

Pecyn Dogfennau Cyhoeddus

Cabinet

Man Cyfarfod
**Siambwr y Cyngor - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Mawrth, 15 Ionawr 2019

Amser y Cyfarfod
10.30 am

I gael rhagor o wybodaeth cysylltwch â
Stephen Boyd
01597 826374
steve.boyd@powys.gov.uk



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

10/01/19

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
-----------	-----------------------

I dderbyn ymddiheuriadau am absenoldeb.

2.	COFNODION
-----------	------------------

I awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod diwethaf fel cofnod cywir.
(Tudalennau 1 - 4)

3.	DATGANIADAU O DDIDDORDEB
-----------	---------------------------------

I dderbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau mewn perthynas ag eitemau i'w hystyried ar yr agenda.

4.	ADOLYGU'R FFORMIWLA YN DILYN YR YMGYNGHORIAD
-----------	---

I ystyried adroddiad gan y Cynghorydd Myfanwy Alexander, Aelod Portffolio – Dysgu a'r Gymraeg a'r Cynghorydd Aled Davies, Aelod Portffolio – Cyllid.
(Tudalennau 5 - 36)

5.	CYFLAWNI SAFON ANSAWDD TAI CYMRU A MABWYSIADU STRATEGAETHAU LLEITHDER AC EFFEITHLONRWYDD YNNI I
-----------	--

BOWYS.

I ystyried adroddiad gan y Cyngorydd James Evans, Aelod Portffolio – Llywodraethu Corfforaethol, Tai a Gwarchod y Cyhoedd.
(Tudalennau 37 - 130)

6. GOROLWG A RHAGOLYGON ARIANNOL AR 30 TACHWEDD 2018

I ystyried adroddiad gan y Cyngorydd Aled Davies, Aelod Portffolio – Cyllid.
(Tudalennau 131 - 142)

7. DIWEDDARIAD AR Y RHAGLEN GYFALAF I'R CYFNOD HYD AT 30 TACHWEDD 2018

I ystyried adroddiad gan y Cyngorydd Aled Davies, Aelod Portffolio – Cyllid.
(Tudalennau 143 - 148)

8. GOHEBIAETH

I dderbyn unrhyw ohebiaeth sydd ym marn yr Arweinydd yn ddigon o frys i haeddu ystyriaeth.

9. PENDERFYNIADAU DIRPRWYEDIG A WNAED ERS Y CYFARFOD DIWETHAF
--

I nodi'r penderfyniadau dirprwyedig a wnaed ers y cyfarfod diwethaf.
(Tudalennau 149 - 150)

10. BLAENRAGLEN WAITH

I ystyried blaenraglen waith y Cabinet.
(Tudalennau 151 - 154)

**MINUTES OF A MEETING OF THE CABINET HELD AT COUNCIL CHAMBER -
COUNTY HALL, LLANDRINDOD WELLS, POWYS ON TUESDAY, 18 DECEMBER
2018**

PRESENT

County Councillor M R Harris (Chair)

County Councillors A W Davies, MC Alexander, P Davies, S M Hayes, R Powell and M Weale

In attendance: County Councillors G Breeze and P Pritchard.

1.	APOLOGIES
-----------	------------------

Apologies for absence were received from County Councillor James Evans.

2.	MINUTES
-----------	----------------

The Leader was authorised to sign the minutes of the last meeting held on 28th November 2018 as a correct record.

3.	DECLARATIONS OF INTEREST
-----------	---------------------------------

There were no declarations reported.

4.	PERFORMANCE REPORT QUARTER 2 2018-19
-----------	---

Cabinet considered an update for Quarter 2 of 2018-19 on the top 20 Performance Indicators, the Corporate Improvement Plan and the 2017-18 end of year data for the 26 Public Accountability Measures. The report set out remedial actions for those indicators which were red or amber. Cabinet was provided with an explanation for the decline in the percentage of municipal waste recycled. In order to achieve the 64% recycling target for 2019/20, further measures would need to be implemented to get more recycling material from the kerbside. The opening of the new household waste recycling centre in Newtown would also help in this regard.

Cabinet noted that although the proportion of spend with Powys based suppliers had not increased in percentage terms due to the large capital spends on new schools, an additional £10m had been spent with Powys suppliers. The Portfolio Holder for Young People advised that there had been a significant improvement in the performance in Children's Services and she thanked the staff.

RESOLVED	Reason for Decision:
That the remedial actions set out in 2.2 and 3.3 of the report are approved and resources allocated to complete them.	To ensure the council can provide appropriate and timely reporting against the CIP and Top 20 PIs.

5. QUALITY ASSURANCE REPORT QUARTER 2 2018-19
--

Cabinet considered a new method for co-ordinating and reporting quality assurance reflecting the Signs of Safety approach adopted by Children's Services.

RESOLVED	Reason for Decision:
That Cabinet approves the proposed method of monitoring and reporting QA information.	To triangulate performance information, and increase the ability to drive forward transformational change.

County Councillor Phyl Davies joined the meeting at 10.46 a.m.

6. CORPORATE RISK REGISTER REPORT QUARTER 2 2018/19
--

Cabinet was advised that following a review of the risk register by the Leader and the Acting Corporate Policy, Assurance and Inspection officer it was proposed to de-escalate a number of risks to service level and re-brand the corporate risk register as the 'strategic risk register'. This should provide greater clarity, and ensure that only risks which will have a strategic impact, or which require strategic input to mitigate, would be escalated to the strategic risk register.

RESOLVED	Reason for Decision:
That Cabinet approves the risks proposed for de-escalation to service level.	To ensure a fit-for-purpose corporate risk register, which is able to ensure the adequate management of risk, and safeguard the Council.
That Cabinet approves the re-branding of the corporate risk register to the 'strategic risk register'.	To provide greater clarity of the risks which should be escalated from service level, and ensure that the corporate / strategic risk register remains focussed and fit-for-purpose.

7. VARIOUS PROPERTY RELATED ISSUES AT HAY-ON-WYE

Cabinet considered proposals in respect of the Toilets at Oxford Road and the Clock Tower, Broad Street, Hay Recreation ground and sports pavilion and the Rural District Council offices in Broad Street. Cabinet also considered the letter received from Hay-on-Wye Town Council.

RESOLVED:	Reason for Decision:
1. To accept and approve the proposals set out in paragraphs 2.3; 3.3 and 4.3 of the report.	To finalise the longstanding property issues in Hay and to allow the Council to deal with its property assets in Hay on Wye on

2. To instruct the Strategic Property Team and the Solicitor to the Council to implement recommendation 1 above at the earliest opportunity.	a more strategic basis.
---	--------------------------------

The Portfolio Holder for Highways, Recycling and Assets thanked the officers involved.

8. IMPROVEMENT AND ASSURANCE BOARD MINUTES

Cabinet received the minutes of the Improvement and Assurance Board meeting held on 31st October 2018.

9. CORRESPONDENCE

There were no items of correspondence.

10. DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING

Cabinet noted details of delegated decisions taken since the last meeting.

11. FORWARD WORK PROGRAMME

The forward work programme was noted.

12. EXEMPT ITEMS

RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

13. NORTH OFFICE REVIEW

Cabinet considered proposals for the relocation of services currently located at Neuadd Maldwyn to premises in Newtown. The proposals followed consultation with managers of services with significant numbers of staff based in Neuadd Maldwyn, and would be subject to formal consultation with affected staff. Proposals in respect of the co-location of the library and museum would be coming forward in a separate report once the responses to the public consultation had been analysed.

County Councillor Graham Breeze and Phil Pritchard spoke as local members. The Portfolio Holder for Young People and Culture agreed to arrange for Councillors Breeze and Pritchard to be briefed on staffing issues regarding the co-location.

Officers were thanked for their work on this project.

RESOLVED	Reason for Decision
1. That the recommendations in the report be approved.	As set out in the report.
2. That the report remain confidential until formal consultation with staff has commenced.	Staff are affected by the proposals.

County Councillor M R Harris (Chair)

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

Date 15th January 2019

REPORT AUTHOR: County Councillor Myfanwy Alexander
Portfolio Holder for Education
County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Formula Review Post Consultation

REPORT FOR: Decision

1. Summary

1.1 In July 2018 the Cabinet approved the overall design of a revised funding formula for schools. The review had been initiated due to concerns about the level of deficit occurring in some schools and the need to ensure all schools are funded sufficiently to be able to deliver an appropriate curriculum. Local Authority Officers together with school representatives from the Formula Review Group (FRG) have now completed this development work and full consultation has been undertaken. This report provides recommendations for a new formula for 2019/20 based on the work of the FRG.

2. Proposal / Outcomes sought

2.1 The proposal is a funding formula for schools that achieves the outcomes listed below:

- Adequate funding for core educational provision, at the minimum level consistent with regulatory requirements, Powys policy and efficient delivery;
- Funding for premises related costs that fairly reflect the differences in size and condition of school buildings and minimum maintenance requirements;
- Funding distributed by use of proxy indicators to provide schools with capacity to meet the additional needs of children and young people in line with Powys policy on ALN and provision for vulnerable children;
- Fair and transparent means of funding aspects of education policy or specific circumstances that affect some schools but not all;
- Financially sustainable

2.2 The detail of the proposed formula is provided at Appendix A (A1 Primary and A2 Secondary), including specific comment in Appendix A3 to highlight where the recommended approach differs from the feedback through consultation, the views of the Formula Review Group or the external consultant.

2.3 A phased implementation approach is proposed, to ease transition for individual schools and provide for ongoing alignment to local authority policy, regulatory changes and funding constraints. This implementation will need to be decided based on affordability of the Council and consulted with Schools Forum prior to roll out.

3. Options Considered / Available

3.1 Option 1: continue with the existing school funding formula methodology.

- 3.2 Option 2: To implement a revised new school funding formula (Appendix B) which is financially viable. The additional funding proposed by the Formula Review Group is not required as officers have assessed alternative options as appropriate and will meet the educational needs of children and young people. Recommendations 1, 5 and 9 set out in Appendix B are achievable as part of a defined minimum core educational offer and have therefore been incorporated into the proposed formula.

4. Preferred Choice and Reasons

- 4.1 Option 1 does not allow for transparency, fairness or simplicity in administration, is not underpinned by sound education principles.
- 4.1 Option 2 is the preferred option as it satisfies the criteria set out in 2.1 above. The revised formula enables schools to provide an appropriate and sustainable educational offer.

5. Other Impacts Considered

- 5.1 The formula proposed for ALN is consistent with the current methodology, and as such minimises turbulence for schools in advance of the outcomes of the ALN review. However, an option exists to alter the boundary between formula funding for ALN and the top up for children with Statements which will be explored as part of the ALN review.
- 5.2 Implementation of any formula results in redistribution of funding. Projections show 70 schools gaining and 22 losing which are shown in a graphical format at Appendix C.
- 5.3 Alongside the Funding Formula review the Individual School Range (ISR) review also took place. ISR ranges are used to inform funding of school leadership posts. The ISR dictates the maximum funding the formula will attribute for leadership posts this does not necessarily reflect what the schools are currently paying. The old and new formula both cap the funding based on the ISR and the impact of this change is circa £20k.
- 5.4 ALN allocations previously held centrally of £3.41m have now been included in the revised formula increasing delegation to schools.

