of options (including the preferred options) a much more detailed outline business case will need to be completed. Furthermore the SOP is required to be reviewed every 2 years and council approval is required to undertake any statutory consultation.**

### Recommendation 4

That providers of early years provision (local authority registered and non registered) be consulted on the impacts of the proposal and its long term effects be fully considered.

## **Response 4**

**Any negative impact on the private sector is expected to be minimal as the majority of remaining sites already have nursery provision. However, full consultation will be undertaken via the Early Years Development and Childcare Partnership.**

### Recommendation 5

That to achieve Welsh Government targets contained in its Welsh Medium Education Strategy, Ysgol Bryn Onnen is retained at its present location until an appropriate site in the north of Pontypool becomes available.

## **Response 5**

**The Council is making good progress in achieving Welsh Assembly Government targets contained in the Welsh Medium Education Strategy. Ysgol Bryn Onnen will be retained until further options have been explored to provide more localised provision in the north of the Borough.**

### Recommendation 6

That the model of 1 Form Welsh medium and 1 Form English medium, (with a Federated Head teacher structure) be considered for every school.

## **Response 6**

**The Council is committed to providing Welsh medium education for all children whose parents wish such provision, it will be offered in a Welsh medium setting where Welsh is the sole language of communication and instruction with the exception of English as a subject at KS2. It has been acknowledged that the best way to ensure that children become fluent in the Welsh language is to totally immerse them in a Welsh language environment from the nursery/reception class and thereafter throughout their school career. If demand exceeds planned provision, such alternative strategies would be considered.**

### **Recommendation 7**

That the composition of the membership of the Admissions Forum takes into account the needs of the faith community as cross county catchment increases. Ensuring a fair based admissions policy for all.

## **Response 7**

**The Council prides itself in having a very effective and established Admissions Forum that covers its 'relevant area' ie the County Borough of Torfaen. Neighbouring authorities are also consulted as part of the annual process as directed by the Welsh Assembly Government and is outside of the Forum. To support closer collaboration, neighbouring authorities will be invited to future meetings of Torfaen's Admissions Forum. A key function of the Admissions Forum is to keep under review the admissions policy of all admitting authorities in its 'relevant area'.**

### **Recommendation 8**

That a system be put in place to engage children and young people throughout the process (the emphasis being on throughout). Allowing children and young people to express their views freely. Ensuring information will be expressed so that children and young people can understand it. Making sure that children and young people are made aware of the issues that affect them before hearing about it through other formats (such as the local press).

## **Response 8**

**The Council has effective processes in place to ensure that children and young people are fully engaged in any changes that may affect them with regard to school reorganisation. A range of age appropriate strategies are adopted at each stage, particularly at the inception stage of project. This approach will continue to be applied to the work of the 21<sup>st</sup> Century Schools Programme.**

## **14 Risks**

- 14.1 There is only one source of funding open to the Council to improve its school estate and can only be achieved through the 21<sup>st</sup> Century Schools Programme. Therefore,

submission on 29 October is critical. Other risks:

- Impact of current financial climate on capital funding
- Raised expectations
- Ability of the Authority to find its contribution
- Delay in 'go-ahead' and funding release at each stage delays delivery of transformation
- Surplus places are still growing
- Service Failure
- Health and Safety
- Lack of capacity across Local Authority
- Delivering agreed common agendas across the Authority
- Failure to deliver projects on time and to budget
- Failure to reach political consensus
- Political elections may interrupt and delay the process
- Statutory Consultation process
- Planning, Public Protection and Ecology
- Grant conditions (e.g. BREEAM)

## 15 Conclusion

15.1 Torfaen's current school estate is unsustainable if we are to provide the very best environment for our children and young people, teachers and the wider community. Whilst the 21<sup>st</sup> Century Schools Programme has been challenging it has provided us the opportunity to develop a long term strategic plan encompassing our whole portfolio. The proposals contained in the attached Strategic Outline Programme and summarised in this report are significant and if fully realised would transform how Teaching and Learning is supported throughout the borough:

- All pupils and staff safeguarded
- A new Post 16 centre
- New or refurbished Secondary Schools
- 8 new primary schools
- 4 extended and refurbished primary schools
- 5 refurbished primary schools
- Primary schools with all through provision
- Secured future for expanding Welsh Medium Provision
- Schools of the right size in the right place
- All schools fully inclusive
- Technology Rich Environments
- Sustainable schools
- Reduction in surplus places
- Eliminate £32m backlog in maintenance

15.2 To achieve the above requires significant investment in the region of £280m with the Council, expected to identify approximately £84m. This proposal suggests how the Council's contribution could be raised over the life time of a long term capital strategy. There is a strong indication that the programme time frame is likely to be extended and there is no guarantee that Torfaen will receive Band A Funding.

15.3 The 21<sup>st</sup> Century Schools Programme will be the only source of funding for capital

investment and is in effect a bidding process. We therefore need to ensure that we submit on time and that our proposal is robust enough to demonstrate to WAG that Torfaen is serious about ensuring that it can deliver a sustainable estate that will be fit for the 21<sup>st</sup> Century.

## 16 Timetable/Next Steps

### 16.1 Sept 2010

16 Sept : PDF  
 20 Sept : Members Seminar  
 21 – 23 Sept : Visits to School Head Teachers  
 29 Sept : Overview and Scrutiny Committee – Special  
 Finalise 21<sup>st</sup> Century Schools SOP

### Oct 2010

19 Oct : Cabinet Decision - To submit SOP with preferred option  
 - To agree to informal consultation  
 29 Oct : Submit SOP to WAG / WLGA - deadline 29<sup>th</sup> October

Dec 2010 : Equality Impact Assessment  
 Spring Term : Informal Consultation on Preferred and Possible Options

March 2011 : WLGA / WAG selects and approves Band A projects and authorises LAs to initiate OBC work and commence statutory consultation

April 2012 : Band A capital funding released

## 17 Recommendation

17.1 To seek approval to submit to the Welsh Assembly Government Torfaen's 21<sup>st</sup> Century Schools Strategic Outline Programme (Appendix A).

17.2 To seek approval to carry out informal consultation during the Spring Term 2011.

<b>Appendices</b>	1	Torfaen 21 <sup>st</sup> Century School Strategic Outline Programme.
	2	Costs and funding

<b>Background Papers</b>	-	<b>Learning Country</b>
	-	<b>Learning Country – Vision into Action</b>
	-	<b>Welsh Assembly Government 21<sup>st</sup> Century School Launch Document</b>
	-	<b>Various Scrutiny Reports</b>
	-	<b>Various Cabinet Reports</b>

**For further information about this report, please telephone:** Tony Walker, Head of Forward Planning and Capital Strategy and Assistant Chief Education Officer on 01633 647331 or by e-mail at [anthony.walker@torfaen.gov.uk](mailto:anthony.walker@torfaen.gov.uk).

# Strategic Outline Programme 21st Century Schools

Submission by

October 2010

Version

## Contents

1. Executive summary
2. Purpose
3. Strategic case
4. Economic case
5. Commercial case
6. Financial case
7. Management case

*This document provides a template for Strategic Outline Programme (SOP) submissions for the 21st Century Schools Programme, and should be completed in full by 29th October 2010.*

*Notes to help with completion of this template are provided in Italics.*

*Where appropriate, cross-references are given to the CRITERIA which will be used to evaluate responses, as set out in Section 4 of the Information document.*

*Please make your answers clear, concise and relevant. A full page box allows up to approximately 500 words. If you are copying and pasting text from another document please ensure the font is Arial point size 11.*

*Throughout this document the term "school" is used to mean all educational facilities serving the age group 3-19.*

*Please contact the 21st Century Schools programme team if clarification or advice is required in completing this document.*

**The completed SOP document should be submitted electronically. A dedicated email address for this purpose will be provided in advance of the submission deadline.**



## 1. Executive Summary

*Please provide a concise and comprehensive overview of the SOP's content, key conclusions and principal recommendations.*

## 2. Purpose

This Strategic Outline Programme sets out proposals for investment under the Welsh Assembly Government's 21st Century Schools Programme.

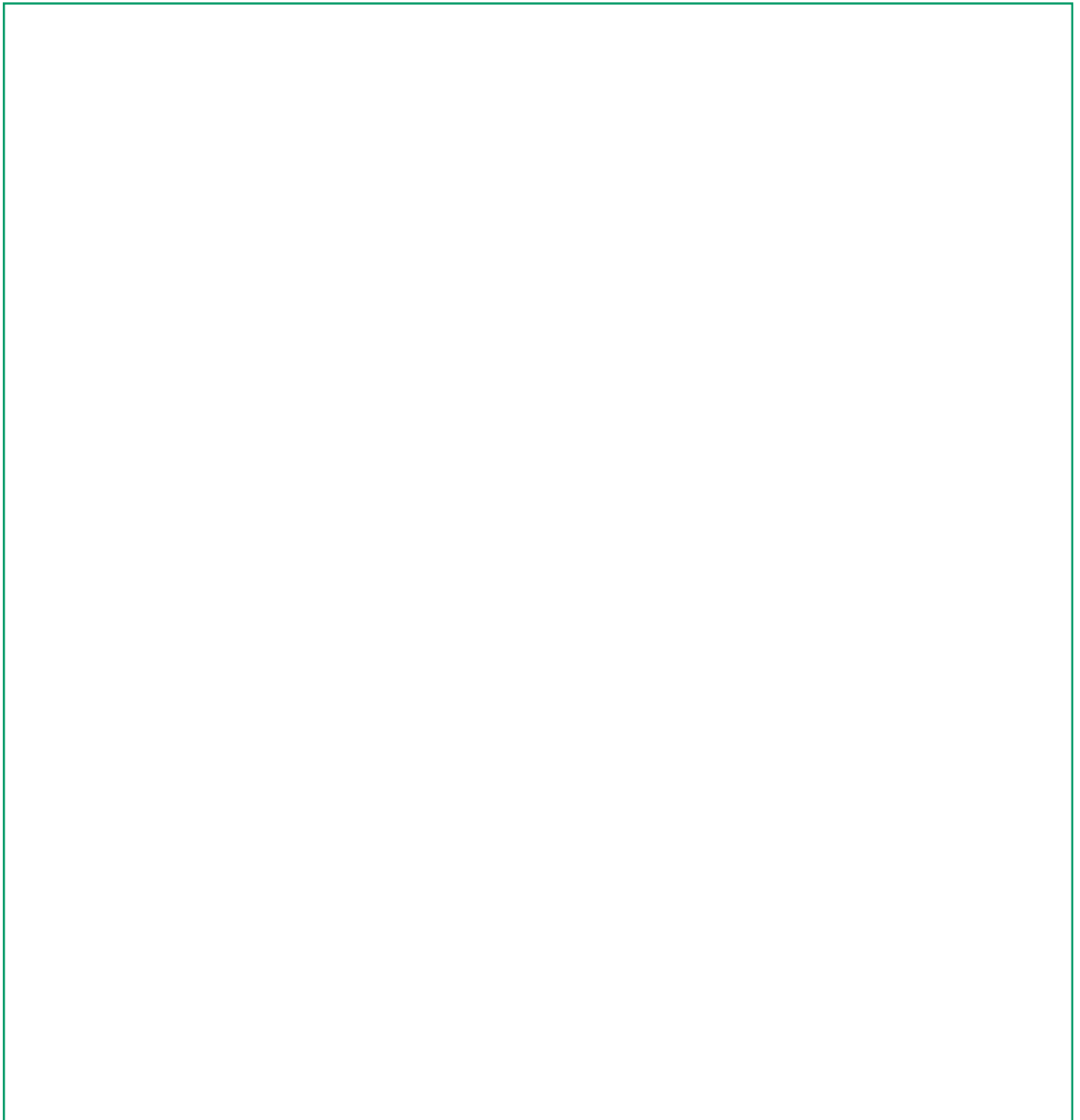
The purpose of the document is to seek approval of the strategic context and approach to delivery of 21st Century education within the Local Authority and to the projects identified for investment. This will then facilitate strategic and collaborative planning and the setting of associated budgets, and allow the Council to move forward to identify in more detail and cost key components of the programme and any enabling projects that may be necessary. It will also facilitate the speedy production of subsequent business cases for the elements of investment.

### 3. Strategic Case

*This section provides the overview of the authority's strategic approach to the 21st Century Schools Programme. A successful assessment of this strategy is a necessary precursor to consideration of investment proposals set out in subsequent sections of this document.*

#### 3.1 Organisation overview

*Please provide a snapshot of the authority, its geographical area and the population served, to which the proposed programme applies.*

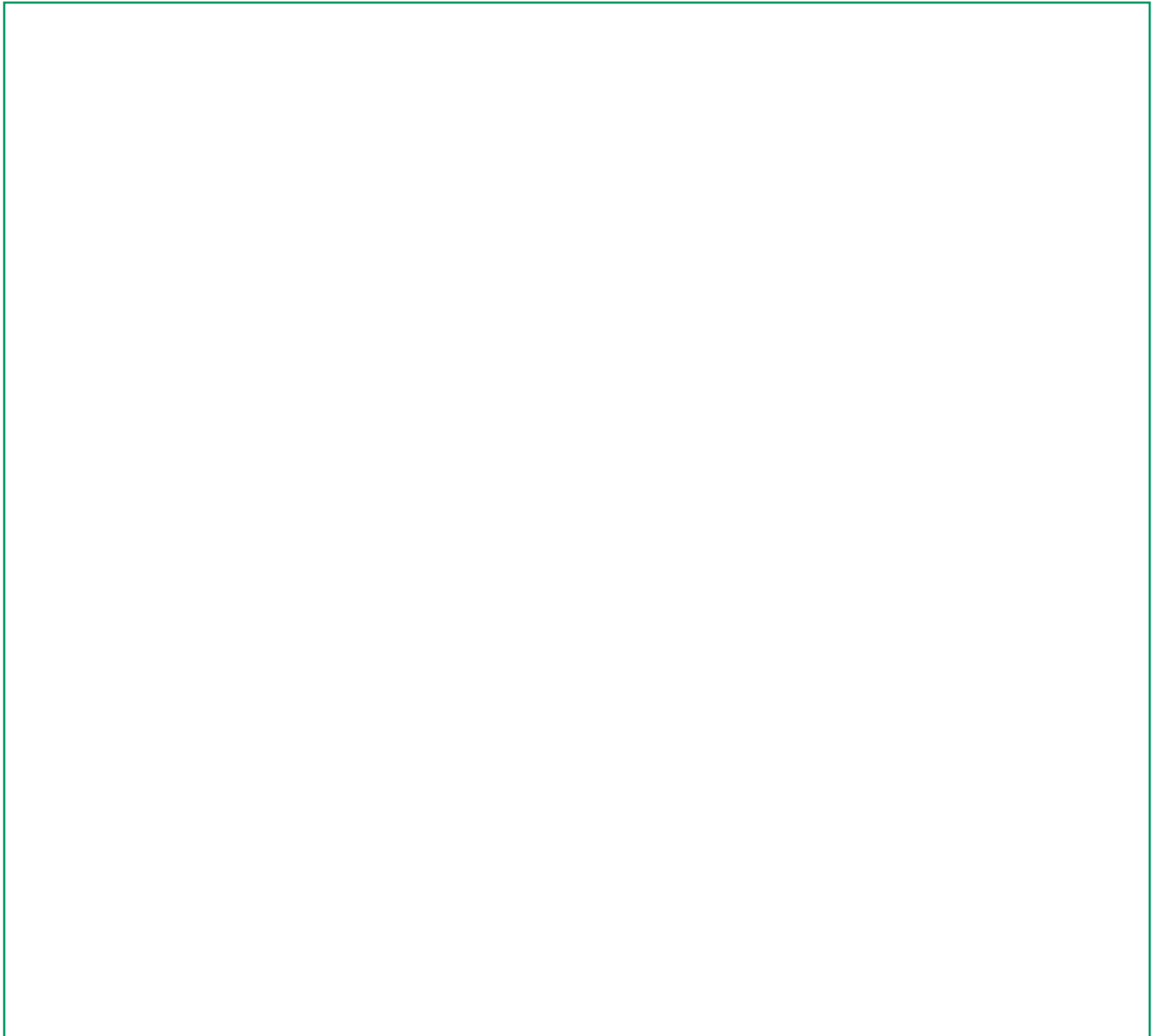




## 3.2 Existing situation

*Please set out the existing situation in broad outline, but with sufficient background information to support your proposals, referring to:*

- *educational outcomes (ESTYN and other measures);*
- *numbers and types of schools;*
- *school places (surplus or deficit);*
- *any location issues (the right schools in the right places);*
- *condition and suitability (reference should be made to the findings of the recent school estate survey and your asset management plan data);*  
**[CRITERIA: 2.1 and 2.2]**
- *other factors considered relevant.*







### 3.3 Strategy and programme investment aims

The aims of the programme are, in line with the national programme objectives, to deliver:

- Learning environments for children and young people aged from 3 to 19 that will enable the successful implementation of strategies for school improvement and better educational outcomes;
- Greater economy through better use of resources to improve the efficiency and cost-effectiveness of the education estate and public service provision; and
- A sustainable education system with all schools meeting a 21st Century Schools Standard, and reducing the recurrent costs and carbon footprint.

The achievement of these aims will be delivered through the following:

*Please provide an overview of the strategy and groups of projects as a series of bullet points, and say how these contribute to the three main aims. Reference should also be made to other related investment or change programmes in which the Authority is engaged, or intends to be.*

**[CRITERIA: 1.1 to 1.5]**





### 3.4 Business needs and proposed solutions

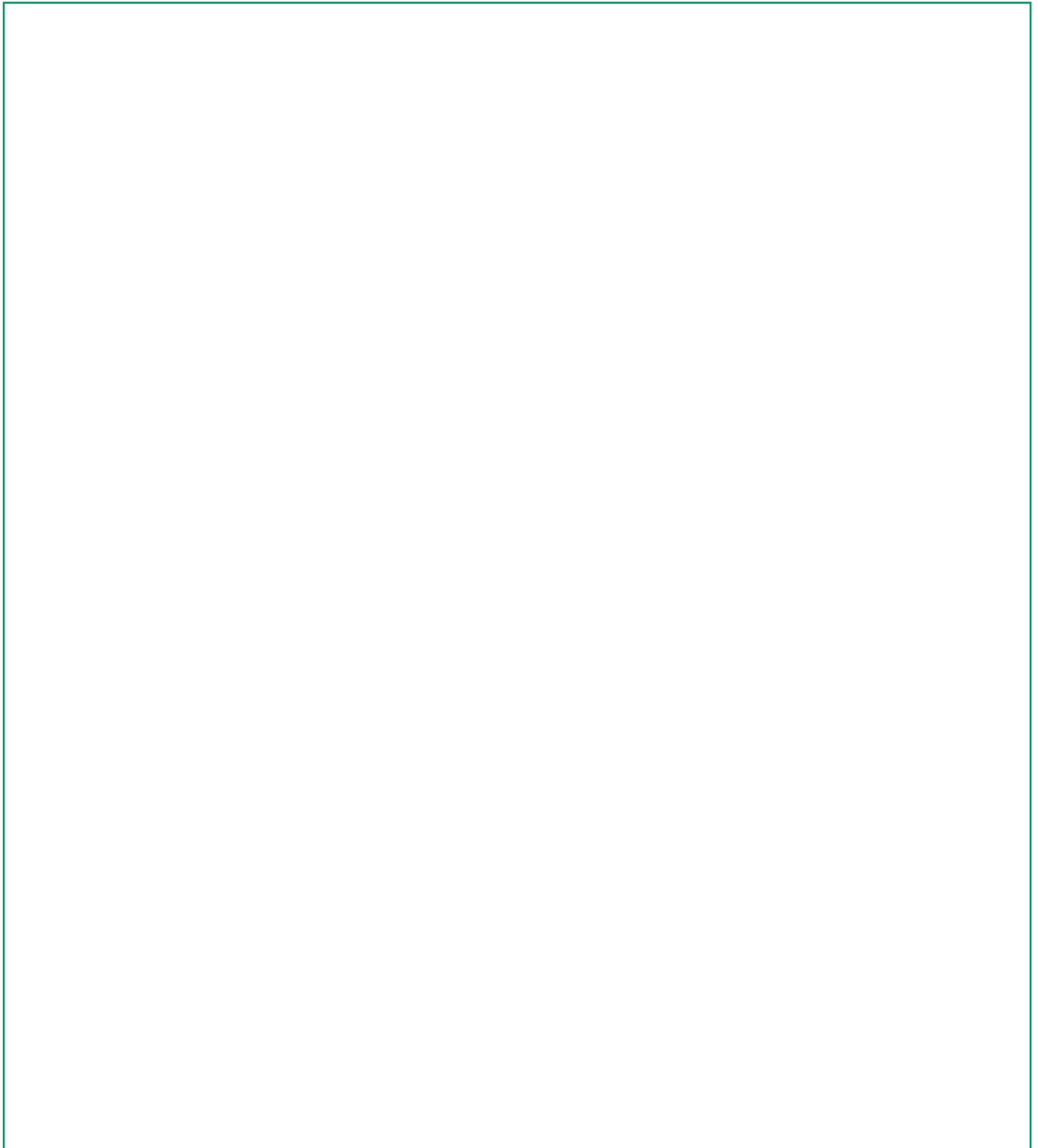
*Please set out the current and future need for change in relation to the situation outlined in 3.2 for each of the following:*

- School improvement including proposals related to the School Effectiveness Framework and opportunities where appropriate for joint working at WAG/authority/school level.

**[CRITERIA: 1.1]**

- 21st Century Schools is more than just a building programme, please demonstrate how you propose to transform approaches to teaching and learning, including the use of ICT across ages 3 - 19.

**[CRITERIA: 1.2]**



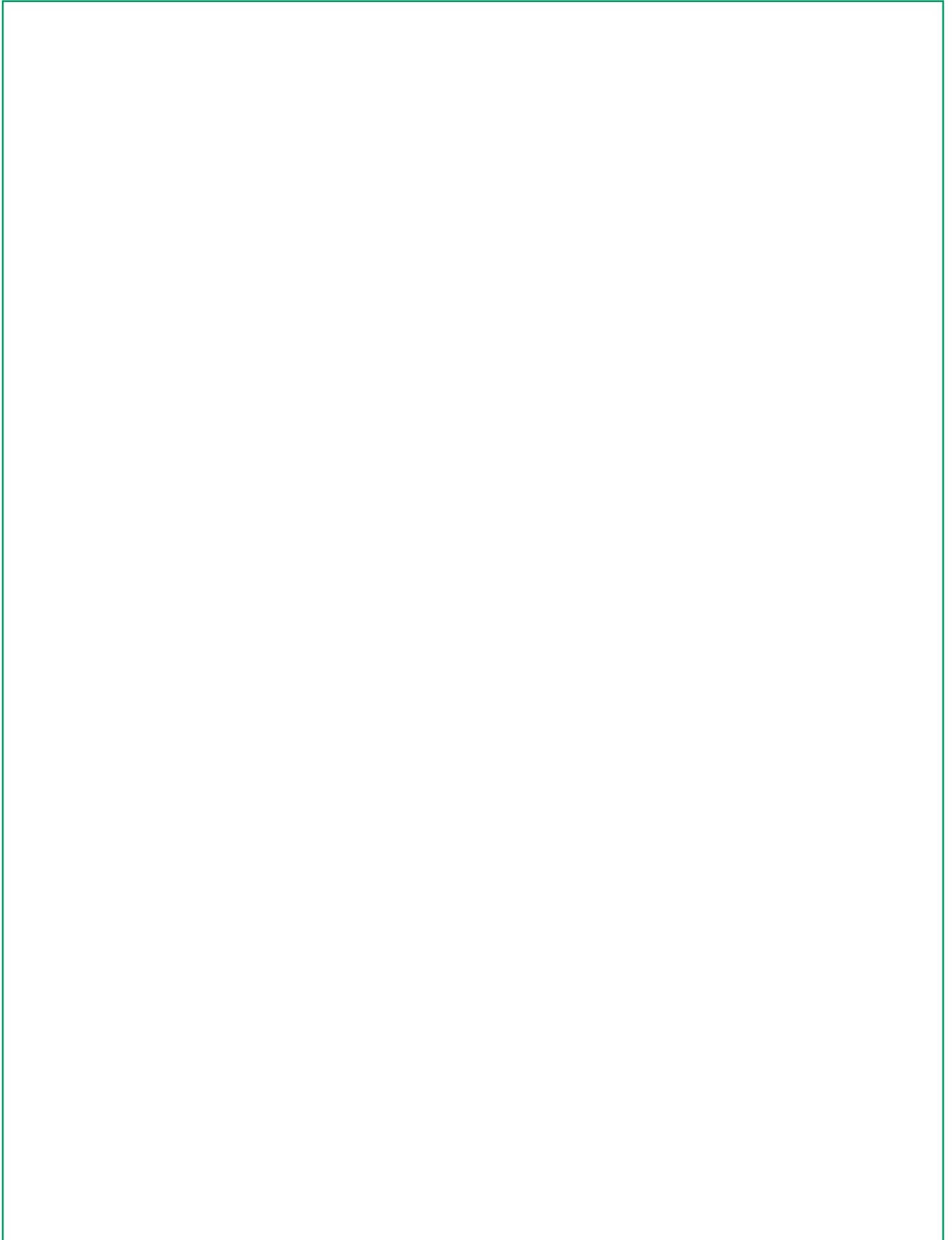
- School organisation - location, size and types of school; addressing surplus places if appropriate; consideration of inter-authority issues; organisational change across the 3-19 spectrum; or otherwise improving the efficiency of the school estate. Reference should also be made here to demand and any proposals for Welsh Medium education, and to Statutory approvals that may be needed for organisational change.