6. Corporate Improvement Plan

- 6.1 The review of the formula is in line with the Corporate Improvement Plan

7. Local Member(s)

- 7.1 This paper affects all schools across the county.

8. Other Front Line Services

- 8.1 The recommendation does not impact on other services run by the Council or on behalf of the Council?

9. Communications

- 9.1 The report is of public interest and requires use of news release and appropriate social media to publicise the decision.

10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

10.1 Legal; The recommendations are acceptable from a legal point of view.

10.2 Finance: The School Finance Manager supports the implementation of a clear funding formula as an essential prerequisite for enforcing compliance with the Scheme for Financial Schools.

10.3 Corporate Property

10.4 HR

The Schools HR Team will continue to work with Headteachers, Governing Bodies, Staff and Trade Union representatives, and in the event that the implementation of the Review leads to changes in staffing structures will provide advice to all parties in line with the Service Level Agreement.

11. Scrutiny

11.1 The draft report was being scrutinised on 13 December 2018, a further Scrutiny meeting will be held on 4th January 2019. The Scrutiny Committee has provided the following comments:

11.2 The changes made since the date of Scrutiny and details of recommendations that have been accepted or rejected are noted below:

12. Data Protection

12.1 The proposal does not involve the processing of personal data

13. Statutory Officers

13.1 The Head of Financial Services (Deputy Section 151 Officer) notes the contents of the report and the comments from the Schools Finance Manager.

13.2 The Solicitor to the Council (Monitoring Officer) commented as follows : “ I note the legal comments and have nothing to add to the report.”

14. Members’ Interests

14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
To implement the new school funding formula as set out in Appendix A1 and A2 from April 2019	To demonstrate the fair and transparent resourcing of agreed educational policy
To phase implementation over two financial years.	To ease the impact of the changes on individual schools

To maintain the link between educational policy and budget in circumstances where policy, budget or cost change through annual review	To ensure the integrity of the funding formula is maintained
--	---

Relevant Policy (ies):	Scheme for Financing of Schools		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
----------------------------------	--

Person(s) To Implement Decision:	Cabinet
Date By When Decision To Be Implemented:	Within budget timeframes for FY1920 implementation

Is a review of the impact of the decision required?	Y / N
If yes, date of review	
Person responsible for the review	
Date review to be presented to Portfolio Holder/ Cabinet for information or further action	

Contact Officer:	Richard Waggett
Tel:	01597 826387
Email:	Richard.waggett@powys.gov.uk

Background Papers used to prepare Report: all reports to the Formula Review Group

CABINET REPORT TEMPLATE VERSION 6

Appendix A1 – Proposed Powys School Funding Formula – Primary

Attached

Appendix A2 – Proposed Powys School Funding Formula – Secondary

Attached

Assumptions:

- Calculations based on November 2018 pupil numbers
- Average teacher cost for each school within primary and a sector average for secondary as at January 2018 both capped at 2018 ISR range.
- Other staff roles use mid-point of recognised salary grade as at April 2019
- Premises (block 3) is based on current R&M spend
- Teacher increments have been estimated and will be reviewed in Dec and amended in Feb.
- No increase in Pension above 2% has been built in.
- Estimated reduction to Post 16 grant of £136k

Appendix B – Options considered to revise the educational offer to align with affordability.

No.	Suggested area of reductions for consideration	Notes	Potential Reduction
1.	Reduce funding on Capitation	This represents a modest cut to no-staffing budgets in an area of spending that is traditionally targeted during times of budget pressures.	£215k for 15%
2.	Increase contact ratio by 1% in Secondary. Which FRG agreed as 80% initially.	The contact ratio is already calculated at 83%, and secondary schools are averaging 75-80%. This represents a considerable reduction in management and leadership.	£199k on Teaching costs.
3.	Increase class size in KS3 and KS4 to 32 (excluding Science, DT and KS4 options)	In some schools there may be physical constraints that limit the ability to deliver this. As a consequence, the reality may impact on inclusion as the intended small class may be sacrificed.	£578k on teaching costs Class of 31 = £262k Class of 33 = £840k
4.	Alternative option for option 3. Adjust first class size from 15 to 17.	This would mean a cut in the ALN provision	£712k on teaching costs, however this would reduce the ALN budget by £712k, therefore no saving
5.	Reduce management time minimum in Primary from 0.3 to 0.2	This would add additional pressure to headteachers	£350k
6.	Alternative option to option 5. Adjust contact ratio in Primary to 83% but protect small schools for 0.3 management time	This would add additional pressure to headteachers	£465k
7.	Reduce funding on Maintenance	Reducing maintenance funding would have a detrimental effect on the condition of already deteriorating buildings, and will potentially impact on the future Capital budget	Not an option
8.	Increase KS2 class size to 32 but protect Foundation Phase at 30	This would not be advisable without consultation with unions and other stakeholders	Additional cost not a saving
9.	Increase KS4 option class size to 25	Perceived workload issues	£417k

Appendix B continued.

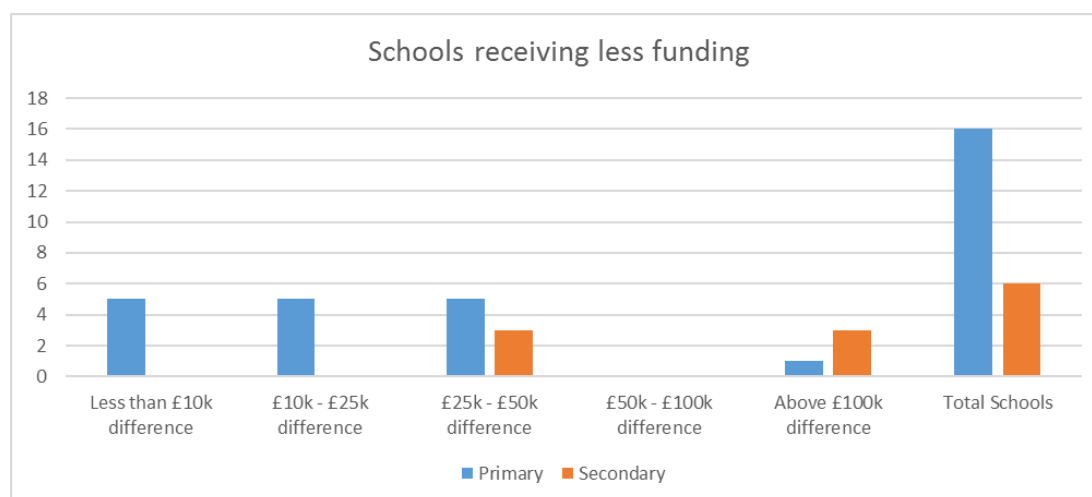
Options 1, 5 and 9 have been used to calculate the gap between the formula in line with the affordability envelope for FY1920.

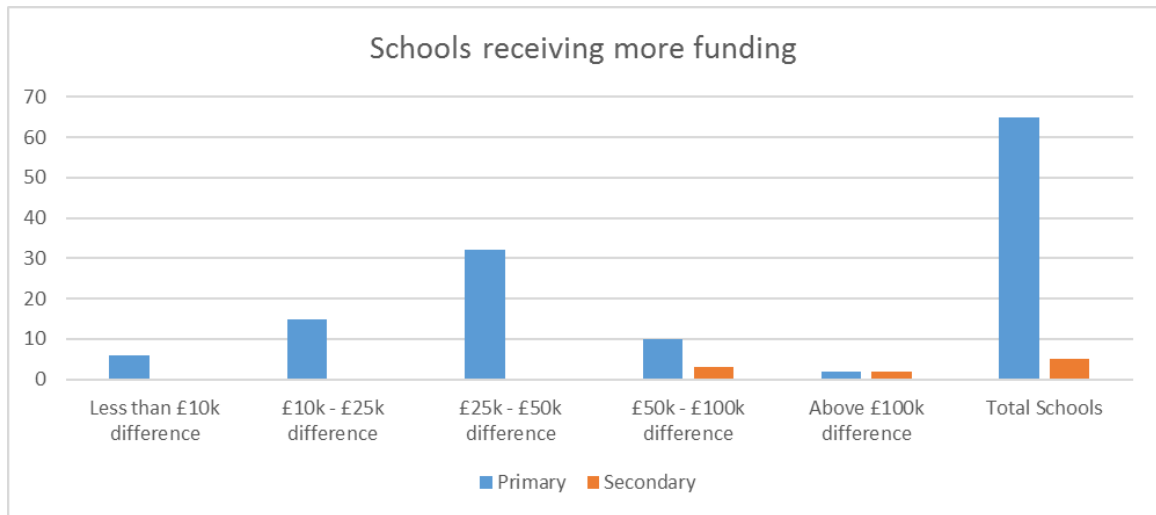
Potential policy changes to be considered that will help to produce a more efficient and effective service (spend to save options):

- School procurement strategy, which could be linked to a consensus around some reduced delegation
- Workforce strategy - to increase the number of HLTAs and alter the age and experience profile amongst the teaching workforce (lower the average teacher cost)
- digital learning - especially the potential to connect pupils in one school and teachers in another without transport requirements
- collaborative administration, linked to shared services, PCC SLAs etc)
- investment in preventative and early help services for vulnerable children and BESD learners
- increase in bilingual teachers and in bilingual teaching techniques (reducing the cost of bilingual provision through reduced reliance on dual stream)
- invest in improved energy efficiency or building condition (reduction in formula cost/funding for schools)
- school organisation changes

Appendix C – Proposed implementation arrangements and other considerations.

- Justification for a phased introduction – time for staffing, structure and curriculum changes, provide the right context for challenging deficit budget proposals brought forward by school governing bodies.
- For the purposes of future proofing the formula it is suggested that the AVTC is recalculated on an annual basis. The formula itself is reviewed in line with other reviews across Schools, e.g. the ALN review is due to be implemented in September 2020, and the Post 16 review in September 2019.
- A sub group of the Schools Forum has been suggested as the new FRG to act as a way to review the formula on an annual basis, but initially following each Schools Forum meeting. A mechanism will need to be agreed for reflecting change in cost base e.g. pay awards and on-costs on an annual basis and a commitment from Cabinet to support this. Any legislative and policy changes across Schools or Council will also need to be taken into consideration when reviewing the formula.
- The sub group will also need to look at continuing to move the formula forward and stream line the existing differences between Primary and Secondary in order for an All-through school to be calculated.
- The table below shows the impact on schools funding for FY1920





		Over budget								
Pot Available	70,480,215	978,438								
£s variance analysis	Total	Primary	Secondary	Less £s	Primary	Secondary	More £s	Primary	Secondary	
Less than £10k difference	11	11	0	5	5	0	6	6	0	
£10k - £25k difference	20	20	0	5	5	0	15	15	0	
£25k - £50k difference	40	37	3	8	5	3	32	32	0	
£50k - £100k difference	13	10	3	0	0	0	13	10	3	
Above £100k difference	8	3	5	4	1	3	4	2	2	
Total Schools	92	81	11	22	16	6	70	65	5	
%s variance analysis	Total	Primary	Secondary	Less %	Primary	Secondary	More %	Primary	Secondary	
Less than 1% difference	5	5	0	3	3	0	2	2	0	
1% - 2.5% difference	17	12	5	7	4	3	10	8	2	
2.5% - 5% difference	16	13	3	9	7	2	7	6	1	
5% - 10% difference	22	19	3	1	0	1	21	19	2	
Above 10% difference	32	32	0	2	2	0	30	30	0	
Total Schools	92	81	11	22	16	6	70	65	5	

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Analysis of Powys School Fair Funding Formula Primary

Pupil Numbers

Pupil counting date is the Friday in the first week following the October Half Term.