**[CRITERIA: 1.3]**



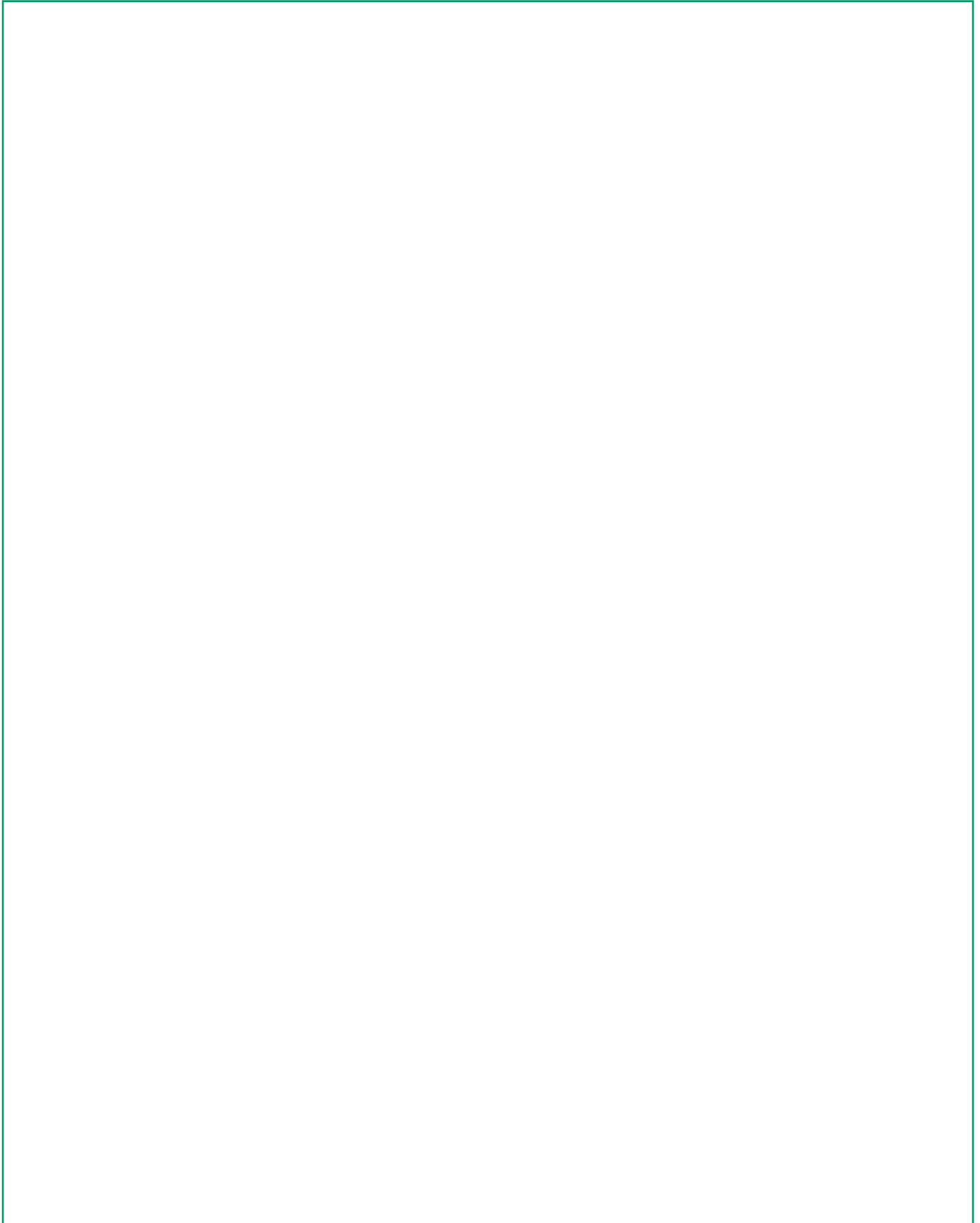
- Sustainability and carbon reduction strategies.

**[CRITERIA: 1.4]**



- Strategies for co-location and integration through community-focused schools and/or local or regional regeneration; reference should be made where appropriate to the role of Local Service Boards in enabling such initiatives.

**[CRITERIA: 1.5]**



### 3.5 Benefits, risks, dependencies and constraints

*Please provide a résumé of the main benefits and risks associated with the delivery of the proposed programme, together with any dependencies (between this programme and other local or regional strategies) and constraints.*

## 4. Economic case

### 4.1 Critical success factors

Please list the criteria (critical success factors) against which you will assess the successful delivery of the projects and the evaluation of options **[CRITERIA: 2.5]**. Examples might include:

- *Projects deliver elements of educational transformation;*
- *Completed projects have high levels of user satisfaction;*
- *Young people are involved in design of projects;*
- *Local contractors and/or suppliers are able to bid;*
- *Projects could have exemplar/demonstration status;*
- *Projects introduce significant efficiencies into the system, e.g. reduction of running costs.*



## 4.2 Option appraisal

*Please list and evaluate the main choices (or options) that have been considered for the successful delivery of the programme. Evidence should be provided of thorough consideration of options informing proposed solutions which meet national investment objectives. A 'do nothing' or 'do minimum' approach should be identified as a baseline option for comparison purposes.*

### **[CRITERIA: 2.5]**

*Please provide responses in relation to:*

- *describing the range of possible options for the programme in relation to the key investment aims (see section 3.3) and critical success factors as stated in 4.1;*
- *assessing the main advantages and weaknesses of each option;*
- *outlining the potential projects (or investments) that would correspond with each option;*
- *assessing in broad terms the cost and affordability of each option;*
- *applying a weighting and scoring method to determine the preferred option.*

*The options might include, for example:*

*Choices regarding the scope of the programme at different stages (e.g. 3-19 scope across the whole estate, or an area by area approach, or by age group – including cross-phase solutions such as all-through schools);*

*Amalgamation, co-location, new-build, refurbishment, repair or closure;*

*Implementation (short, medium, long-term phasing, grouping of schools in different combinations, joint planning with neighbouring authorities);*

*Need for, or availability of, suitable sites to meet the programme*

### **[CRITERIA: 2.4];**

*Whether any statutory approvals required will be obtained in the timescale.*

*Whether some options permit innovation and might be put forward as exemplars/demonstration projects - see Section 3 of the Information Document.*

### **[CRITERIA: 2.6]**







### 4.3 Preferred option

Please describe the preferred option for the successful implementation of the programme. The choice made must meet the key programme objectives and critical success factors. Evidence should be provided that all key stakeholders (e.g. Diocesan authorities or colleges) have been consulted on the preferred option and that where possible consensus has been reached. **[CRITERIA: 2.5]**

The response should outline:

- the key investments within the programme- short-term, medium-term and long-term, identifying in particular those that are seen as priorities for funding within band A of the programme;
- complete your investment profile in the box below;
- whether intended to be separate procurements in their own right, or which could be collaboratively procured with other authorities;
- key milestones for the projects in the proposed programme over a 10 year period;

Band	Brief description of the project	Estimated value £(m)
Band A 2012 - 2014		
Band B 2015 - 2017		
Band C 2018 - 2020		
Band D 2021 - 2023		

Please note that the figures entered in the table above should be the costs identified in Section 6.1







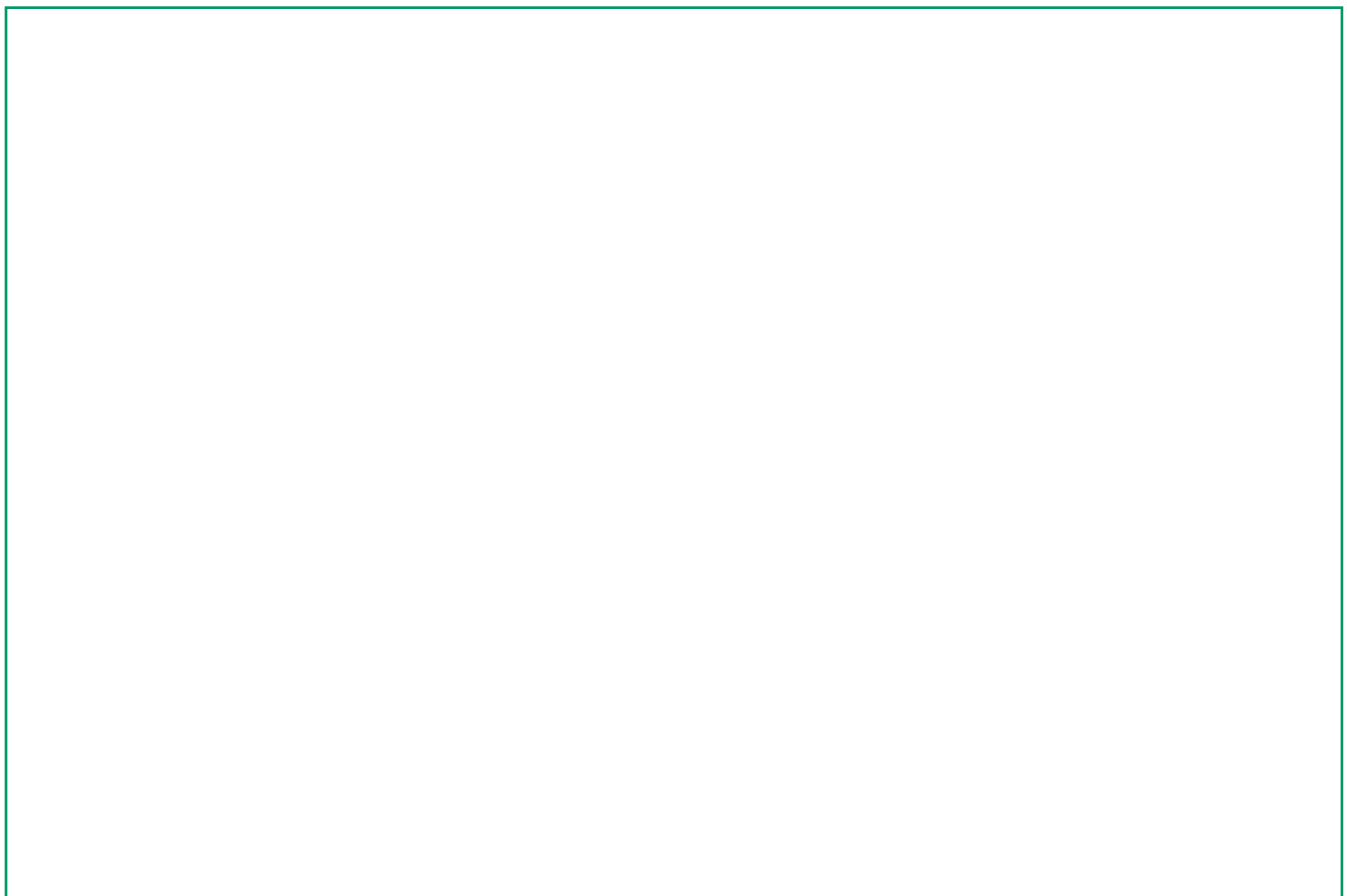


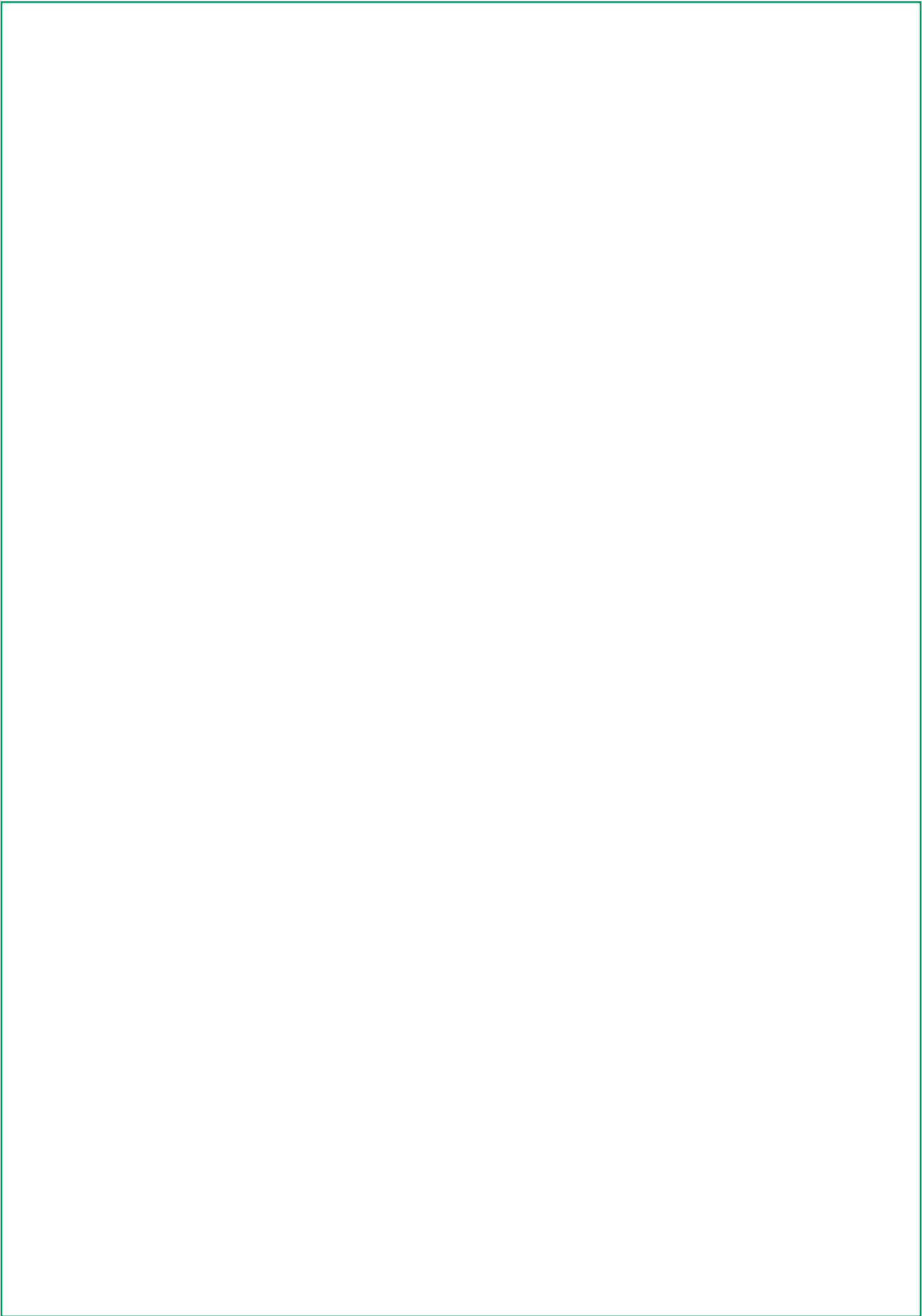
## 5. Commercial Case

### 5.1 Commercial strategy

*Please outline the commercial strategy for the programme. This may differ for individual investments and should describe how the authority (or collaborating authorities) will endeavour to 'leverage' the best available deal for each investment, or combination of investments, from the supply-side and market place. Reference should be made to:*

- *strategy for compliance with competition requirements;*
- *likely extent of use of private sector contractors/ suppliers, in-house or public-sector suppliers of services, partner organisations, etc;*
- *procurement through regional or other frameworks;*
- *prequalified contractors or suppliers;*
- *potential for innovative procurement- e.g. offsite construction;*
- *potential for use of local SMEs, local labour, materials, etc.*





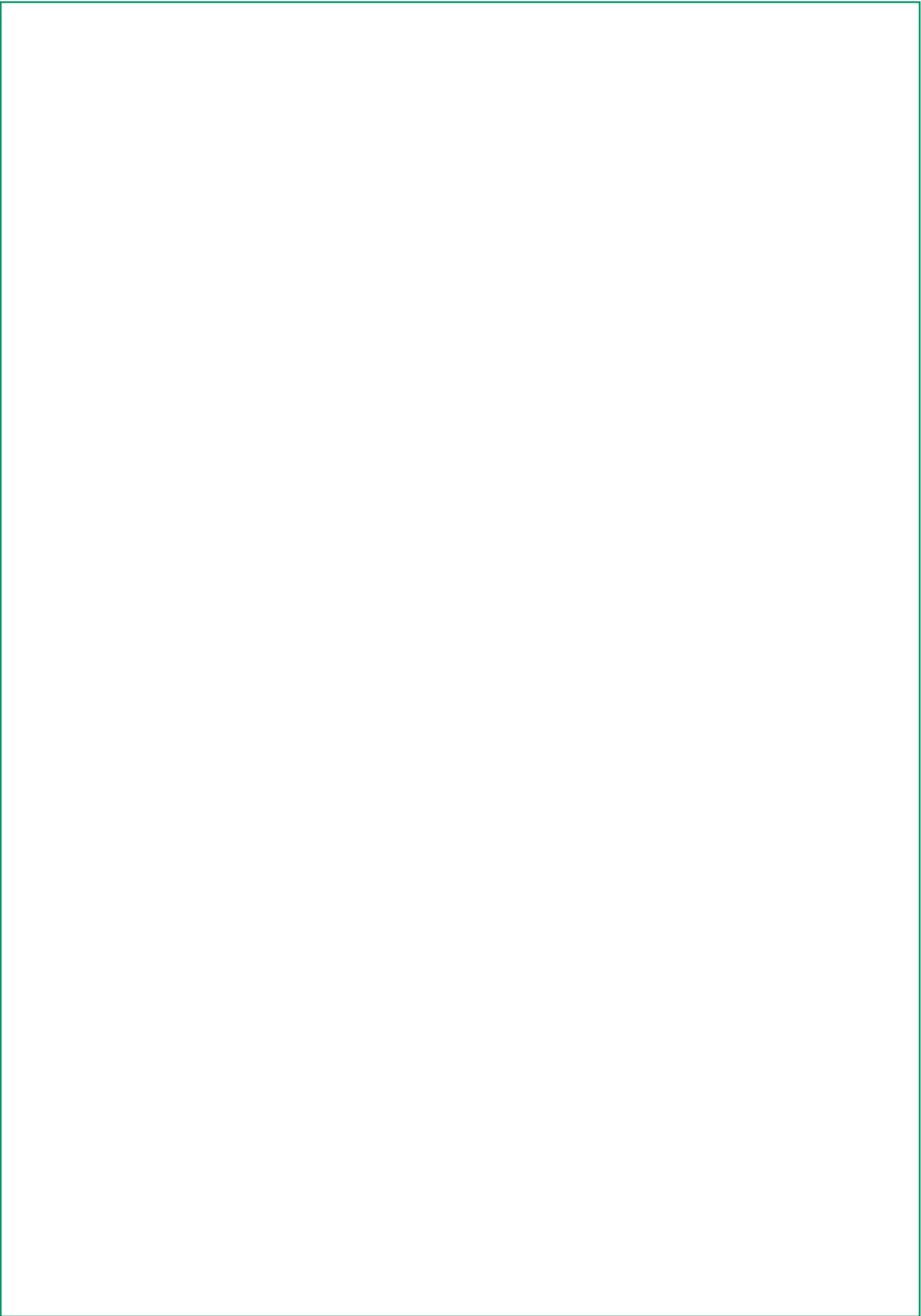
## 6. Financial case

### 6.1 Indicative cost

*Please indicate the total financial cost (to nearest £m) of the programme, broken down by the constituent investments and/or procurements which you have set out in Section 4.2 particularly in relation to proposed phasing. Reference should be made to any off-setting income likely to be available from capital receipts, etc. Costs should indicate capital investment and procurement costs (fees) separately, and indicate whether VAT is payable.*

*Quantifiable financial benefits and risks should be included. Particular note should be made of ongoing revenue savings expected from the project. The use of optimism bias should be considered.*

*The strategy for life-cycle maintenance of school assets should be described.*



## 6.2 Funding arrangements

*Please indicate how it is intended that these investments will be funded. Likely sources of non-WAG funding, including prudential borrowing, capital receipts and other potential sources should be stated.*

### 6.3 Affordability [Criteria: 2.3]

*Please confirm the affordability of the priority projects put forward for funding under band A, indicating any agreements or understandings in place and/or any affordability gaps. Assumptions regarding the level of WAG funding required should be stated.*

## 7. Management Case [Criteria: 3.1]

### 7.1 Programme management arrangements

*Please outline the programme management arrangements including the resources and governance arrangements that are considered necessary to deliver this programme over time (possibly in collaboration with other local authorities).*

## 7.2 Project management

*Outline the procurement plans and proposals for project management of band A projects if successful.*



### 7.3 Roles and responsibilities

*Please list the roles and responsibilities of all members of the programme team, any external advisers and their roles. In accordance with best practice, the programme should have a named Senior Responsible Owner (SRO), who takes ownership of the programme and is responsible for its direction.*

## 7.4 Project engagement

*Outline the strategy for consulting with, and involvement of, stakeholders, the extent of consultation and involvement of children and young people, which has either been undertaken to date or is planned. Please also provide evidence that school governors generally are in support of programme proposals.*

## 7.5 Risk analysis and management

*Please set out the proposed method for identifying risks to the implementation of the programme and the management of these risks over time.*

## 7.6 Programme assurance

*Please state what arrangements are being considered or planned for external review of the programme or projects, including any provision for gateway review.*

*Please name the lead officer for contact on this submission*

**Lead officer:**

**Email:**

**Date of submission:**

21st Century Schools											Appx 2 Appx G		to cabinet report to SOP	
Cost and Funding Matrix	Totals	Band A			Band B			Band C			Band D			
		2012 - 14			2015 - 2017			2018 - 20			2021 - 2023			
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
<b>Expenditure:</b>														
<b>Sector</b>														
Primary			80.6			10.9			29.1			0		
Secondary			10			110.5			18.5			20		
<b>Total</b>	<b>279.6</b>	<b>90.6</b>			<b>121.4</b>			<b>47.6</b>			<b>20</b>			
<b>Match Required at 30% - at programme (not band) level</b>	<b>83.88</b>													
<b>Funding:</b>														
Core Capital	22	0	2	2	2	2	2	2	2	2	2	2		
Capital Receipts - current	5		2	3										
Capital Receipts - from proposals	25							5	5	1	6	3		
Prudential Borrowing - from proposals savings (based upon £1.5m pa)	15					5	5	5						
Prudential Borrowing - LEA savings (based upon £0.5m pa)	5								5					
Other - eg Section 106 and Diocese	13						7	6						
<b>Totals</b>	<b>85</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>14</b>	<b>18</b>	<b>12</b>	<b>3</b>	<b>8</b>	<b>5</b>		
<b>Match funding as % in periods</b>				9.93			18.95			69.33		100.00		
<b>Match funding in periods in £'s</b>			<b>9</b>			<b>23</b>			<b>33</b>		<b>20</b>			

**CABINET**  
**19 October 2010**

**HIGHWAYS WINTER MAINTENANCE SERVICE PROVISION AND FUNDING PRESSURES**

*Report Submitted by: Christina Harrhy, Chief Officer, Neighbourhood Services*  
*Report Written by: Ed Evans, Head of Property & Highway Engineering*  
*Andrew Pritchard, Structural Network Officer*

**1. Area Affected**

1.1 All adopted roads and footways, County Borough wide, during the winter period.

**2. Purpose of Report**

2.1 To inform Members of Cabinet of:-

- i) The lessons learnt following the 2009/10 winter
- ii) The actions proposed/undertaken following the 2009/10 winter

2.2 To seek the approval of Members of Cabinet Committee:

- i) to fund the Authority's contribution of £68,400 to a Regional Salt Barn based in Ebbw Vale from the General Fund Balance

**3. Recommendations**

3.1 That Members of Cabinet Committee:-

- i) Note the actions either undertaken or proposed to address lessons learnt from the 2009/10 winter reviews.
- ii) Note the current budgetary pressures facing the service as we approach the 2010/11 winter period.
- iii) Approve the use of the General Fund Balance to fund the Authority's contribution of £68,400 to a Regional Salt Barn based in Ebbw Vale.
- iv) Note that should a severe winter occur a further follow up report will consider the need to purchase any additional salt to replenish the Authority's own salt barns during the forthcoming winter.

## **4. Background**

- 4.1 The last two severe winters have placed considerable strain on the Highway Winter Maintenance Service. Last year residents experienced the most severe winter for the past 30 years. Whilst this difficult event was well managed and demonstrated the importance of the service in allowing normal life to continue, it also highlighted the considerable budgetary pressures on the service depending on the severity of winter weather experienced and a number of risk areas in terms of future 'resilience'.

## **5. Issues & Findings**

### **5.1 Lessons learnt following the 2009/10 winter**

- 5.1.1 Although it is generally accepted that the Authority's response to the harsh winter of 2009/10 was good and that most issues were well handled, considerable difficulties were experienced across the UK as a whole. As a result a number of reviews were conducted at UK and All-Wales levels to determine any lessons which could be learnt from the responses to the events. Reviews were also conducted within the Authority both corporately and within Neighbourhood Services. Further reference to these reviews are provided in the background papers.

- 5.1.2 Whilst UK and All-Wales reviews highlighted many areas to address, two key themes have become apparent:-

1. The resilience of salt supplies
2. The need to ensure sufficient salt stocks prior to the winter period

- 5.1.3 In terms of specific in-house reviews, in addition to the key themes highlighted above, the following areas were also identified:

1. A need to conserve salt supplies through more targeted use
2. A need to review salting rates, frequencies and priorities
3. A need for improved weather/road temperature forecasting
4. A need to have in place a severe weather plan which sets out the procedures for dealing with refuse and recycling collection, replenishment of salt bins, salt spread rates and collaboration with partner Organisations.

- 5.1.4 Above all, the reviews have identified and highlighted the budgetary pressures on delivering this service.

### **5.2 Actions following the reviews**

- 5.2.1 Officers have considered the UK, All-Wales and internal reviews and the following paragraphs summarise what has been done and what still needs to be done in response to these. These actions, particularly the latter grouping, need to be considered against

**THIS DOCUMENT IS AVAILABLE IN LARGER PRINT UPON REQUEST**



the backdrop of considerable budgetary pressures.

## 5.2.2 **What has been done?**

### 5.2.3 **A. Installing new Weather Stations - Improved weather forecasting capacity**

This year Torfaen Council are installing 3 new weather stations jointly with our neighbouring Authorities to record road temperatures during this coming winter period. This will assist the Met Office in providing more accurate daily forecasts and allow the Council to constantly monitor road temperatures via a secure website, and only grit when required.