The numbers on roll in all years are used to calculate funding for Reception to Years 6

Curriculum Lead Funding Streams Core Block 1	
Teachers	<p>A school has a minimum funding of:</p> <ul style="list-style-type: none"> • 1.5FTE teachers, • 0.2FTE for Management time • An additional FTE uplift for leadership and Management capacity based on 10% of class teacher funding, • A Planning and Preparation Allowance (PPA) is added based on 10% of teacher contact time, funded at Grade 7 (Mid-point). <p>Number of classes are then calculated on a stepped approach of 30 per class based on the pupils on the pupil count date.</p> <p>An average teacher cost for each primary school is calculated and used to fund the notional number of Teachers to be funded in each school as per the basis above.</p>
Admin Support	Every primary school receives a minimum funding of 0.4FTE (37hrs, term time only Grade 4 mid-range), then 0.1FTE for every additional funded class above the first class.
Supply	£710 per FTE funded Teacher per primary school.
Teaching Assistants	Minimum funding of 1FTE (32.5hrs, term time only, Grade 4 mid-range) then 0.5FTE for every additional funded class above the first class.
Mid-day supervisors	Funded 1 x 1hr post per 30 foundation pupils and 75 KS2 pupils (Grade 3 mid-point, term time only).
Additional Learning Needs Coordinator (ALNCO)	Funded 0.1FTE teacher up to 100 pupils. Then an additional 0.1FTE per every 100 pupils thereafter (funded at AVTC rate).
Capitation	Lump sum of £1500 Plus £45 for each funded pupil.
Free School Meals	Funded centrally
Service Level Agreement (SLAs) / core package	All corporate SLAs with schools delegated (Finance, HR, employment services and BPU) are funded in line with the exact charge that is

	levied for the enhanced offering, whether they opt into the service or not.
ALN Block 2	
ALN Allowance	<p>The total ALN funding for primary schools less the cost of the ALNCo, is split over all primary schools using a basket of proxy indicators.</p> <p>The balance of the ALN funding is then distributed across all secondary schools in the following way:</p> <ul style="list-style-type: none"> • 10% of the balance of the ALN funding is split on the number of Pupil numbers across all primary schools. • 20% of the balance of the ALN funding is split based on Number of primary pupils not achieving core subject indicators at KS2. • 20% of the balance of the ALN funding is split based Free school meal entitlement. • 5% of the balance of the ALN funding is split number of primary pupils scoring under 75 on CATs (Cognitive Ability Tests) in year 4. • 35% of the balance of the ALN funding is split based on ALN weighted units (relating to numbers of pupils on school action plus). • 10% of the balance of the ALN funding is split based on Welsh Government Standard reading test results in Y2 and Y4.
Property Block 3	
All premises costs excluding Rates and Statutory testing	<p>A sum of £38 per Square metre for Premises costs.</p> <p>Plus, a % uplift depending on the following Category that the school has for building, energy and Cleaning.</p> <ul style="list-style-type: none"> • A = 0% • B = 1% • C = 2% • D = 3% <p>A Sum of £3 per square metre for Ground costs.</p> <p>Halls will be funded on actual costs incurred in previous financial year, but will be assessed by property to show best value.</p>
Rates, Statutory Testing and Premises Insurance	The school is funded the exact charge it is levied.
Block 4	
Split Site	<p>Split Site schools are funded as two separate sites for all elements of the funding formula except for the following adjustments</p> <ul style="list-style-type: none"> • Funded as a single school for Administration • Funded as a single school for ALNCo

Dual Stream	<p>Funded as one single stream for all elements of the funding formula except for the following additions</p> <ul style="list-style-type: none"> • Teacher & Teaching assistant (pupil led) funding – run as two streams.
All through School	<p>Funded as two separate schools except for the following adjustments</p> <ul style="list-style-type: none"> • Remove the minimum 0.2 Management time capacity (primary formula) • ALNCo as one school

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Analysis of Powys School Fair Funding Formula Secondary

Pupil Numbers

Pupil counting date is the Friday in the first week following the October Half Term.

The numbers on roll in all years are used to calculate funding years 7 to 11.

Listed below is the method used to allocate funding to all schools for Pre 16 provision:

Curriculum Lead Funding Streams Core Block 1	
Teachers	<p>Average Teacher cost (AVTC) is calculated as follows</p> $\frac{\text{Total cost of teaching staff for secondary schools (Inc. leadership)}}{\text{Total FTE for secondary schools (Inc. leadership)}}$ <p>This rate is then used to fund the number of teachers needed in the school, based on pupil numbers and ratios listed below in-line with minimum curriculum delivery, which results in a contact ratio of 0.83 (The contact ratio is the proportion of the week that teachers spend in teaching contact with pupils taken as an average across all the teachers).</p> <ul style="list-style-type: none"> • KS3 – first class funded using the ratio 1:15 pupils then each subsequent class funded using the ratio 1:30 pupils (with the exception of Design and Technology being a ratio of 1:20 and Science being a ratio of 1:25), per year group. • KS4 – first class funded using the ratio 1:15 pupils then each subsequent class funded using the ratio 1:30 pupils, options are using the ratio 1:25, in each year.
Admin Support	<ul style="list-style-type: none"> • All secondary schools are funded for 1 Business Manager 37hrs term time only (mid-Point Grade 12). • All secondary schools up to 100 pupils are funded for 1.3fte (37hrs, term time only) admin posts as a minimum, with an additional 0.65fte per every 100 pupils (Grade 4 mid-point) thereafter.
Educational Support Staff (i.e. Technicians)	<ul style="list-style-type: none"> • Minimum funding for 3 posts (mid-point, Grade 5, 32.5hrs) up to 400 pupils then an additional 0.25fte per 100 pupils thereafter.
Teaching Assistants	<p>Minimum funding up to 200 pupils</p> <ul style="list-style-type: none"> • 1 Grade 7, mid-point (32.5hrs term time only) Pastoral Support. • 1 Grade 4, mid-point (25hrs term time only). With an additional 1 x 25hr post per 100 pupils. Teaching Assistant.

Supply	All schools are funded 1FTE Cover Supervisor (Grade 6, mid-point, 32.5hrs term time only) Plus £385 Per FTE Teacher funded per school.
Additional Learning Needs Coordinator (ALNCO)	Funded 0.1FTE teacher up to 100 pupils. Then an additional 0.1FTE per every 100 pupils thereafter (funded at AVTC rate).
Mid-Day Supervisors	Funded 1 x 1hr post per 200 pupils (Grade 3 mid-point, term time only).
Capitation	£128 per pupil
Free School Meals	Funded at the current rate per FSM pupil per day
Examination fees	£532 per Y11 Pupil (invigilator's come under Admin)
Employee Insurance (corporate)	The school is funded the exact charge it is levied.
SLAs / core package	All corporate SLAs with schools delegated (Finance, HR, employment services and BPU) are funded in line with the exact charge that is levied for the enhanced offering, whether they opt into the service or not.
ALN Block 2	
ALN allowance	<p>The total ALN funding for secondary's less the cost of the ALNCo, teacher funding for the first classes of 15 and the Pastoral support officer, is split over all secondary's schools using a basket of proxy indicators.</p> <p>The balance of the ALN funding is then distributed across all secondary schools in the following way:</p> <ul style="list-style-type: none"> • 33.34% of the balance of the ALN funding is split on the number of pupils across all secondary schools scoring under 82 on CAT's (Cognitive Abilities Tests). • 33.33% of the balance of the ALN funding is split based on the number of pupils across all secondary schools qualifying for Free school meal entitlement. • 33.33% of the balance of the ALN funding is split based on the Welsh Index of Multiple Deprivation score data across all secondary schools. <p>This calculates an ALN allowance for each secondary school.</p>

Property Block 3	
All premises costs excluding Rates and Statutory testing	<p>A sum of £32 per Square metre for Premises costs.</p> <p>Plus a % uplift depending on the following Category that the school has for building, energy and Cleaning.</p> <ul style="list-style-type: none"> • A = 0% • B = 1% • C = 2% • D = 3% <p>A Sum of £2 per square metre for Ground costs</p>
Rates, Statutory Testing and Premises Insurance	The school is funded the exact charge it is levied
Block 4	
Split Site	<p>Split Site schools are funded as two separate sites for all elements of the funding formula except for the following adjustments</p> <ul style="list-style-type: none"> • Funded as a single school for Administration • Funded as a single school for ALNCo
Dual Stream	<p>Funded as one single stream for all elements of the funding formula except for the following additions</p> <ul style="list-style-type: none"> • Teacher & Teaching assistant (pupil led) funding – run as two streams.
All Through School	<p>Funded as two separate schools except for the following adjustments</p> <ul style="list-style-type: none"> • Removed the minimum 0.2 Management time capacity. (primary formula) • ALNCo one school.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Appendix A3: Comment on the Powys School Fair Funding Formula Proposals

Introduction

The table below provides comment on areas specifically highlighted through the consultation, by the Formula Review Group and/or by the external consultant. An officer response indicates the action taken or proposed.

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
Core Provision: Block 1		
Class teaching	<p>Whilst the balance of consultation responses favoured a simple lump sum and per pupil funding allocation, citing the avoidance of cliff-edges and the requirement to revise class structures annually, the Formula Review Group favoured the allocative efficiency of a step-funded approach, linking funding directly to the number of classes a school would need according to the core educational model.</p> <p>This approach is only truly efficient if the model is updated for pupil numbers for each academic year, if the school's average teacher cost is used rather than the sector average and if a further adjustment is made to ensure that Foundation Phase pupils are not in classes of over 30. These adjustments are to be included in the primary model.</p> <p>The External Consultant recommends that a clear commitment is given to movement towards a simple lump sum and per pupil amount, supporting swifter budget forecasting and encouraging a greater degree of delegated responsibility.</p> <p>The FRG echoed the concerns raised by some within the consultation about the proposal to fund 10% of class teaching (for Planning, Preparation and Assessment) at the HLTA rate, citing phase inconsistency and concerns over the supply of HLTAs. The External Consultant comments that this could be an area of further collaborative development between the LA and the primary sector, to enhance the supply of well-qualified experts who could add curriculum breadth in primary schools and a route into teaching.</p>	<p>The transition from a complex formula to a simpler formula is a huge step in the right direction. Moving towards a lump sum and per pupil allocation can be developed as trust in the new approach becomes embedded and financial planning skills in schools mature.</p> <p>The LA will work with primary school leaders to develop appropriate measures to support the provision of HLTAs and expert coaches, to provide cost-effective curriculum breadth.</p>

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
Sickness cover and supply costs	On reflection, the consultation proposals were inconsistent across the phases, reflecting current arrangements in many but not all schools. A simple and consistent approach was favoured by FRG and the external consultant, with a percentage uplift to cover insurance, agency staff, supply teachers and cover supervisors, without specifying a specific route.	Supply cover is now provided for within the formula.
Teachers – leadership and management	<p>The consultation proposals were for a class number allocation for primary or a simple percentage as for secondary. The responses favoured a simple percentage for both phases but FRG members were concerned to ensure adequate transparency and protection for Heads of very small schools, at least initially. FRG members also expressed concern over the calculation for additional management time in secondary schools, as this equated to a higher contact ratio than discussed during the development phase. This, combined with the capping of salary funding bands, is likely to reflect a squeeze on capacity in secondary schools, consistent with the proposal to fund PPA cover in primary schools at HLTA rates.</p> <p>The External Consultant recommends a move towards a simple percentage calculation over time, with a top-up for very small schools to protect a minimum entitlement. This would support local flexibility and innovation.</p>	<p>This will be looked at as part of future proofing the formula.</p> <p>Transitional financial support and HR advice will be provided to those schools implementing a restructuring of staffing roles and grades.</p>
Administration Support	<p>Some concern was raised about inconsistency between phases and the grades used to calculate the amount of funding.</p> <p>The External Consultant recommends that a cross-phase model based on a lump sum and per pupil allocation could be developed for implementation within a few years and this could facilitate pooled funding for cluster arrangements.</p>	<p>This will be looked at as part of future proofing the formula.</p> <p>Care is needed in considering the fairness of the allocation for administration in that SLA support services between the phases differ in scope and level.</p>

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
Teaching Assistants (TA) and other Education Support Staff	<p>The different approaches proposed for primary and secondary phases do not allow for a straightforward comparison to ensure equity. Concern was raised at FRG over the apparent disconnect at the point of transition, but this is obscured by the more detailed definition of roles in secondary and by the fact that additional capacity is expected to be afforded through Block 2.</p> <p>The External Consultant recommends that a cross-phase model based on a lump sum and per pupil allocation could be developed for implementation within a few years, facilitating local innovation and flexibility.</p>	This will be looked at as part of future proofing the formula.
Additional Learning Needs Coordinator (ALNCO)	<p>The consultation proposals were not clear enough about how capacity in secondary schools would grow with school size. This was discussed with FRG and a modified proposal developed that would suit both phases in a consistent way.</p> <p>Concern was expressed that higher levels of additional need would demand greater ALNCo capacity and this would need to be covered in Block 2.</p>	<p>The final proposal reflects the need to increase ALNCo capacity with school size across all schools.</p> <p>This will also be addressed as part of the ALN review, in relation to capacity and the scope for cluster-based approaches.</p>
Capitation	Reasonableness testing had identified the need for a lump sum allocation within the primary model to ensure small schools have sufficient funding for fixed costs such a telephone line and photocopier. FRG agreed.	This has been built in to the formula.
SLAs / core package	As the planned review of SLAs was deferred, this area of the formula has not been subject to scrutiny as yet. The interface with administrative capacity and capitation will need to be taken into account when the review does take place, as a different level of support for each phase could account for differences in other areas of the formula.	The review of support service SLAs will take place in time to inform funding allocations for 2020/21.
Additional Needs: Block 2		
ALN Allowance	<p>The consultation sought views on the essential elements of this area of the formula. Given the ongoing ALN Review, the recommended approach is to minimise the turbulence in this block at this stage.</p> <p>FRG considered the difficulty of determining the funding pot required for this area, acknowledging that staff in schools and parents would always desire a higher level of support, whatever level of funding is available, which is entirely understandable. A minimum level of funding was considered, consistent with the existing budget,</p>	<p>This is going to be addressed more as part of the ALN review.</p> <p>Establishing a shared understanding of core provision is an essential precursor to the development of funding arrangements for the support for children and young people</p>

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
	<p>less that amount that could be clearly demonstrated as having moved into the core Block 1 to reflect inclusive practice.</p> <p>The External Consultant recommends that as the new formula develops in this area care is taken to ensure its scope reflects both learning needs and the support required for vulnerable children, and that the implications for leadership and ALNCo time, for administration and non-contact time are all reflected, not just TA capacity.</p> <p>The External Consultant reflected that care is also needed to ensure that proxy indicators cannot be manipulated, that the phase balance is appropriate and that the interface with top-up funding for named pupils is as clear as possible.</p>	<p>with additional needs. The proposed formula seeks to fund inclusive provision, providing for a diversity of need in every school in Powys.</p>
Property Block 3		
All premises costs	<p>Many schools raised concerns that the use of historic spend on premises to guide future funding allocations would lead to poor condition school buildings and potential safety risks over the medium to longer term.</p> <p>The External Consultant noted that capital investment in building condition and energy efficiency would release savings in schools and through the formula and it would be important not to double count the benefits.</p>	<p>A review of this area will need to take place in 2019 to address any issues.</p> <p>The implications for formula funding will be modelled as part of every capital investment project in schools.</p>
Sixth Form premises	<p>The formula proposals make an adjustment to the premises calculation to reflect the proportion of the buildings used for post 16 provision. FRG and the External Consultant raised concerns that the Post 16 grant is only just adequate for marginal teaching costs and with further cuts expected, this adjustment could leave secondary schools with a funding shortfall. This is an area to cover further in work on the Post 16 formula.</p>	<p>This area will need to be looked at as part of the Post 16 review.</p>
Policy priorities and exceptional circumstances Block 4		
Split Site	<p>Consultation responses were polarised in this area, with strong arguments for split site schools delivering efficiency savings rather than extra costs set against equally strong arguments that a school with two sites at some significant distance must be funded as it was two schools initially before savings could be identified.</p>	<p>Split site schools have been treated as two separate schools with a couple of amendments listed in Appendix A2.</p>

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
Dual Stream	<p>The consultation responses echoed FRG discussion in this important policy area, with views often reflecting the type of school represented. Consensus was only achieved over the need for equity although the implications and mechanisms for funding were not always agreed upon.</p> <p>The consultation identified two options for funding dual stream provision. On balance, the responses indicated a preference towards reflecting the actual provision taking place in each school, the balance of pupils and proportion of the curriculum taught in two languages. This approach is the most sensitive to changes in pupil numbers and could result in significant turbulence year on year.</p> <p>The External Consultant recommends strong consideration is given to a simple approach, giving both schools and the LA greater predictability in planning finances and provision.</p>	<p>The formula has been calculated assuming that the whole curriculum is available in two languages in both primary and secondary bilingual/dual stream schools, to minimise the year on year turbulence.</p> <p>This provides for the development of Welsh Education in line with the strategy.</p>
Curriculum protection in secondary schools	<p>The Curriculum Regulations require a minimum of twenty-five subjects to be offered, although there is no requirement for all to be delivered, particularly if it is not viable. This is a difficult area of policy for the LA as the discretion to provide fewer subjects rests with the school and there is a strong case for equity in curriculum breadth without penalising pupils in rural areas and small schools.</p> <p>This case was made strongly at FRG and External Consultant recommends that this could be an area of further collaborative development between the LA and the secondary sector.</p>	<p>The formula proposals ensure funding for a minimum of nine option choices in addition to core subjects. Additional breadth could be achieved through innovative and collaborative approaches.</p> <p>This aspect of the core offer will need to be discussed further with the sector, aligned to the implementation of the new curriculum.</p>

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol



Learning, Skills and Economy Scrutiny Committee

Scrutiny Observations to Cabinet on the Schools Funding Formula Review

The Learning, Skills and Economy Scrutiny Committee met on 4th January 2019 and considered the following documents:

- Draft Cabinet Report v7.1 IBJT
- Appendix A1, A2 and A3
- Appendix B
- Appendix C

The Learning, Skills and Economy Scrutiny Committee thank the Portfolio Holders for Education and Finance, the Director of Education, Head of Financial Services, Finance Business Partner together with the Schools Finance Specialist and Chair of the Formula Review Group for attending scrutiny.

Observations:

The Cabinet Report is the culmination of a period of intensive work undertaking a fundamental review of the Funding Formula. This meeting represents the fourth time that the topic has come before scrutiny during the development process

Scrutiny welcome the production of a Schools Funding Formula which is clear and transparent.

Scrutiny confirm that it is their understanding that part of the work of the Formula Review Group has been to calculate what it costs to provide education in Powys schools taking into account the different types of schools that are found in the county (including very small schools, dual stream schools, split site schools etc).

It is disappointing, although understandable, that it has not been possible to design a formula which addresses all of the issues that arise and that other reviews (such as the ALN review) may result in a need to alter the formula. What is essential in this regard is that this formula is, unlike the previous formula, regularly maintained to take into account any changes proposed regarding education in Powys. This will ensure that transparency is maintained.

Scrutiny note that the aim of the Formula Review was to provide a fair method of distributing the amount of funding available for delegation to schools. Scrutiny also note that during discussions regarding school budgets the Portfolio Holder had acknowledged that 'the review would demonstrate whether or not schools were properly funded' ¹ (Scrutiny observations to Cabinet - School Budgets 10th July 2018)

Scrutiny queried the amount of protection which was afforded to small schools. It was confirmed that the level of support was such that it would provide an adequate level of funding to ensure the school can safely run. There are however questions regarding the lack of social experiences that small schools can provide. It is noted that the funding formula is not a mechanism for reorganising schools but school organisational change is one of the potential policy changes identified in Appendix B to produce a

more efficient and effective service. In a time of reducing resources, the distribution of resource across schools in Powys should provide a fair level of funding to all pupils and Cabinet are asked to demonstrate that small schools are not receiving a disproportionate amount of funding to the detriment of medium and large schools. It is also noted that this formula can also be used to demonstrate the validity of any transformation models that are proposed in the future.

Scrutiny queried the calculation for premises costs and were advised that these had been calculated based on the spend during the previous year. Scrutiny have concerns that this is not a representative figure because, with the current financial climate, schools are likely to have diverted spend from premises to other areas of pressure which gives an inappropriately low level of spend that is now being built into the formula. The risk of using this methodology is that insufficient funding is available for premises which will result in a lack of maintenance and repair costing more in the longer term.

Scrutiny identified a lack of clarity regarding what the ALN allowance in Block 2 covers, being advised that items such as the increase capitation costs for ALN pupils and cover for Head teachers attending safeguarding meetings would be funded from this budget.