The weather stations are being installed at:-

1. Llanelly Hill junction, Garn Road, Blaenavon, jointly with Monmouthshire and Blaenau Gwent.
2. A472, Crumlin Road, near Hafodyrynys jointly with Caerphilly
3. Jerusalem Lane, New Inn, jointly with Monmouthshire

Training is being provided to staff on the use of the weather stations which will be installed by the start of the winter weather season.

We also now have access to an existing South Wales Trunk Road Agency station on the A4042 at Llantarnam. Data from these combined stations will give full coverage of the Borough. The station at Garn Road also has a camera to enable the standby officers to monitor snowfall. It is expected that this comprehensive network of weather stations will enhance the quality and timing of the forecasting information provided by the Met Office and thereby reduce the amount of unnecessary precautionary salting undertaken.

### 5.2.4 **B. Re-stocking Torfaen County Borough Council Salt Barns – Improved Resilience**

Salt is stored in two covered salt barns at Blaenavon and the New Inn Depot. The combined capacity of those barns is 4,300 tonnes. In an average winter we use about 3,500 tonnes. Usually we restock the barns constantly through the winter to allow for any severe weather and we normally end the year with at least half full barns. Last year as a result of the national shortage of salt and inability to restock during the winter, we ended the year with virtually empty barns. The barns have now been fully restocked using all of the £40,000 annual budget and £56,000 from 2009/10 reserves. However, there is currently no further finance available to restock during the winter.

### 5.2.5 **C. Reviewing salting rates and priorities- salt preservation**

Salting rates are determined with reference to “Well Maintained Highways” the Code of Practice for Maintenance Management. This information is used together with the weather forecast for the following period and levels of residual salt to decide on a spread rate for any given treatment.

Salt spreading rates are currently being reviewed at a national level in an attempt to

reduce salt usage and any recommendations which result will be adopted. In the meantime for normal precautionary salting we will continue to use the current guidance to avoid possible claims against the Authority.

During the salt shortages of the last two winters, in an attempt to use as little salt as possible, standby officers constantly monitored road temperatures on marginal nights to avoid any unnecessary treatments. This procedure, aided by the new weather stations will continue to try to reduce salt use.

#### 5.2.6 **What still needs to be done?**

#### 5.2.7 **A. Additional Resilience - Financial contribution to the regional salt barn**

To address the current supply problems of salt supply, the UK Government and WAG have advised Authorities to increase their salt storage capacity to give greater resilience to the service if supply problems occur again. As a result of this, a regional salt barn to hold a strategic salt reserve, has been constructed at Ebbw Vale to serve the former South Wales Trunk Road Agency. The project has been led by Blaenau Gwent and financed from Heads of the Valley funds at no cost to Torfaen. This barn has a capacity of 10,000 tonnes and each Authority will be able to store 2,000 tonnes for use in emergencies. Exact operating arrangements are not finalised as yet, but any use from the stockpile by the member Authorities will be recorded by weighbridge and limited to their holding.

If ordered, it is likely that this salt would not be available until December/January and would be at the current winter rate of £34.20 per tonne. At this rate 2,000 tonnes of salt would cost £68,400.

If the Council wishes to participate in this initiative and ensure that there is an emergency supply of salt available should another severe winter period be experienced then additional funds will be required in the order of £68,400 as there is currently no budget in place to purchase any salt for this barn. However, the Authority could be liable to severe criticism if it did not participate in the scheme and then ran out of salt during the winter period.

#### 5.2.8 **B. Replenishing salt stocks during the 2010/11 winter period**

As salt is used during a winter period it needs to be replaced to ensure 'resilience' against further events. However, during the 2009/10 winter supplies were severely affected by the high demand by all Authorities and the inability of the salt supplying companies to meet this demand. This issue could arise once again in 2010/11. This is why it is important that the Authority is able to:-

1. Replenish stocks from alternative sources e.g. regional salt barn
2. Purchase stocks from existing suppliers if and when opportunities arise

The first point is covered in a previous section of the report. The second point is dependent on having a budget in place to act quickly. Unfortunately the £40,000 salt budget together with £56,000 from 2009/10 general reserves has already been used this

year to re-stock the barns after last winter's heavy usage.

**5.2.9 C. Review performance of weather stations and impact on standby/salt usage**

This will be undertaken during and after the 2010/11 winter period. The aim is for data from the weather stations to improve the service and reduce costs long term as less salt and labour is used in precautionary gritting.

**5.2.10 D. Amendments to the Winter Maintenance Plan**

The current Winter Maintenance Plan is being amended to reflect any approved changes following these reviews. Furthermore, it is proposed to develop a "severe weather plan" contained within the Winter Maintenance Plan, to set out measures, firstly, to prioritise those streets to be cleared of snow after the main network is clear, progressing to cessation of treating all affected side roads, not filling grit bins and ultimately to a phased reduction in the main gritting network. It will also set out how refuse and recycling collections are managed throughout this period and how we will work with partner organizations such as Bron Afon to improve co-ordination.

**5.3 Budgetary pressures for 2010/11**

5.3.1 The financial implications of responding to winter conditions affecting the highway are proportional to the severity of the winter weather which can vary from mild through to harsh. Clearly it is not possible to predict weather conditions 12 months in advance. However, it is important that sufficient funding is available to prepare for, at the very least, an 'average' winter. More severe conditions, requiring higher expenditure, will inevitably put pressure on the Council's reserves. The following table highlights the variance between budget and actual costs for Highway Winter Maintenance over the last 7 years.

Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Budget</b>	£277,660	£277,700	£322,700	£331,700	£341,900	£337,200	£319,880
<b>Actual</b>	£648,329	£298,727	£296,090	£314,558	£376,615	£488,384	£643,250
<b>Variance (-/+)</b>	+£370,729	+£21,027	-£26,610	-£17,142	+£34,715	+£151,184	+£323,370

5.3.2 With the exception of very mild winters in 2005/06 and 2006/07 where costs came within budget by £26,610 and £17,142 respectively, across the remainder of the period costs have exceeded the budget by up to £370,729. A further pressure in 2010/11 and future years will be the increasing cost of salt which has risen, over the last year alone, from typically £26 per tonne in the winter to c. £34 per tonne.

5.3.3 In terms of managing the budgets, expenditure on Highway Winter Maintenance is made up of two types of costs:-

1. Fixed e.g. transport, standby, training, weather forecasting
2. Variable e.g. salt, precautionary inspection/gritting, vehicle maintenance

5.3.4 Whilst fixed costs will be consistent regardless of the severity of winter weather variable costs will increase as the severity of the weather increases. The following summarises

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fixed and variable costs against 3 winter weather scenarios: mild; average; harsh (typical salt usage of 2,000 tonnes, 3,000 tonnes and 5,000 tonnes respectively). It also highlights the 2010/11 budget.

Cost Element	Type of Winter			2010/11 Budget
	Mild	Average	Harsh	
Fixed	£246,907	£246,907	£246,907	£225,158
Variable*	£256,500	£319,250	£483,500	£150,722
<b>Total</b>	<b>£503,407</b>	<b>£566,157</b>	<b>£730,407</b>	<b>£375,880</b>
Variance from 2010/11	-£127,527	-£190,277	-£354,527	£0

\* these figures exclude £56,000 from 2009/10 reserves which was used for the purchase of salt to help to replenish the salt barns at New Inn and Blaenavon.

5.3.5 Included within the variable costs (but not the 2010/11 budget) is an additional £64,800 which the Authority will need if it is to contribute to the stocking of the regional salt barn located within Blaenau Gwent AND costs for replenishing salt stocks as they are used during the winter period.

5.3.6 It is clear from these figures that if the Authority is to:

- i) contribute to the stocking of the regional salt barn, which was identified from the reviews as a key requirement to improve winter resilience;
- ii) replenish its own stocks during the winter.

It would need to rely on additional funding sources.

## 6. Consultation

6.1 Consultation at this stage has included the following:-

- The views of the Cleaner Communities Overview & Scrutiny Committee have been considered in the preparation of the report.
- The Assistant Chief Executive (Resources) has confirmed that the use of the General Fund Balance is appropriate to deal with the contributions to the Regional Salt Barn and that, if severe winter weather occurs, a further report will be needed to secure funds to replenish salt stocks.
- The Head of Property & Highway Engineering has met with the Emergency Planning Officer to discuss the lessons learnt from 2009/10 and the actions arising from these reviews. The outcome of those discussions have informed this report and will be used to take forward the development of a “severe winter weather plan”.
- Although Partner Organisations have not been consulted on the contents of this report they will be engaged in the development of a “severe winter weather plan”

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the outcome of which will be reported to a future Cabinet Committee meeting and will be incorporated within an amended winter maintenance plan.

## **7. Implications**

### **7.1 Policy**

7.1.1 The Council has in place an annually reviewed Highway Winter Maintenance Plan which sets out its policy for dealing with winter events. Any changes to our specified level of service will require amendments to the plan. These will be addressed in a separate report to the Executive Member for Operational Services and Cabinet if appropriate.

### **7.2 Legal**

7.2.1 Under Section 111 of the Railways and Transport Act 2003 amended Section 41(1) of the Highways Act 1980 (duty of a Highway Authority to maintain the highway), the Council now has a statutory duty by virtue of this Act *'to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice'*. Previous to this legislation the Council only had a duty to remove obstructions caused by snow.

7.2.2 In terms of the above legislation, a highway includes carriageways, footways and adopted cycleways or pedestrian areas. The definition of what is reasonably practicable is at the discretion of the Court in question, whilst considering the strategic hierarchical approach the Council has identified through its Winter Maintenance Plan. However, lack of funds does not constitute a defence for Highway Authorities.

7.2.3 Failure to address key recommendations in the reviews of the 2009/10 winter event would leave the Authority at risk of prosecution and individual claims.

### **7.3 Financial**

7.3.1 The service is currently funded from the highways revenue budget. This report highlights the budgetary pressures on the service if anything other than a very mild winter is experienced. In 2009/10 £750,000 was drawn down from the Council's reserves to meet this pressure.

7.3.2 The Winter Maintenance costs have historically been greater than the revenue budget allocation. This has been supplemented either by reserves or from within the former Operational Services Department. The initial 11/12 budget is being constructed based on the Winter Maintenance plan that is currently being finalised. This will include the benefits of new developments such as the local weather stations. It is likely that the costs associated with the winter maintenance plan will be greater than the current budget and to address this there will be a requirement for a reallocation of funds within Neighbourhood Services.

However, the winter maintenance plan is being designed to target resources considering risk and priority and will ensure the budget is utilised in the most effective way to gain maximum effect.

- 7.3.3 In order to address the current budgetary pressures it is proposed that funding, in the order of £68,400 (subject to confirmation by the SE Wales Trunk Road Agency) to provide an additional 2,000 tonnes of salt at the new Regional Salt Barn at Ebbw Vale be sourced from the general fund balance.

## **8. Risks**

- 8.1 Each of the reviews undertaken following the 2009/10 winter have focused on the 'low resilience' of salt stocks and supplies as being a major risk area.
- 8.2 In terms of salt stocks, although within Torfaen we have now re-stocked our salt barns, there is no funding currently available to contribute to the regional salt barn at Blaenau Gwent and neither is their funding to replenish our own stocks during the winter as salt is used. Both these areas create risks for service provision, particularly if we face another harsh winter, and risks to the credibility of the Authority if it fails to support a key recommendation of the reviews.
- 8.3 Demand for salt during last winter was exceptionally high and the suppliers were unable to meet this demand in its entirety, hence the recommendation that all Authorities fully re-stock barns over the summer period and, in South East Wales, contribute to the regional salt barn. There is obviously a risk that, if we experience another harsh winter across the UK, additional supplies would be limited again. However, this is a risk which we, as an individual Authority, have limited control over, although we continue to support WAG in this respect and will take every opportunity, through the measures detailed in this report, to preserve our salt supplies accordingly.

## **9. Actions to be taken following Cabinet decision**

- 9.1 If the recommendations in this report are supported the Head of Property and Highway Engineering will confirm to the SE Wales Trunk Road Agency that the Authority will be contributing to the supply of salt at the regional Salt Barn. Officers will also be advised of the funding streams available to procure salt to replenish stocks during the winter period if this is necessary.
- 9.2 If no additional funding is available and a substantial reduction in service levels is required, a further report will be prepared to Cabinet detailing any changes to the service including amendments to the Winter Maintenance Plan.

## **10. Monitoring and evaluation**

- 10.1 The Head of Property and Highway Engineering will, along with other winter maintenance officers, monitor progress in addressing the key recommendations of the reviews and highlight risk areas to the Chief Officer Neighbourhood Services for further action.

## **11. Conclusion/summary**

- 11.1 The Authority's response to the 2009/10 winter event was of a high standard and was generally well received. However, it highlighted the pressures that such an event places

on the Council's resources, both human and financial and the impact on communities.

11.2 A number of reviews have been conducted since the event and officers have considered these reviews and have either undertaken or are proposing to undertake action to address the key areas.