The ability of the funding formula to support an increase in the number of Welsh speakers in Powys was discussed. The formula is designed to distribute funding across the existing network of schools and activities designed to increase the number of Welsh speakers would properly be considered under the Welsh in Education Strategic Plan. The ability to support Welsh learners through immersion support was discussed. A grant funded immersion scheme at the beginning of secondary school was referenced. This had enabled pupils from English Medium primary schools to gain the level of Welsh language needed to study through the medium of Welsh in secondary school. This grant funding was no longer available and a view was expressed that to meet the objectives of increasing the number of Welsh speakers this funding should be included in formula. Officers and the Portfolio Holder were of the view that the low numbers in need of such support make it appropriate for it to be provided from central resource rather than delegated resource. This is an area that scrutiny would encourage the service to investigate further in the future.

There was some debate regarding the gap between what the Funding Formula Group were of the view should be available to enable the existing school estate to run on a core basis and the view of the Portfolio Holder and Officers. This reported gap of approximately £5.5million can be summarised as follows:

- A gap of £2.5-3million relating to whether the 2018 ISR (Individual School Range) is used (Officers calculations) or actual leadership costs. Governing Bodies are able to vary the rate at which staff are paid and in previous years, when school rolls were higher, Governing Bodies set ISRs for their schools. As school rolls have fallen these ISRs have not always been adjusted to reflect this. Whilst Governing Bodies may choose to pay at the higher ISR level the Formula is only designed to fund at the current ISR level. The ISR is reviewed annually.
- The use of Higher Level Teaching Assistants instead of Teachers to cover PPA (Planning, Preparation and Assessment) time.
- The grading of Administrative staff at Level 4 instead of Level 5.

From an Officer/Portfolio Holder perspective the gap between core funding required and available funding is £0.98million.

Scrutiny note the difference of opinion as to what the gap between minimum provision and available funding is (ranging from £0.98k to circa £5.5million). Whilst scrutiny understand the rationale for using the capped 2018 ISR rate it is nevertheless the case that some schools are paying senior staff based on historic ISR rates and will need support to undertake a fundamental staffing review. The other two areas where differences arise are also areas where Governing Bodies have the discretion to fund at a higher rate but given that the formula provides core funding in practice there will be limited discretion available.

Scrutiny further note that the staffing level assessments are based on the corporate job evaluation process and that this cannot be altered due to its implications elsewhere within the authority.

A series of options to bridge this gap were set out at Appendix B of the Cabinet Report. Scrutiny were advised that options 1, 5 and 9 were favoured.

Option 1 – Reduce funding on capitation by 15%. The educational impact of reducing this budget was not confirmed at the meeting.

Option 5 – Reduce management time in Primary Schools from 0.3 to 0.2. Scrutiny are concerned that this would lead to additional pressures on Head teachers. The Director of Education advised that elsewhere in Wales the allowance for management time for Primary Head teachers was 0.1.

Option 9 – Increase KS4 option class size to 25. This was considered by the Portfolio Holder to have a marginal impact as it was a way of providing funding for options to each of the secondary schools and the way this money was spent for local decision. Schools choose how many pupils are required to make an option class viable and by taking £417k out of KS4 options in Powys will increase the number of pupils required to run an option class and consequently lead to a decrease in the number of options that are actually delivered each year by the school. Scrutiny draw the attention of Cabinet to the impact this reduction will have particularly on pupils in the coming academic year before schools have an opportunity to develop alternative delivery models for less popular subjects.

Scrutiny note that effectively there are not 9 options as Options 4,7 and 8 are either not an option, do not result in a reduction or increase costs. Option 6 is an alternative to Option 5 and therefore Option 3 is the only true alternative which also has questions regarding its ability to deliver savings.

With regard to the proposal to pay PPA cover at HLTA (Higher Level Teaching Assistant) rate scrutiny express concern that scrutiny seek assurance that there are sufficient HLTAs trained in Powys to be able to undertake this work, and if this is not the case what plans would be put in place to address this. This information was not confirmed during the session.

It is noted that a number of schools (22) are identified as losing funding with 4 schools losing over £100k/year (3 secondary, 1 primary). Conversely, there are 70 schools set to gain funding with again 4 schools set to gain over £100k/year (2 secondary, 2 primary). Whilst there will be difficulties for those schools set to lose funding (and transition for these schools will need to be carefully supported) the rebalancing of the

available funding is welcomed. However, scrutiny query that if by ‘bridging the gap’ the number of schools either gaining or losing funding will change and seek clarity on this point. The transition will need to ensure that those pupils who have started a two year course at Key Stage 4 are able to complete their studies in Year 11 but otherwise the curriculum redesign needs to commence from autumn 2019. Staffing redesign will need to be undertaken at pace and immediate support needs to be available from Finance, Human Resources and School Improvement teams to support schools to make the necessary changes.

Scrutiny consider that the recommendations outlined in report 7.11BJT lack clarity. The first recommendation is to implement the formula as set out in Appendix A (the ‘unbridged’ figure), the second recommendation amends it to bridge the gap and the third recommendation notes that implementation will be phased over two years. Clarity is needed particularly regarding the phasing of implementation. Additional costs will be incurred during this two year period whilst the second year of two year courses run and staffing reviews are undertaken. The report should identify how the additional costs during the implementation phase will be funded.

Whilst the intention of the Funding Formula Review is not to address deficit budgets attention is drawn to the high and increasing levels of school deficit budgets and that funding school budgets at a minimum level is not designed to allow for deficits to be paid back. Cabinet are asked how they intend to deal with existing school deficit budgets and how it will be ensured that from the date of implementation of the new funding formula all schools set balance budgets. However, Scrutiny would be remiss if it did not draw Cabinet’s attention to the fact that in bridging the gap between current budget and the calculated costs identified in the review there remains a significant risk that funding supplied to schools may still result in schools struggling to set balanced budgets. This is particularly likely to be true if the review group’s figure on the gap proves to be closer to the actual gap in funding.

Recommendations:

Scrutiny’s Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
<p>1. That the Cabinet report clearly articulates what is considered to be the minimum funding necessary to run Powys schools and where this differs from the recommendation from the Formula Review Group then an explanation be provided.</p>			

<p>2. That a review of the impact of the changes implemented be undertaken in the first year to identify if the changes have resulted in any negative consequences. This review to include but not be limited to:</p> <ul style="list-style-type: none"> • Impact of using previous year's figures for premises spend • Impact of paying HLTA rate for PPA cover • Impact of paying Admin staff at Grade 4 rather than Grade 5 			
<p>3. That a supporting document be prepared to highlight to schools the collaborative options that can be used to share expertise and save money</p>			
<p>4. That narrative be provided regarding what the ALN allowance (Block 2) covers</p>			
<p>5. That where figures such as school meals in secondary schools are included that these reflect the actual per meal rate paid by Welsh Government for the year to which the formula relates so that individual secondary schools are not subsidising free school meals for eligible pupils</p>			
<p>6. That Cabinet demonstrate that small schools are not receiving a disproportionate amount of funding to the detriment of medium and large schools</p>			

<p>7. That the Funding Formula be subject to annual review to reflect any education policy changes to ensure that the Funding Formula remains transparent and compliant with regulations, and that scrutiny have an opportunity to undertake pre-Cabinet scrutiny of any proposals to amend the Funding Formula</p>			
<p>8. That Cabinet advise how it is intended to tackle the problem of school deficit budgets which, with the implementation of the new funding formula, will leave no leeway to payback school deficits, and how it is intended to ensure that from the implementation of the new funding formula all schools set balanced budgets</p>			
<p>9. That the report outlines what funding will be provided to support the 2 year phased implementation</p>			
<p>10. Greater clarity is required in respect of the availability and source of funding to facilitate the transformational changes within school management and administrative structures</p>			
<p>11. That confirmation of the number of schools receiving less or more funding is based on the delegated funding of £70.48million rather than the £71.46million included in the report v7.1IBJT</p>			

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, within 2 months i.e. by 15.03.19

Membership of the Learning, Skills and Economy Scrutiny Committee present on 4th January 2019:

County Councillors: P Roberts (Chair), D R Jones, G Breeze, K Curry, B Davies, S C Davies, D O Evans, L George, E M Jones, G Jones, K Laurie-Parry, S McNicholas, L Roberts, E Roderick, D Selby, G Thomas and R Williams
Parent Governor Representatives: A Davies and G Robson
Church Representative: M Evitts
Invited representatives from Audit Committee: County Councillor J Morris (Chair) and Independent Member J Brautigam (Vice-Chair)

References

1. Extract from Scrutiny observations to Cabinet - School Budgets 10th July 2018

At the meeting scrutiny Members heard from the Portfolio Holders for Schools and Finance that a Review of the Fair Funding Formula was nearing completion and would be brought to scrutiny and Cabinet in the near future. The Portfolio Holders appeared to be holding great store that the review would demonstrate the amount of money required to run a school providing the statutory breadth of education and that this would then demonstrate whether or not schools were being properly funded. This is a large piece of work and will help inform future school budget discussions. However, until this Review reports it is not possible to ascertain what impact it will have on the school budget position and therefore action needs to be taken now to ensure that school deficit budgets are recovered to a balanced position.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL.**CABINET**
15 January 2019**REPORT AUTHOR: Councillor James Evans, Portfolio Holder Corporate Governance, Housing & Public Protection****SUBJECT: WHQS Achievement and the adoption of Damp and Energy Efficiency Strategies for Powys**

REPORT FOR: Discussion and Adoption

1. Summary

- 1.1 This report also confirms the successful delivery of the programme to achieve compliance with the Welsh Governments WHQS standard
- 1.2 The report also proposes improvements to the strategic and operational approach to dealing with damp and thermal comfort issues in Powys Housing stock. The Cabinet is asked to adopt these approaches, to support a greater focus on resident's health and fuel poverty.
- 1.3 The proposals have been presented to resident groups, and the comments from those consultations are included. The recommendations of the Health, Care & Housing Scrutiny Committee, are also addressed

2. Background

- 2.1 It can be reported that the council have successfully achieved completion of its WHQS programme. Around £72 million has been invested, with just under 14,000 building components being replaced including 3,736 properties receiving energy efficiency works. There have been some challenges with 708 residents declining 2,000 improvements, despite multiple offers being made. The greatest challenge was due to Powys having the largest number of off gas stock in Wales, totalling over 1,500 properties, with 66 homes on large scale special purpose LPG networks. This means that achieving energy ratings of 65 for these homes is very difficult to achieve, hence the number of acceptable fails for energy. This is explored further in the Thermal Comfort Strategy.
- 2.2 Appendix 1 summarises the WHQS outturn, as at the end of December 2018.
- 2.3 The councils WHQS Compliance Policy sets out the approach to meeting the Welsh Governments WHQS Standard. It should be noted that the WHQS system allows landlords to declare that a property has

'acceptable fails', e.g. where a solution is technically difficult to achieve, or where a tenant declines the work.

- 2.4 It was found during the WHQS programmes, and while investigating long term damp problems, that measures beyond replacing the building components are required.
- 2.5 As part of their Wales wide customer experience survey, the Welsh Audit Office conducted a telephone survey of 300 Powys residents. This revealed that while 77% of the tenants had no problems with damp or condensation, 23% were concerned about this. Similarly, 23% of residents reported they found it difficult to heat their homes to a comfortable level in the winter. While these results are typical for local authorities, there is a need to establish why these concerns remain, and to address them. These strategies provide a framework to do that, in partnership with Heart of Wales Property Services, Health and Social Care services. The Welsh Audit Office report is attached at Appendix 2
- 2.6 The development of a Damp Strategy and a Thermal Comfort Strategy, set out at appendix 3 and 4, are part of a vision to develop a 'WHQS Plus' programme, and address WHQS 'acceptable fails'. They precede a more comprehensive asset management strategy, to be produced later in 2019. They also aim to address an increase in fuel poverty caused by rising fuel prices.

3 Strategies for addressing Dampness and Thermal Comfort

- 3.1 The principles within both the Damp and the Thermal Comfort Strategies are as follows:
 - **Consider peoples' health.** Older people and children with health problems, are more likely to operate heating for longer periods, and at higher temperatures. A property that may meet the WHQS standard, can still be expensive to heat in those circumstances. Children are more susceptible to the effects of damp and mould. To assist with discharge of corporate parenting and duty of care responsibilities, we need to ensure the building and its services are not contributing to ill health or distressing families. The strategies aim to support residents at greatest risk.
 - **Consider fuel poverty.** The thermal comfort paper covers the process to manage requests to assist with fuel poverty.
 - **Consider the building as a whole.** For damp issues this is looking in great detail at the building construction, and its heating and ventilation together, rather than in isolation. For thermal comfort, looking at the buildings insulation, heating system, and again ventilation.
 - **Consider and respond to trends.** At present, the numbers of serious damp issues, or complaints about thermal comfort and running costs

are small. These are resolved in isolation. However, trends are developing in certain streets, indicating more widespread investigations and programmes of work will be required.

- 3.2 The damp strategy was considered by the Tenant Scrutiny Panel Response Repairs Sub- Group in November. The thermal comfort strategy was consulted by the Tenant Scrutiny Panel Investing in Homes Sub Group in December. The comments of the residents have been incorporated in the papers, and agreed at the December meeting of the Tenant Scrutiny Panel
- 3.3 Both strategies were considered by the Health, Care and Housing Scrutiny Committee in November. The recommendations as set out in Appendix 5 have been incorporated into each strategy.
- 3.5 The impact assessment relating to the strategies is set out at Appendix 6. Delivery of these strategies will be overseen by the HRA project board.

4 Corporate Improvement Plan

- 4.1 The vision and priorities of the new cabinet are to support our residents and communities and to develop a vibrant economy. These proposals enhance the objectives set out in the HRA business plan.
- 4.2 The Housing Service has to date played a key role in contributing to the Public Service Boards Well-being assessment, and the Local Well-being Plan. These proposals will further improve the well-being of the population of Powys, particularly those with health or financial vulnerability.
- 4.3 Housing Service recognises the contribution that it makes to the local economy through its procurement of services from external contractors. The work streams arising from the proposals will be available for Powys based SME's to compete for on a level playing field.

5 Options Considered/Available

- 5.1 Powys County Council will need to address damp issues to fulfil its duties as a Landlord and ensure compliance with the Housing Health and Safety Rating System and WHQS.

With thermal comfort, there are 2 options available.

1. Continue to treat off gas homes as acceptable fails, leave health issues and fuel poverty in the hands of other organisations, and only address this with any grant funds.
2. Adopt the pro-active approach suggested, to target improvements where the greatest need exists, and reduce the burden of poor health and fuel poverty.

6. Preferred Choice and Reasons

- 6.1 The full adoption of the thermal comfort strategy will provide a measured and prioritised way to address resident's needs, in a fair and equitable manner. It demonstrates leadership from the Council to not stand still, and continue its ambition to achieve WHQS two years early.

7. Sustainability and Environmental Issues/Equalities/Crime and Disorder/Welsh Language/Other Policies etc.

- 7.1 The proposals will increase the use of renewable technology in support of the Welsh Governments decarbonisation agenda.

8 Children and Young People's Impact Statement - Safeguarding and Wellbeing

- 8.1 The proposals will mitigate risks to young people from the effects of mould and damp. There will be £0.7m per year invested either directly to Powys companies, or from support to local SME's by Welsh contractors. The programme will have a beneficial impact on families, and create employment opportunities for young people.

9 Local Member(s)

- 8.1 The proposal will affect all members.

9 Other Front Line Services

- 9.1 Not applicable

10 Support Services (Legal, Finance, HR, ICT, BPU)

- 10.1 Finance – In anticipation of the measures outlined in the strategies, provision has been included in the HRA Business Plan. This includes £200k per annum for additional measures such as Photovoltaic or Solar Panels, and £500k per year for Damp alleviation works. These sums supplement ongoing allowances for replacing and maintaining the fabric of the building.
- 10.2 Legal – “The Professional Lead - Legal supports the recommendation in this report and confirms that the legal services will support this department as and when required.

11. Scrutiny

- 11.1 Has this report been scrutinised? - Yes
- 11.2 If Yes, what version or date of report has been scrutinised? A discussion took place around earlier versions of the Dampness and thermal Comfort Strategies.

11.3 The comments of the Health, Social Care and Housing Scrutiny Committee held on the 3rd October 2018, are attached at Appendix 5, which also shows how the strategies have been amended in the light of comments.

12 Local Service Board/Partnerships/Stakeholders etc.

12.1 This is largely a housing management matter, though to maintain support to Well Being, we will continue to replace or improve heating systems where there is medical need

13 Communications

13.1 Once the proposals have been approved by council, their adoption will be disseminated to members, and published on the Powys website.

13.2 Communications with residents will be agreed with and channelled through the Tenant Scrutiny Panel, and related WHQS and Responsive Repair Sub Groups. This will include publishing initiatives and outcomes in bi annual newsletters sent to every tenant.

14 Statutory Officers

14.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: “I note the legal comments and have nothing to add to the report.”

14.2 The Head of Financial Services (Deputy Section 151 Officer) notes the comments from Finance.

15 Members’ Interests

15.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>That Cabinet notes the successful outcome of the WHQS programme, and approves the adoption of the Damp and Thermal Comfort Strategies</p>	<p>To demonstrate the council’s:</p> <ul style="list-style-type: none"> • Continue to meet statutory obligations • Maintain leadership ambition to over achieve in relation to the WHQS standard • Commitment to pro-actively addressing fuel poverty

<p>Relevant Policy (ies):</p>	<p>Powys County Council Housing Services Welsh Housing Quality Standard (WHQS) Compliance</p>
--------------------------------------	---

	Policy, and Repairs and Maintenance Policy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	All Members
----------------------------------	--------------------

Person(s) To Implement Decision:	Head of Housing
Date By When Decision To Be Implemented:	1st February 2019

Contact Officer Name:	Tel:	Fax:	Email:
Simon Inkson	01597 827464		simon.inkson@powys.gov.uk

Contact Officer: Phil Dark (Service Manager – Asset Management) Tel: 01597 826464 Email: philip.dark@powys.gov.uk

Appendix 1 – WHQS Update

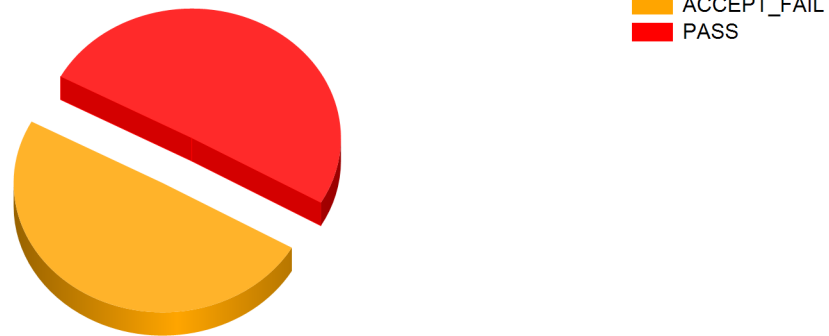
Table 1. WHQS works delivered since 2012/13

Year	Kitchen	Bathroom	Rewiring	Heating	Windows	Doors	Roof	Expenditure
2012/13								£5.6m
2013-14	562	565	212	650	284	288	75	£9.1m
2014-15	647	616	36	251	15	81	368	£12.4m
2015-16	559	492	196	459	203	436	314	£14.7m
2016-17	461	674	150	92	546	608	234	£11.3m
2017-18	411	168	70	228	30	68	78	£7.6m
2018-19	320	430	80	320	610	610	260	£11.0m

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

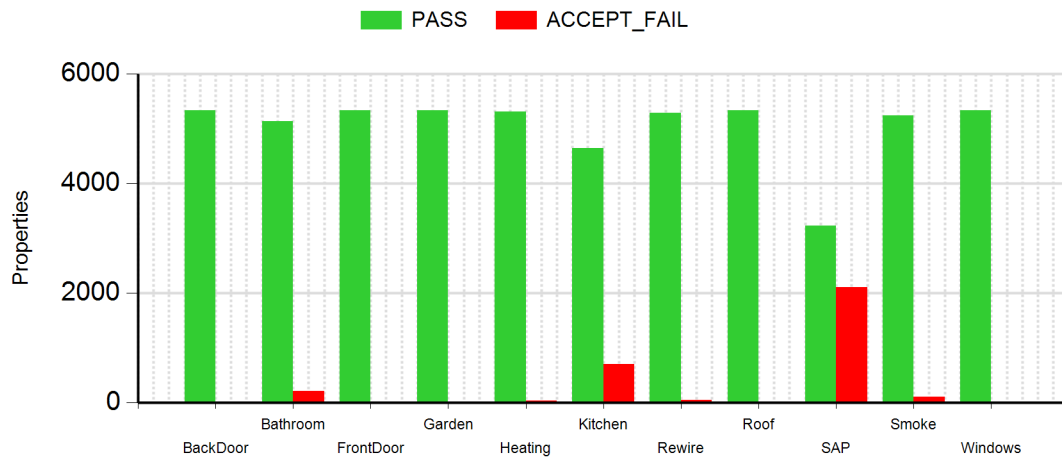
WHQS Report - 02/01/2019

WHQS Overall Status



WHQS Result	Properties
PASS	2694
ACCEPT_FAIL	2646

WHQS Elements



Result	BackDoor	Bathroom	FrontDoor	Garden	Heating	Kitchen	Rewire	Roof	SAP
PASS	5333	5128	5333	5329	5307	4638	5289	5333	3230
ACCEPT_FAIL		205		4	27	695	44		2103

Smoke	Windows
5235	5333
98	



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

The Service User Perspective – the Welsh Housing Quality Standard – **Powys County Council**

Audit year: 2017-18

Date issued: September 2018

Document reference: 762A2018-19

This work has been prepared as part of work performed in accordance with statutory functions. No responsibility is taken by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The team who delivered the work comprised Richard Hayward, Charlotte Owen, Gwilym Bury and Jeremy Evans directed by Huw Rees.