## 12. Recommendations

12.1 That Members of Cabinet Committee:-

- i) Note the actions either undertaken or proposed to address lessons learnt from the 2009/10 winter reviews.
- ii) Note the current budgetary pressures facing the service as we approach the 2010/11 winter period.
- iii) Approve the use of the General Fund Balance to fund the Authority's contribution of £68,400 to a Regional Salt Barn based in Ebbw Vale.
- iv) Note that should a severe winter occur a further follow up report will consider the need to purchase any additional salt to replenish the Authority's own salt barns during the forthcoming winter.

<b>Appendices</b>	Appendix A – 2010/11 Winter Maintenance Budget with potential expenditure scenarios
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<b>Background Papers</b>	Severe Winter Weather in Wales 2009/2010
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<b>For a copy of the background papers or for further information about this report, please telephone: Ed Evans (ext. 2879)</b>
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**WINTER MAINTENANCE 2010/11**

**ESTIMATED COSTS**

**BUDGET £319,880.00**

RESOURCE / ACTIVITY	20010/11 BUDGET	TYPE OF WINTER			
		MILD	AVERAGE	HARSH	
STANDBY					F I X E D  C O S T S
Gritter Drivers (8 x 22 weeks)	20,000.00	33,264.00	33,264.00	33,264.00	
Training drivers (2 x 4 weeks)	0.00	1,512.00	1,512.00	1,512.00	
Operations Standby Officer (1 x 22 weeks)	0.00	4,158.00	4,158.00	4,158.00	
ON COSTS WAGES (NI & Supperann)	0.00	6,000.00	6,000.00	6,000.00	
TRANSPORT					
Vehicles	176,798.00	176,798.00	176,798.00	176,798.00	
Radio Equipment etc	2,860.00	2,860.00	2,860.00	2,860.00	
Hire of standby 4x4 vehicles	18,000.00	8,000.00	8,000.00	8,000.00	
TRAINING - City and Guilds cert (Drivers)	0.00	0.00	0.00	0.00	
WEATHER					
Weather forecasting	7,500.00	7,500.00	7,500.00	7,500.00	
Weather station installation (less 15k insur)	0.00	6,000.00	6,000.00	6,000.00	
Training - Vaisala weather station course	0.00	815.00	815.00	815.00	
<b>TOTAL FIXED COSTS</b>	<b>£225,158.00</b>	<b>£246,907.00</b>	<b>£246,907.00</b>	<b>£246,907.00</b>	
PRE-GRITTING INSPECTIONS					V A R I A B L E  C O S T S
Supervision	0.00	1,000.00	1,500.00	2,000.00	
PRECAUTIONARY GRITTING					
Gritter drivers(8)	23,400.00	25,000.00	35,000.00	50,000.00	
Training drivers(2no x 4 weeks each)	0.00	500.00	500.00	500.00	
Supervision	0.00	5,000.00	6,000.00	7,000.00	
Fuel	14,322.00	8,000.00	12,000.00	18,000.00	
POST SNOW/ICE GRITTING/CLEARANCE					
Manual workers @ £6,000/day	0.00	6,000.00 (1 day)	18,000.00 (4 days)	60,000.00 (10 days)	
Supervision	0.00	1,000.00	3,000.00	8,000.00	
Sub- contractors (JCB's etc)	0.00	0.00	5,000.00	20,000.00	
Agency staff (refuse next day)	0.00	2,000.00	4,000.00	10,000.00	
TRANSPORT					
Maintanance/damage	17,000.00	12,000.00	17,000.00	25,000.00	
GRIT BINS					
Initial refilling	0.00	2,000.00	2,000.00	2,000.00	
Refilling through season	0.00	4,000.00	8,000.00	12,000.00	
Renewal of bins	0.00	3,500.00	5,000.00	6,000.00	
SALT					
Purchase of salt	40,000.00	80,000.00 (2000t)	95,000.00 (3000t)	155,000.00 (5000t)	
Additional salt for regional barn (2000t)	0.00	65,000.00	65,000.00	65,000.00	
Salt already purchased (barns empty 09/10)	56,000.00 (+£40k)	96,000.00	96,000.00	96,000.00	
External plant (salt delivery)	0.00	1,000	1,500.00	2,000.00	
SUNDRIES - PPE, shovels, ice signs etc thermometer service etc	0.00	500.00	750.00	1,000.00	
<b>TOTAL VARIABLE COSTS</b>	<b>£150,722.00</b>	<b>£312,500.00</b>	<b>£375,250.00</b>	<b>£539,500.00</b>	
<b>TOTAL COSTS</b>	<b>£375,880.00</b>	<b>£559,407.00</b>	<b>£622,157.00</b>	<b>£786,407.00</b>	
LESS £56K FROM 09/10 RESERVES (SALT)	£56,000.00	£56,000.00	£56,000.00	£56,000.00	
<b>ESTIMATED TOTAL COSTS 10/11</b>	<b>£319,880.00</b>	<b>£503,407.00</b>	<b>£622,157.00</b>	<b>£730,407.00</b>	
<b>VARIANCE FROM BUDGET £319,880.00</b>	<b>0</b>	<b>-£183,527.00</b>	<b>+ -£302,277.00</b>	<b>+ -£410,527.00</b>	
LESS SALT (ANY EXTRA + 2000T REGIONAL)		-38,527.00	-157,277.00	-265,527.00	

**NOTES FOR BUDGET SHEET**

**WINTER MAINTENANCE PERIOD 1 NOV 2010- 4 APRIL 2011, MAY BE EXTENDED IF REQUIRED**

TOTAL 154 DAYS

NB. PRECAUTIONARY GRITTING REQUIRED MORE THAN ONCE PER DAY IN CERTAIN CONDITIONS

**MILD WINTER** 50 FULL PRECAUTIONARY GRITS, 1 DAY LYING SNOW

**AVERAGE WINTER** 70 FULL PRECAUTIONARY GRITS, 3 DAYS LYING SNOW

**HARSH WINTER** 90 FULL PRECAUTIONARY GRITS, 10 DAYS LYING SNOW

**NB. LAST WINTER 09/10 -HARSH+ , 08/09 HARSH**

STAFF COSTS FOR FULL PRECAUTIONARY GRIT AVERAGES £550.00 DEPENDING ON TIME OF DAY/WEEK

AJP 4/08/10

**CABINET**  
**19<sup>TH</sup> OCTOBER 2010**

**ADDRESSING PROPERTY AND HIGHWAY RISK AREAS USING PRUDENTIAL BORROWING FUNDS**

*Report Submitted by: Ed Evans, Head of Property & Highway Engineering, Neighbourhood Services*

*Report Written by: Ed Evans, Head of Property & Highway Engineering, Mike Wright, Property Management Group Leader and Andrew Villars, Highway Network Group Leader, Neighbourhood Services*

**1. Area affected**

1.1 The Authority's Property and Highway Assets.

**2. Purpose of Report**

2.1 To agree a risk based process for the allocation of prudentially borrowed funding to address property and highway risk areas.

**3. Recommendation**

3.1 That the process described in paragraph 5 of this report be agreed as a means of allocating risk management/prudential borrowing funds to address property and highway related risks.

**4. Background**

4.1 The Authority's property and highway assets are in need of considerable investment. The estimated investment needs are £46m and £21m respectively. These figures are based on condition and risk assessments made by property officers and highway inspectors supported by specific technical surveys. Current maintenance budgets are inadequate to address the backlog requirements. Elsewhere on this agenda is a report on 21<sup>st</sup> Century Schools which is aimed at addressing the maintenance backlog in schools by taking a strategic approach to the whole school estate, supported by Assembly funding. Any proposals developed to address maintenance issues must be mindful of that strategic approach to schools.

4.2 In common with all local authorities current investment levels are not sufficient to prevent the continued deterioration of the assets and there is a risk of service/health and safety failure should part or the whole of an asset suffer sudden failure or breakdown. The Authority's continued ability to discharge its duty of care to those who occupy our properties and use our highways is also at risk.

- 4.3 In recognition of these risks the budget for 2010/11 agreed by Council in a report dated 2 March 2010, set out a funding mechanism based on prudential borrowing to provide £5m of funding over 3 years (2010/11 to 2012/13) to better manage these risks. The purpose of the funding was “to keep assets going while the next forward programme is developed”. Prioritisation was to be based upon a “risk approach” agreed at a strategic level with Members and then discharged through an appropriate Officer Forum. Funding would then be allocated to address those highest ranked risk areas. It was acknowledged that this funding would only be used as absolutely necessary and other avenues for mitigating the risks would also be used.
- 4.4 This report seeks to meet the requirement that Cabinet should agree the strategic risk approach and set out a fair and transparent process for defining the risk, prioritising and allocating the funds to both property and highway assets to ensure:-
- i) that the safety of users of the assets is not compromised;
  - ii) that essential service continuity is maintained; and
  - iii) that the Authority makes the best use of its funds;
  - iv) that any proposed expenditure from this resource has regard to other programmes within the Council – in particular in relation to major schemes and 21<sup>st</sup> Century Schools proposals.

## **5. Proposals**

- 5.1 Funds to deal with property and highway risks are currently allocated on the basis of assessments made by Technical Officers using technical data, risk assessments and professional judgements. Impacts on service continuity and the future of the assets are considered albeit more subjectively.
- 5.2 To ensure fairness and transparency it is proposed that the allocation of funds be determined in 4 stages:
- Stage 1: Allocating risk ratings to the works
  - Stage 2: Initial prioritisation of works
  - Stage 3: Consultation with stakeholders
  - Stage 4: Final prioritisation of works

These stages are described below.

### **5.3 Stage 1 – Allocating Risk Ratings**

In terms of establishing criteria to measure the risks associated with the failure or deterioration of a specific asset or part of an asset the principle of ensuring safety first and then the longer term integrity of the asset is applied. On this basis the following criteria are proposed for both property and highway assets:

<u>Risk Category</u>	<u>Risk Criteria</u>	<u>Risk Rating</u>
1	Duty of Care/Health and Safety/ Compliance	H/M/L
2	Service Continuity Implications	H/M/L
3	Status of the Asset	H/M/L
4	Value for Money/Consequential Damage/ Failure/Loss of revenue	H/M/L

Each of the specific risk areas or remedial works identified by technical officers will be considered against these criteria and the level of risk identified as high, medium or low against each criteria.

A more detailed explanation of these criteria highlighting differences in high, medium and low risks is set out in Appendix A.

#### 5.4 Stage 2 – Developing an Initial Prioritised Work Programme

Technical Officers will assemble each of the specific risk areas/remedial works into a prioritised work programme based on the risk ratings allocated to each item of work. The higher risk items will obviously be ranked higher in priority than those lower risk items. This programme will take account of other programmes on going within the Council – in particular major schemes and 21<sup>st</sup> Century Schools.

#### 5.5 Stage 3 – Consultation with Stakeholders

The following stakeholders will be consulted to review the proposed work programme particularly with respect to service continuity implications and the status of each asset:

- Service Area Chief Officers
- Health and Safety Officers
- Head of Asset Management
- Head of Financial Services

#### 5.6 Stage 4 – Final Prioritisation of Works

The Head of Property and Highway Engineering will finalise the programme of works based on the outcomes of the consultation stage and present a final report for initial examination by the Capital Programme Review Board and subsequent determination by the Executive Members for Neighbourhood Services and Resources.

### 6. **Consultation**

6.1 The following Officers have been consulted as part of the development of this proposal and have contributed to this report.

- Deputy Chief Executive Officer
- Assistant Chief Executive Resources
- Head of Asset Management
- Chief Officer Neighbourhood Services
- Head of Financial

## **7. Action to be taken following decision**

- 7.1 Subject to the approval of these proposals technical officers from the Property and Highway Engineering Division will develop a work programme in accordance with the process set out in this report.

## **8. Implications**

- 8.1 Financial – the proposal, if adopted, will ensure that the funds can be used transparently following a Member approved “risk approach”, discharged through the Capital Programme Review Board and finally determined by the appropriate Executive Members.
- 8.2 Programming – the works will be programmed over a 3 year period up to 31 March 2013. Those highest priority works will be targeted first. However, it may be necessary to adjust this programme in some cases, eg works at schools planned for holiday periods.

## **9. Risks**

- 9.1 Even if these proposals are adopted there remains a high risk that assets which have not been allocated funding or which are planned for implementation will suddenly fail. If this occurs the works programme may need to be re-prioritised and/or services re-engineered until the matter can be addressed.

## **10. Monitoring and Evaluation**

- 10.1 The work programme will be delivered and progress monitored by the Property and Highway Engineering Division within Neighbourhood Services with progress reported to the Capital Board and annual summaries provided to the Resources O&S Committee.
- 10.2 If sudden and unexpected risks arise during the implementation of the work programme it is proposed that Officers, with the approval of the Executive Members for Resources and Neighbourhood Services, amend the work programmes to address the specific risk areas. The decisions would then be reported to the Resources Overview and Scrutiny Committee.
- 10.3 The overall investment backlog will be reduced as works are undertaken. The Head of Asset Management will ensure that the asset management system is updated to reflect the works undertaken.