Contents

The Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants' homes are warm

Summary report

Summary	4
Proposals for improvement	6

Detailed report

The Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants' homes are warm

The Council is making progress towards achieving the Welsh Housing Quality Standard for many components by 2020 but it needs to accelerate its approach to ensuring tenants' homes are warm 7

Tenant engagement has worked well in the past but now needs to be built upon and strengthened to gather more views 9

Most Council tenants are very satisfied with the quality of the service and their homes 10

Appendices

Appendix 1 – infographic summarising the key findings from the completed surveys	12
--	----

Summary report

Summary

- 1 In housing, as in many local government service areas, users have no choice of service provider or, where alternative providers exist, their choice is limited by cost or other reasons. In this situation, their ability to influence services to meet their needs relies on users having a 'voice' in service design.
- 2 It is especially important that service users can feed in their views, experiences and hopes as the Council decides which services to reduce, increase or change in the current environment where finances are under pressure. Taking account of the users' voice means redesigned services are more likely to meet people's needs and be better value for money.
- 3 The Welsh Government stresses the importance of developing a partnership with citizens. Involvement is one of the five ways of working and it requires local authorities to adopt to meet the Well-being of Future Generations (Wales) Act 2015 (WFG Act). And in its Local Government White Paper (January 2017) the Welsh Government states:

'We want to develop a more equal partnership with citizens. The role of public services should be to support people to live independent lives and to seek to de-escalate demand, intervening only when necessary and only for as long as required. In doing so, the focus inevitably shifts to prevention and a public service that is able to put more effort into helping people to avoid crisis, rather than one which is focused on supporting people in crisis. This is about creating prudent public services for the future.'¹
- 4 In 2017-18, the Wales Audit Office completed work to understand the 'service user perspective' at every Council within Wales. We followed a broadly similar approach at each council, although we agreed the specific focus and approach to the work with each one individually. In Powys County Council (the Council), we reviewed the housing service. In particular tenants' engagement with, and degree of choice experienced in, delivering the Welsh Housing Quality Standard (WHQS) and their view on the quality of the service they receive from the Council.
- 5 In 2001, the Welsh Government set out its long-term vision for housing in Wales entitled **Better Homes for People in Wales**. The WHQS is the Welsh Government standard of housing quality. The WHQS was first introduced in 2002 and aims to ensure that all dwellings are of good quality and suitable for the needs of existing and future residents. The Welsh Government set a target for all social landlords to improve their housing stock to meet the WHQS as soon as possible, but in any event by 2020.
- 6 The Council decided against transferring its housing stock and it is confident it will achieve WHQS compliance by 2020. Consequently, the Council retains its housing

¹ Welsh Government, **White Paper Reforming Local Government: Resilient and Renewed**, January 2017.

stock and role as landlord. It is one of 11 councils in Wales to do so. The Council is one of six remaining councils still having stock which is not fully compliant as at March 2017 with only five councils reporting² 100% compliance.

- 7 The Council owns 5,326 properties of which it reported that 3,242 properties met the standard to 'full compliance' and 456 did not as at 31 March 2017. The Council reported that a further 1,628 properties met the standard where they were judged to be 'acceptable fails' as defined by the Welsh Government in its guidance on compliance³.
- 8 Although we could not talk to everyone, engaging with a sample of service users⁴ helped us better understand their perspective. In addition, we held a focus group with the Powys Tenant Scrutiny Panel (the TSP), a further focus group with local tenants and residents, and visited a few of the Council's housing estates. This information, as well as data on performance and service standards, informed our discussions with the Council. This helped us understand the Council's rationale for their approach to WHQS, and how the Council approaches and responds to the needs and expectations of service users.
- 9 Overall, we found that **the Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants' homes are warm.**
- 10 We came to this conclusion because:
 - the Council is making progress towards achieving the Welsh Housing Quality Standard for many components by 2020, but it needs to accelerate its approach to ensuring tenants' homes are warm;
 - tenant engagement has worked well in the past but now needs to be built upon and strengthened to gather more views; and
 - most Council tenants are very satisfied with the quality of the service and their homes.

² Welsh Government, **Welsh Housing Quality Standard Welsh Government Annual Report**, October 2016

³ Full compliance refers to dwellings where the WHQS standard is achieved for all individual elements, but there can be situations where achieving the standard for an individual element is not possible. Such situations may include the cost or timing of the work, residents choosing not to have the work done or where there are physical constraints to the work. In these instances, the social landlords may record one or more elements as acceptable fails. Where a dwelling contains one or more acceptable fails but all other elements are compliant, the dwelling is deemed by the Welsh Government to be compliant subject to acceptable fails.

⁴ We spoke to a sample of 321 tenants and leaseholders. We conducted a phone survey, Appendix 1 shows details.

Proposals for improvement

Exhibit 1: proposals for improvement

Proposals for improvement	
P1	The Council should urgently strengthen the future delivery of the WHQS by accelerating its development of a comprehensive strategy and action plan to address the issues facing tenants who are living in cold homes.
P2	The Council should continue to work with tenants to strengthen its approach to assisting people experiencing problems with condensation and damp.
P3	The Council should strengthen its approach to engagement and explore more innovative ways to reach the many people who are hard to reach due to the geographical challenges of living in Powys.

Detailed report

The Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants' homes are warm

The Council is making progress towards achieving the WHQS for many components by 2020, but it needs to accelerate its approach to ensuring tenants' homes are warm

- 11 The Council engaged widely with stakeholders on its housing modernisation programme for WHQS and estate improvements. For example, the Council produces an 'Investing in Your Homes' newsletter for tenants which is very clear, well presented and informative. It clearly shows what has happened in the previous six months and an update on the schedule of works over the coming six months along with other relevant updates, such as on gas boiler servicing. Tenants are encouraged to complete the WHQS questionnaire, following works being carried out, by being entered a prize draw for £100.
- 12 Individual tenants were given a significant voice in how the WHQS work was undertaken in their homes. They had a considerable number of choices, for example, kitchen tiles (colours and shapes), worktop, unit doors, flooring and taps and whether new front doors are solid or glass. Tenants from the TPS are members of the 'Investing in Your Home Sub Group'. This group of tenants attends progress meetings with specific contract monitoring officers and reviews progress on WHQS work and tenant satisfaction results. Tenant feedback on some of the early WHQS contracts highlighted problems with how the work was carried out and delays completing works. The Council worked with the 'Investing in Your Home Sub Group' to review its implementation, with more Tenant Liaison officers working on day-to-day contact with tenants as the work was carried out.
- 13 The Council recognises its system for recording which homes meet the WHQS standard for warmth is inaccurate and incomplete. The Council believed that in July 2018 it had 2,326 homes (43%) which did not yet meet the WHQS standard for warmth (SAP 65⁵ or above rating). The number reported to the Welsh Government in March 2017 was 2,084. Our survey of tenants showed that 23% of the tenants

⁵ SAP 65. 2015. WHQS states the Welsh Government vision that 'all households in Wales.... shall have the opportunity to live in good quality homes that are adequately heated, fuel efficient and well insulated.' The target energy rating to comply with the WHQS is a Standard Assessment Procedure (SAP) rating of 65.

we spoke to find it difficult to heat their homes to a comfortable level in winter. The Council has invested additional resources in the last few years to gather accurate assessments of SAP ratings in all its homes. However, this work is still incomplete, and we were told by officers that some of the existing SAP data is inaccurate on such matters as the thickness of loft insulation and whether double glazing is fitted.

- 14 Powys has the highest percentage of Council homes not on a mains gas supply in Wales and the previous Council WHQS policy was to view all homes located 'off gas' as an acceptable fail. In recent years, the Council has begun to change its approach. It is now investing in a range of new approaches to help overcome the problem of cold homes in 'off gas' areas. These include already installing in a number of homes solar panels, oil central heating, external wall insulation, and air source heat pumps. The Council is planning to formalise this new approach and develop a strategy and associated action plan to address the issues facing tenants who are living in cold homes.
- 15 Our survey of tenants showed that 77% of the tenants we spoke to felt they had no problems with damp and condensation, but 23% were concerned. We have conducted a similar survey in the last 12 months at all 11 councils that retained their housing stock, and this issue is a problem across Wales. Damp and condensation issues are a complex problem, and without conducting a full house survey we cannot say why tenants in Powys reported this issue. We did not undertake the survey on all the estates in Powys and most of the officers we spoke to felt that on a few estates there are some issues of damp. These affected homes are at more exposed locations with more rainfall and frequent high winds, leading to greater water penetration. Furthermore, the Council recognises that on one estate design issues are a significant cause of damp and condensation and future capital works will try to address this issue. The Council officers we spoke to show a positive and sophisticated understanding to addressing the issues of damp and condensation. The Council is adopting a holistic approach while investing additional resources of £0.5 million in future years to address the issue.
- 16 A high percentage of the work is undertaken by contractors based in Wales (£19.2 million so far with contractors based in Wales). The tenants we surveyed are generally pleased (83%) with the work that is carried out. The Council is committed to community benefits from WHQS both in terms of local employment and opportunities for apprentices and additional works for the community carried out by contractors. For example, new external fire doors at a scout hut in Brecon and a bricklaying course held at high school by one of the local contractors.
- 17 The Council recognises that contractor performance is variable especially where sub-contracting by large national companies occurred. The Council has also experienced other challenges with some of its private contractors becoming over committed to other work.

Tenant engagement has worked well in the past but now needs to be built upon and strengthened to gather more views

- 18 Through their daily interactions with tenants, staff receive regular feedback and opinions from tenants. This provides a useful and informal conduit of information between tenants and the service, and ensures that officers have a good understanding of tenant needs. A dedicated team (Tenant Liaison Officers) work to support tenants on all aspects of the WHQS programme. Housing staff also attend local estate events to promote the housing service and speak to members of the public. 'Tenants Talk Together' meetings on estates are jointly run by officers and tenants to obtain feedback on local issues. Ad hoc estate events do take place, but due to pressures on staff estate inspections do not occur on a regular basis in all areas and there is no coordinated planned and publicised programme of estate walkabouts. The Council no longer runs an annual garden competition for its tenants, which many other landlords still use as an informal, inexpensive, and fun way to organise systematic visits to many housing estates. The Garden competition has in part been replaced by a bi-monthly 'Star Tenant' award scheme, open to tenants, councillors and staff to nominate tenants who make a significant contribution to the life of their community.
- 19 The Council has long-standing established mechanisms for formal consultation, and officers and members meet regularly with tenants through four local tenant associations and the TSP group of about 14 tenants. The TSP membership is largely drawn from the local groups and provides a formal method to consult and gain feedback from tenants. There is a newsletter delivered twice a year to all tenants' homes which provides feedback and information. The TSP members help produce this newsletter. The housing service also surveys all tenants every few years to gain feedback on performance, and TSP members helped design the survey questions in the most recent survey. In addition, there is the Housing Services Group 100 (current membership is seventy-two). This is a group of volunteer tenants who are consulted by email, telephone or postal survey on a chosen area of the housing service, such as day to day repairs.
- 20 However, the Council recognises that tenant involvement requires new approaches, which it is developing, to ensure everyone continues to have a voice. The Council's local tenant engagement strategy is currently being reviewed. The number of active tenants and recognised tenant groups is relatively small (6). Although we only spoke to a few of the tenants who participated in the groups, some of them felt that in the past they have been largely ignored by the housing service. However, they thought that tenant support had improved in the last few years. One local tenant and resident association (TRA) we spoke to felt they are still isolated, and receive little help from the Council. Engaging with communities about new affordable housing, using existing events and networks, such as school fairs and agricultural events, shows the Council is beginning to develop new approaches to gathering the views of citizens.