**11. Conclusion/Summary**

11.1 The proposals, whilst not addressing the Authority’s entire investment backlog, will help to address immediate risk areas and will help to ensure that assets can be “kept going until the next forward programme is developed”.

**12. Recommendation**

12.1 That the process described in paragraph 5 of this report be agreed as a means of allocating risk management/prudential borrowing funds to address property and highway related risks.

**Appendices**

Appendix A                      Assessing risk ratings

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**PHASE 1 ASSESSING RISK RATING**

The following criteria are proposed to allocate risk ratings to specific property and highway risk areas:

<u>Risk Category</u>	<u>Risk Criteria</u>	<u>Risk Rating</u>
1	Duty of Care/Health and Safety/ Compliance	H/M/L
2	Service Continuity Implications	H/M/L
3	Status of the Asset	H/M/L
4	Value for Money/Consequential Damage/ Failure/Loss of revenue	H/M/L

The following describes each of these criteria in more detail:-

**Risk Category 1 – Duty of Care/Health and Safety/Compliance**

The Authority owes a duty of care to all users of its assets whether they are users of Council properties or the public highway. Standards relating to that duty of care are set out in various pieces of legislation such as the Highways Act, Health and Safety at Work, etc. Inspections of properties and the highway, conducted under this legislation, will inevitably identify requirements for urgent remedial works. Similarly the condition of certain elements of an asset such as its structural integrity or, in terms of property assets, the condition of school toilets, can compromise the health and safety of users. These factors will influence the priority given to the item of work.

**Risk Category 2 – Implications for Service Continuity**

The failure or non-compliance of an asset or part of an asset may seriously compromise the ability of the service provider to continue delivering services via that asset. This could include a headteacher who is unable to heat the school or the Highway Network Manager who may have to close part of a highway due to the failure of an underground structure. The priority will depend on the type of service provided, the duration of any disruption and the ability to manage/ deliver the service in another way. For instance the risk to service continuity at a primary school where the heating system fails could be mitigated by a contingency plan to transfer pupils to adjacent schools. The same may not be practical for a major failure at a large comprehensive and so the risk and, hence, priority would be higher. Similarly structural failure for a minor road would pose a much lower risk than a failure on a major highway through the Borough.

**Risk Category 3 – Status of the Asset**

The current or future use or importance of an asset will impact on the consequential risks of any failure. In the case of a public highway this is typically proportionate to the classification of a road. In terms of property assets the

importance can be linked to a number of factors but inevitably decisions on whether a property will be retained for the future or disposed will inform the priority rank.

Risk Category 4 – Value for Money and consequential Damage/Failure/Loss of Revenue

When determining a priority the test for value for money needs to be applied and, as part of that assessment, the impact of any consequential damage or loss of revenue. If the cost of short term repairs outweighs the longer term cost of replacing an asset then the item will attract a lower priority. If immediate replacement/repair would offset the cost of any consequential damage or loss of revenue then the work will attract a higher priority.

**The following table sets out the criteria for allocating a high, medium or low priority to a specific risk area:**

Risk Category	Risk Criteria	Priority Criteria	
		Property	Highways
1	Duty of Care/Health & Safety/ Compliance	<ul style="list-style-type: none"> <li>• H – Immediate risk to safety / prosecution</li> <li>• M – Short / mid term risk to safety / prosecution</li> <li>• L – Long term risk to safety / prosecution</li> </ul>	
2	Service Continuity	<ul style="list-style-type: none"> <li>• H – Immediate service continuity implication</li> <li>• M – Short / mid term service continuity implication</li> <li>• L - Long term service continuity implication</li> </ul>	
3	Asset Status	<ul style="list-style-type: none"> <li>• H – Improve asset (extend / refurbish)</li> <li>• M – Maintain asset (wind / watertight)</li> <li>• L – Dispose of asset</li> </ul>	Road category:- <ul style="list-style-type: none"> <li>• H- A Road</li> <li>• M - B Road</li> <li>• L - C Road / Unclassified</li> </ul>
4	Value for Money	<ul style="list-style-type: none"> <li>• H – Cost of remedial work over 2 year period disproportionate to repair/replace cost/loss of revenue</li> <li>• M - Cost of remedial work over 5 year period disproportionate to repair/replace cost/loss of revenue</li> <li>• L - Cost of remedial work over 10 year period disproportionate to repair/replace cost/loss of revenue</li> </ul>	

H – high priority

M – medium priority

L – low priority

**CABINET**  
**19 October 2010**

**REQUEST BY THE PUBLIC CATALOGUE FOUNDATION TO CATALOGUE OIL PAINTINGS IN COUNCIL OWNERSHIP**

*Report Submitted by: Peter Durkin, Deputy Chief Executive*  
*Report Written by: Gareth Jones, Team Leader Cwmbran & Strategic Projects*

**1. Area Affected**

1.1 Not applicable

**2. Purpose of Report**

2.1 To seek approval for details of oil and other relevant paintings in Council ownership to be catalogued and published by The Public Catalogue Foundation (PCF) as part of a national project.

**3. Recommendation(s)**

3.1 That approval is given for the Council to enter into a cataloguing agreement (attached as Appendix 1) with the Public Catalogue Foundation for relevant paintings in Council ownership to be included in a national project to catalogue all oil paintings in public ownership in the UK.

**4. Background**

4.1 The PCF is a national charity which aims to create a complete record of the national collection of oil / acrylic / tempera paintings in public or charitable ownership in the UK. Details of the paintings are published in regional catalogues and the PCF is in the final stages of negotiating a partnership with the BBC to develop a non-profit making website called YourPaintings which will put images of all the paintings online in time for the Cultural Olympiad in 2012. The PCF also aims to raise funds through the sale of the catalogues in the collections, for the conservation, restoration and physical exhibition of works that are rarely on display as well as gallery education related to the catalogues.

4.2 The Foundation has approached the Council for permission to photograph and record relevant paintings in Council ownership for publication in its South Wales catalogue and website.

**5. Issues and Findings**

5.1 The Council has only a limited number of paintings in its ownership. An initial audit undertaken by the Members' Services Officer has identified twenty seven paintings to date of which four are likely to meet the criteria set by the PCF. Despite the small number, the PCF has confirmed that it would like to include the

Council's paintings in order to ensure that the catalogue is as comprehensive as possible.

5.2 The PCF has requested that the Council signs a cataloguing agreement prior to the start of the project. This establishes the right of the PCF to reproduce the Council's paintings in their catalogue and the planned website and covers issues such as copyright, the handling of the paintings and the sale of the catalogue.

5.3 Following discussions with the Council's Legal Team, the proposed cataloguing agreement has been amended to make clear that the PCF will be responsible for ensuring compliance with the Copyright Laws which will include obtaining the consent of the artist, the estate or the agent representing it prior to the photographic reproduction of the paintings. The final agreement is attached as Appendix 1.

## **6. Consultation**

6.1 Pontypool Museum - Paintings owned by Pontypool Museum have already been photographed by the PCF and consent has been granted by the Museum Trust for their paintings to be included in the project.

6.2 Consultation has also taken place with the following internal officers:  
Head of Regeneration  
Senior Heritage & Museums Officer  
Arts Development Manager  
Chief Legal Officer  
Assistant Chief Legal Officer  
Members' Services Officer

## **7. Implications**

7.1 Legal – The attached cataloguing agreement sets out the legal terms on which the inclusion of Council owned paintings in the project would be permitted. The wording of the agreement has been amended in consultation with the Council's Legal Team.

7.2 Financial – there is no cost to the Council in participating in the project.

7.3 Decision-making – The Council's Chief Legal & Monitoring Officer has advised that a decision on the request needs to be considered by Cabinet as there is no clear delegation to an Executive Member on the matter.

## **8. Risks**

8.1 Risks – The main risks identified relate to issues of copyright and possible damage to the paintings concerned. The legal agreement has been amended to ensure the responsibility and liability for these issues is with the PCF rather than the Council.

## **9. Action to be taken following decision**

9.1 The cataloguing agreement will be signed and returned to the PCF. Arrangement

will then be made for the PCF undertake the project in accordance with the terms of the agreement.

## 10. Monitoring and Evaluation

- 10.1 The decision will be monitored and evaluated by the inclusion of Council paintings within this national project and related publications.

## 11. Conclusion/summary

- 11.1 The Council has been asked by the PCF to participate within a national project to catalogue oil paintings in public ownership within the UK. Although the number of paintings held by the Council is very small, participation in the project would help ensure that the collection recorded for Torfaen is as comprehensive as possible. The potential risks to the Council have been addressed through the attached legal agreement.

## 12. Recommendation(s)

- 12.1 That approval is given for the Council to enter into a cataloguing agreement (attached as Appendix 1) with the Public Catalogue Foundation for relevant paintings in Council ownership to be included in a national project to catalogue all oil paintings in public ownership in the UK.

<b>Appendices</b>	Appendix 1 – Cataloguing Agreement
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<b>Background Papers</b>	<p><b>Note: Members of the public are entitled, under the Local Government Act 1972, to inspect background papers to reports. The following is a list of the background papers used in the production of this report.</b></p> <p>The Public Catalogue Foundation Oil Paintings in Public Ownership – Guidance for Participating Collections.</p>
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<p><b>For a copy of the background papers or for further information about this report, please telephone:</b> Gareth Jones, Team Leader Cwmbran &amp; Strategic Projects tel. 01633 648331.</p>
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## APPENDIX 1 – Cataloguing Agreement

### The Public Catalogue Foundation Collection Cataloguing Agreement

Date: \_\_\_\_\_ Relating to: \_\_\_\_\_ (The Collection)  
In the \_\_\_\_\_ Catalogue (The  
Catalogue)

#### Parties:

i) The Public Catalogue Foundation (Charity Reg. No. 1096185) of 33 Maiden Lane, Covent Garden, London, WC2E 7JS (“the PCF”)

ii) \_\_\_\_\_ (The Collection  
Management)

#### 1. Catalogue Coverage

The Collection agrees to the photographic reproduction in The Catalogue of all oil, acrylic and tempera paintings in The Collection, regardless of the paintings’ condition and where they are hung, stored or loaned.

#### 2. Photography and Handling of Paintings

a.) The PCF will commission photographers on a freelance basis and organise their work schedule at a time convenient to the Collection, the photographer and the PCF’s Catalogue Coordinator. The photographer and the Catalogue Coordinator will have public liability insurance.

b.) The PCF agrees that the paintings will be photographed in situ and will not be moved.

c.) The Collection Management will permit the photographer to bring to the Collection specialist lifting equipment to allow the photographer to photograph paintings at a high level.

d.) Where necessary the photographer and Catalogue Coordinator will handle paintings but only after being given explicit written authority to do so by the Collection Management’s relevant curator and after being shown proof that they are both insured to do so under the Collection Management’s insurance.

#### 3. Photographic Copyright

a.) All copyright in photographs taken by PCF photographers under this agreement is assigned to the Collection Management by the photographer. A copy of the photographer’s general copyright assignment to participating Collection Management is available on request.

b.) The PCF irrevocably waives all and any First Publication rights over paintings that might be established as a result of photography and the publication of the Catalogue.

c.) The Collection may have paintings that have been loaned to it. The PCF will be responsible for obtaining the written consent of these owners for the inclusion in the Catalogue of reproductions (and accompanying text) of these paintings.

#### 4. Paintings Copyright

a.) The PCF will be responsible for ensuring compliance with the Copyright Laws which will include obtaining the consent of the artist, the estate or the agent representing it prior to the photographic reproduction of the paintings.

#### 5. Text to Accompany Images

a.) The Collection Management will supply a complete list of all pictures to be included in the Catalogue together with information relating to each one ahead of photography. The Collection

Management will endeavour at all times to ensure that the information it provides about the Collection's paintings for publication is accurate and up to date.

b.) To create consistency across catalogues it may be necessary to amend data provided to the PCF. Collection Management is asked to approve any suggested changes ahead of publication.

c.) On request the Collection Management will supply the PCF with a short introduction to the Collection to be reproduced in the Catalogue.

## **6. The Publication of the Catalogue**

a.) The PCF will publish the Catalogue and alone be responsible for its design and layout.

b.) Once the price is set by the PCF this may not be altered without the prior written consent of the PCF.

a.) Each participating collection is eligible to one free catalogue. This catalogue will need to be collected from a central point within the county to be notified to the participating collection.

## **7. Sale of the Catalogue and the Proceeds from Catalogue Sales**

a.) If the Collection Management so desires, the PCF will provide an agreed amount of stock of Catalogues for sale in the Collection at a 75% discount to the Recommended Retail Price as long as a written order is received from the Collection Management ahead of the printing of the catalogue. Further stock for re-sale may be purchased from the PCF by the Collection Management at a preferential discount.

b.) The net proceeds from catalogue sales (after allowing for the cost of purchasing the catalogues from the PCF) must be placed in a segregated account open to inspection by the PCF on reasonable notice. These funds may only be used for the restoration and conservation of oil paintings in the Collection. The Collection Management is asked to provide the PCF with a short report describing the use of these funds once a year.

c.) The PCF will distribute and sell the Catalogue nationwide and overseas. Revenue from these sales will be retained by the PCF to help fund the cost of other catalogues in the series.

## **8. Post Publication**

a.) Once the Catalogue has been published, the PCF will give to the Collection Management the digital images created by the PCF and an electronic file of the data.

b.) Some Collection Managements host researchers from the PCF's sister project, the National Inventory Research Project (NIRP), to carry out specific research on selected paintings. In such cases, the PCF will pass digital copies of images of paintings that are the focus of the NIRP's research at the Collection Management to the NIRP for use in their database and to be reproduced on a non-commercial website created by the NIRP.

## **9. Reproduction of the Collection's Paintings on a PCF Website**

a.) The PCF has the right to use all information and images contained in the Catalogue for inclusion in a computerised relational database accessible via a Website that is run either by the PCF or a third party nominated by the PCF. This website will be non-commercial and public access to the site will be free. The images reproduced on the website will be limited in terms of their size and resolution to a level generally considered too low for commercial reproduction. In order to facilitate this, the PCF will keep a copy of all records, information and images generated in the creation of the Catalogue.

## **10. Art Loss Register**

a.) After publication of the catalogue, the PCF will pass to the Art Loss Register the principal contact details for the Collection Management, the final spreadsheet of catalogue data for the Collection Management's paintings included in the catalogue and a copy of each digital image from the Collection Management held by the PCF. This will ensure that these paintings, if stolen in the future, will be more easily traceable.

b.) The Art Loss Register will hold the data and images securely and will not reveal details of paintings held on its database to third parties or reproduce any images without the express

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permission of the respective Collection Management. No charge will be incurred by the Collection Management for the Art Loss Register holding this information.

c.) If a Collection Management does not wish to participate in this arrangement with the Art Loss Register, it should write a letter to the Director of the PCF saying this.

**11. Miscellaneous**

a.) This agreement is personal to the parties and may not be assigned by either without the consent of the other.

b.) This agreement may not be waived or amended except in writing by authorised officers of the parties.

For and on behalf of the PCF

Signed

\_\_\_\_\_  
Andrew Ellis, Director

For and on behalf of the Collection Management

Signed

\_\_\_\_\_

Name:

\_\_\_\_\_

Title/Position:

\_\_\_\_\_

Date Signed

\_\_\_\_\_

Please return one copy of the Collection Cataloguing Agreement to your County Coordinator at his/her contact address. Please retain the other for your records.

The Public Catalogue Foundation, 33 Maiden Lane, London WC2E 7JS

**CABINET**  
**19 OCTOBER 2010**

**SHARED RESOURCE CENTRE - FUTURE ACCOMMODATION CONSIDERATIONS**

*Report Submitted by: Farooq Dastgir, Director of Technology Led Transformation*  
*Report Written by: Janine Franklin, Project Manager, Technology Led Transformation*

**1. Area Affected**

1.1 All services.

**2. Purpose of Report**

2.1 To discuss with Cabinet the decision to cease the marketing and the letting out of units in the Blaenavon Business Centre (BBC) Gilchrist Thomas Industrial Estate, whilst an assessment of the tenancy profile of the Centre is undertaken.

2.2 The outcome of this assessment will determine whether the units could provide future further accommodation for the Shared Resource Centre (SRC) Data Hall and integrated ICT model or Shared Resource Service (SRS) project.

**3. Recommendation**

3.1 That Cabinet agrees that no further units will be let at the Blaenavon Business Centre pending the assessment of the units and the longer term accommodation plans of the Shared Resource Centre.

**4. Background**

4.1 The Shared Resource Centre (SRC) in Blaenavon currently hosts/will host data hall facilities for the following:

- Informing Health via the Welsh Assembly Government, Public Sector Broadband Aggregation network (WAG-PSBA) – ‘go-live’ September 2010
- Gwent Police Authority (GPA) –‘go-live’ June 2010
- Shared data hall for Torfaen County Borough Council ( TCBC) and Monmouthshire County Council ( MCC) – ‘go-live’ January-March 2012
- 14-16 Education Bid (Newport City Council, TCBC, MCC) – subject to full business case September 2010.

4.2 Furthermore, it provides a model for ICT service integration also known as Shared Resource Service (SRS) across the public sector, both here in Wales and beyond with staff from multiple organisations co-locating and proving the collaboration concept in shared office facilities with shared managers and shared workloads.

4.3 This already successful collaboration project leads the way in partnership working in the public sector and is not limited to the existing partners and

relationships (GPA, TCBC, MCC and WAG-PSBA.)

- 4.4 This is a public sector solution for the public sector with work and relationships currently being developed to expand the model to include further public sector organisations both neighbouring our boundaries, in Wales and beyond.
- 4.5 A joined up infrastructure will give the opportunity for services used widely across all participating organisations to be hosted from one location, for example, shared voice systems and video conferencing systems. The joining up of these generic systems will enable significant cost savings to each of the stakeholders, through lower support, licensing and infrastructure costs.
- 4.6 The WAG -PSBA's high capacity secure infrastructure connectivity to the SRC , the provision of a highly secure centre, with common standards and a real regional resource sharing emphasis will also enable a huge step toward delivering key National ICT Strategies such as Information Systems Improvement Strategy for Policing (ISIS), Wales Public Sector ICT Strategy and Information Sharing Strategies.

## 5. **Current Status**

- 5.1 Torfaen County Borough Council (TCBC), Gwent Police Authority (GPA), and Monmouthshire County Council (MCC) are at the forefront of collaboration through the development of the integrated SRS.
- 5.2 Previous Cabinet reports (Oct 2009 and June 2010) have logged the key events and phenomenal work that has been undertaken to date, to allow neighbouring public sector organisations to combine resources (staff) to provide ICT services from one fully integrated function and share a common location to accommodate individual data halls.
- 5.3 This project is not limited to the above 3 existing partner organisations but is available to other public sector organisations seeking to collaborate – ultimately providing the same or better service with a lower cost base.
- 5.4 The SRC in Blaenavon offers a tier 3/4 state of the art Data Hall facility, allowing organisations to accommodate critical equipment in a high-technology, secure environment, sharing costs and resources with other organisations. In addition, a highly skilled shared work team is based in the shared office accommodation on floor 1 of the SRC, allowing organisations to learn and development from each other as well as the provision of excellent service to the hardware as and when required.
- 5.5 The SRC has 8 large rooms.

To date 4 have been either used or earmarked for Data Halls ( Ground Floor):

1. Informing Health (60 racks). Go live September 2010.
2. GPA/TCBC shared Data Hall (30 racks). Go live June 2010
3. MCC/TCBC shared Data Hall (30 racks). Go live April 2011.
4. Education 14-16 Bid (40 racks). Reserved, subject to business case.

The remaining 4 are currently used as follows (First Floor):

5. CCTV
6. Conference Room
7. Development Room
8. Infrastructure Room

5.6 Subject to survey, it is considered that further Data Halls could be built in rooms 6, 7 and 8, should further organisations wish to join.

If further organisations joined, the staff currently occupying rooms 7 and 8 would require alternative accommodation.

The CCTV room will continue to be used for this purpose.

## 6. **Blaenavon Business Centre, Gilchrist Thomas Estate. Office and Industrial Units ( BBC)**

6.1 The BBC is a Council owned building situated in close proximity to the SRC in Blaenavon and would make a convenient and practical choice for re locating staff from the SRC

6.2 Initial research has revealed that this building is a TCBC building that is used to rent to external parties (not core Council office accommodation). The property currently houses some 14 tenants, some of whom occupy more than one unit of accommodation. There is currently a 30% vacancy rate.

6.3 The SRC Board have asked TCBC Asset Management Team to assess the profile of tenants to assess prima facie, whether this building could be used in the future.

6.4 Whilst this 'information gathering phase' is being undertaken, it is considered not appropriate to market the vacant units until a decision is made. Therefore, these units are no longer being advertised or let.

## 7. **Benefits**

7.1 There are many benefits to the authority of allowing the SRC to occupy these buildings, which include:

1. Provision of full rental income – at present the building is at 70% occupancy bringing in approx £63,000 per annum. The full market value of the premises is likely to be in the region of £100,000 per annum.
2. Much needed investment would be made to the general internal repair of the buildings including the shared spaces (i.e. entrance, kitchen facilities, WC's, shared corridors).
3. Allowing the SRC collaboration project to grow and develop in Torfaen bringing regenerative benefits to the area including employment and reputational advantages.
4. Bolster the longer term vision of Torfaen as a Digital Valley – with Blaenavon offering Data Hall accommodation as a speciality.

## **8. Issues and Recommended Approach**

- 8.1 Since the premises were taken off the market in August, there has been interest in additional office space from an existing tenant. The applicant has been advised that the units are no longer being actively marketed pending this report. Further interest may or may not follow from other interested parties.
- 8.2 Approval from the Welsh Assembly Government was required to enable us to use Victoria House as the data centre. Similar consent is required to use the BBC and discussions are under way in this respect.
- 8.3 The SRC is planning for the future accommodation needs of the integrated SRS function which would bring many benefits to the area.
- 8.4 It makes sense to no longer market or enter into further tenancies whilst information is being sought to assess the suitability of such units for a project. Entering into new tenancies at this stage could further complicate or jeopardise the future use of the building for the SRC project.
- 8.5 Income from new tenants will be lost to the Authority for this period and beyond should the outcome of any research indicate that the BBC is not a viable option. Relationships with the business community may be damaged and some businesses may choose other locations outside Blaenavon or Torfaen.
- 8.6 Unlike other business units in Torfaen, the BBC has not been at full occupancy for some time and has not maximised its revenue potential to the Authority.
- 8.7 The SRC is a successful project with significant growth potential. The future accommodation needs of the SRC will secure a higher rate of long term tenancy for the BBC, compensating for any lost income and will improve the shared facilities for existing tenants of the SRC.
- 8.8 Alternative accommodation would be sought and advice and guidance given to any interested parties seeking to enter into a new or extended tenancy from the Authority in the BBC.
- 8.9 It is considered that moving a team at a time into the building in a piecemeal style approach may be considered, with further teams moving in, as the integrated ICT model attracts more partners. This approach may allow some tenancy agreements to run their natural course. A planned approach will be considered and developed as soon as this tenancy information and report is available.

## **9. Consultation**

The recommendation of this report has been the subject of consultation with:

- The Green Team
- The Chief Legal and Monitoring Officer
- The Director of Technology Led Transformation.
- Head of ICT, Torfaen CBC
- Head of Asset Management
- The SRC Board

- Ward Members

## **9. Implications**

The implications of this report are as follows:

- 9.1 Policy – The recommendation gives effect to the Council's policy of addressing a significant financial crisis in public sector funding through transformational change in service delivery.
- 9.2 Legal – Any legal implications will be identified in this information gathering phase.
- 9.3 Financial –The full financial implications of proceeding with the BBC units will be produced, following the initial assessment currently being undertaken.
- 9.4 Partners and service users – The recommendation will enable significant partnership working of itself and opens up the potential for further, major public sector collaboration, service integration and cost saving.
- 9.5 Business community – The overall impact of the SRC will be to attract inward investment to Torfaen and provide opportunity for the existing business community. There will however be the possibility that some other businesses currently located in the BBC will be displaced or undergo disruption. Some might choose to leave Blaenavon and Torfaen.

## **10. Risks**

- 10.1 Paragraph 8.5 identifies the risk of lost income and damage to goodwill. There are no additional risks identified at this stage, arising from implementing the recommendation of this report.

## **11. Action to be taken following decision**

- 11.1 To fully assess the existing tenancy profile of the BBC and the implications (including financial) of moving SRC staff into the BBC.
- 11.2 To continue dialogue with the WAG to ensure approval is forthcoming to use the BBC for business expansion purposes allied to the SRC.
- 11.3 Providing 11.1 is favourable, develop a plan for the SRC of future accommodation requirements and approach.

## **12. Monitoring and Evaluation**

- 12.1 The success of the integrated ICT model will be monitored by the Council within its budgetary strategy and by WAG within its Efficiency and Innovation Programme.

## **13. Conclusion/summary**

- 13.1 The SRC project has expressed an interest in occupying some or all (over time)

of the office accommodation in the BBC.

13.2 The Asset Management Team is information gathering to understand the implications of accommodating SRC staff in the BBC.

13.3 In order to minimise further issues in the future, the marketing and letting of any unoccupied units has been ceased until this work and its conclusions are communicated to the SRC Project.

#### **14. Recommendation**

14.1 That Cabinet agrees that no further units will be let at the Blaenavon Business Centre pending the assessment of the units and the longer term accommodation plans of the Shared Resource Centre.

<b>Appendices</b>	None
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<b>Background Papers</b>	<p><b>Members of the public are entitled, under the Local Government Act 1972, to inspect background papers to reports. The following is a list of the background papers used in the production of this report.</b></p> <p>Cabinet Report – 20<sup>th</sup> October 2009 – Shared Resources Centre Project Cabinet Report - 15<sup>th</sup> June 2010 – Shared Resource Centre Project</p>
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<p><b>For a copy of the background papers or for further information about this report, please telephone: Peter Durkin, Deputy Chief Executive. Telephone 01495 742608.</b></p>
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