- 21 There are various fun days and other events where staff informally engage with tenants about planned future changes. An example of these are the estate action days. Following the estate action days officers develop estate action plans in response to the feedback and survey forms completed by residents. In 2018-19 the Council has a budget of approximately £2 million for estate improvements to, in part, take forward the ideas generated from the estate action days.

Most Council tenants are very satisfied with the quality of the service and their homes

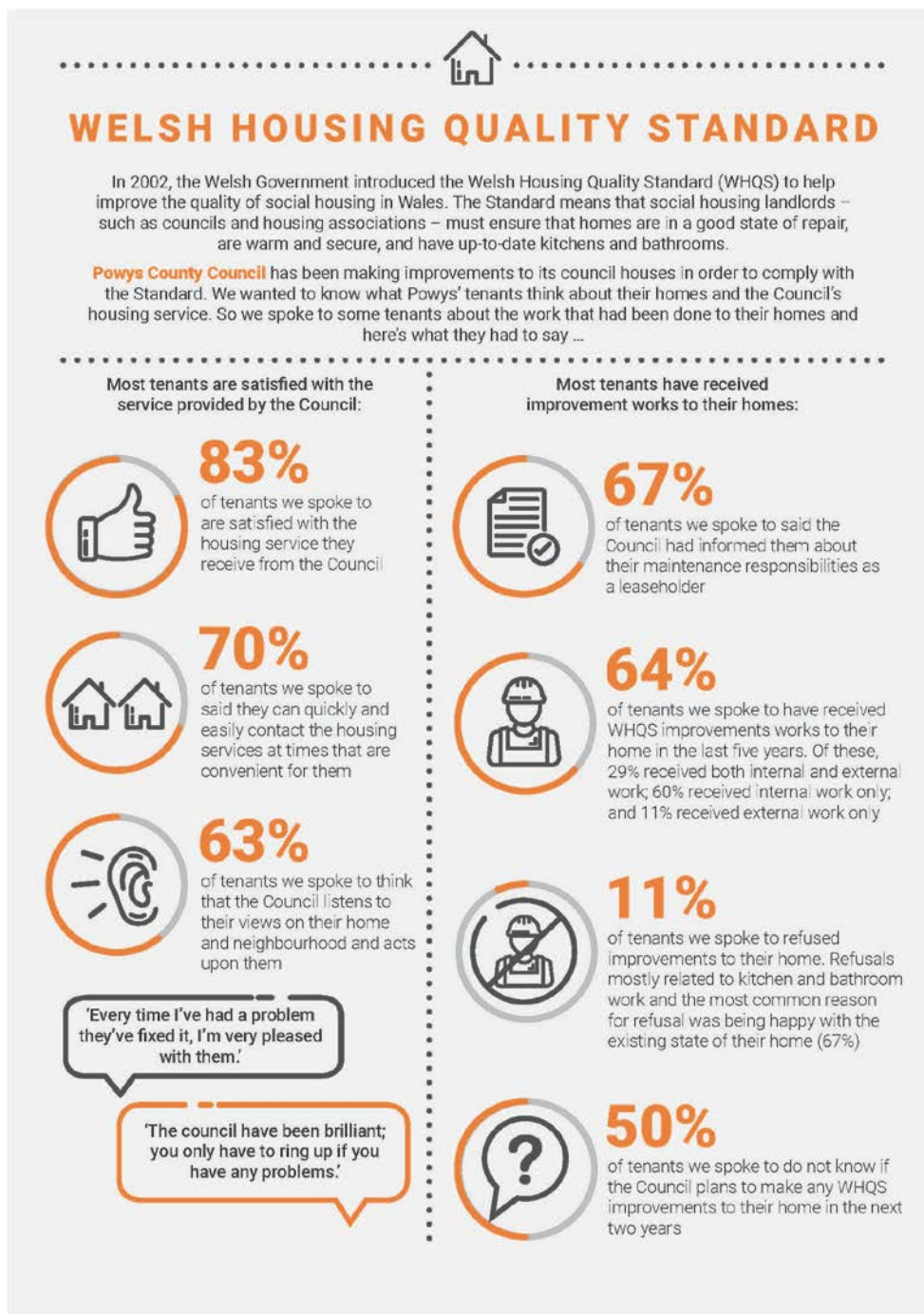
- 22 Our survey of tenants showed that people are very satisfied with the quality of the housing service:
- eighty-three per cent of the tenants we spoke to are satisfied with the housing services they receive;
 - sixty-three per cent of the tenants we spoke to feel the Council listens to their views on their home;
 - eighty-three per cent of the tenants we spoke to are satisfied with the improvement works the council has carried out on their homes;
 - seventy-three per cent of the tenants we spoke to are satisfied with the environment outside their home;
 - ninety per cent of the tenants we spoke to were happy with the quality of their kitchens, and eighty per cent were happy with their new bathrooms; and
 - ninety per cent of the tenants we spoke to thought that their neighbourhood is a good place to live.
- 23 The Council recognises it could do more to increase the range of ways tenants and potential tenants can get access to Housing services. For example, by using the internet. It also recognises that the Housing service section of the Council website is poorly designed and difficult to use. We found that the website contains some useful information, but pages are difficult to locate. Few of the forms and documents can be completed online. The Council is working to improve this, for example, the 'Getting Involved' application form can now be completed on line rather than having to be downloaded and posted back to the Council. The use of social media in Powys is limited. Although there is a tenant Facebook page, the poor Broadband access we observed in some areas of the county makes its greater use a challenge.
- 24 The telephone service for tenants to contact the Council is well publicised, and the tenants we spoke to felt it worked well. Seventy per cent of the people we spoke to in the survey felt they could quickly and easily contact the housing service at times that were convenient for them.

- 25 The Council Housing Strategy, 2016-2020, has a set of measures which link to clear outcomes, such as, tackling fuel poverty. The performance measures have set targets, and the performance information and targets are subject to regular scrutiny by senior officers and by members at scrutiny committees. The Council relies predominantly on key performance indicators and satisfaction surveys to evaluate the service's work against the strategy.

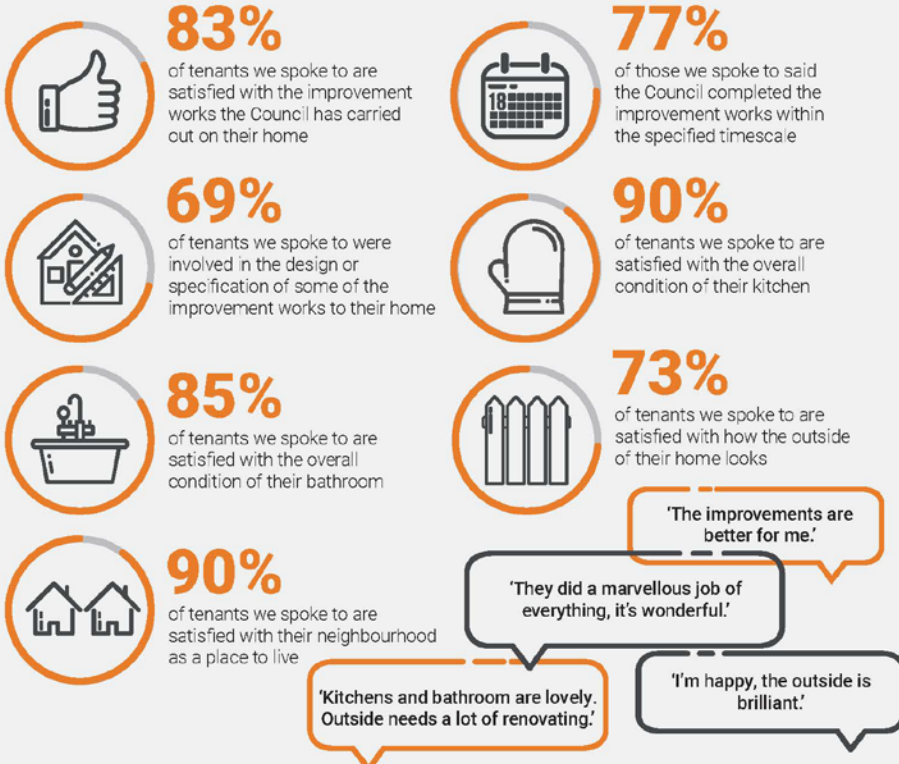
Appendix 1

Infographic summarising the key findings from the completed surveys

Exhibit 2: housing service infographic



Most tenants are happy with the condition of their homes and the WHQS improvements the Council has made:



Some tenants find their homes are not warm enough in winter and some told us they had problems with damp:



Read the full report on Powys County Council's housing service on our website: www.audit.wales

We spoke to 321 tenants and leaseholders. This represents around 6% of all Council managed households.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

Strategy to address damp issues in Powys owned housing stock

Powys County Council
Housing Services

Tudalen 61



Contents

Executive summary	3
1. Introduction	5
2. Background	6
2.1 Damp	6
2.2 Where is damp found?	6
2.3 What are the types of damp?	6
2.4 The Importance of Heating and Ventilation	8
2.5 Wellbeing Implications	8
2.6 Regulatory Requirements	9
2.7 Legal Implications	9
2.8 Current PCC Policy and Standards	10
3. Damp and Powys' housing stock	11
3.1 Stock Condition Survey Data	11
3.2 Findings from BBA and Pilot Investigations	11
3.3 Findings from Service Manager Review	11
3.4 Powys response to the national problem	12
3.5 Evolving trends	12
4. The Way Ahead	14
4.1 Approach to Reports of Damp	14
4.2 Prioritising Surveys	15
4.3 Operational Delivery	15
4.4 Consulting with residents	17
4.5 Costs	17
4.6 Asset Management	18
4. Appendices	19

Executive summary

Damp is a real, or sometimes perceived problem for residents. Some express fears that breathing in air from damp rooms or mould growth can cause, or aggravate, breathing conditions such as asthma.

Damp is a generic term widely used, but reflects consequence, assumption or perception, rather than being the true description of the event, or the cause itself.

Landlords have a statutory and common law responsibility to their tenants to provide a safe, warm and damp free homes. The Welsh Housing Quality Standard, and Housing Health and Safety Rating System, set out requirements as detailed in part 2.

Powys stock condition survey recorded that 2.5% of its properties suffered with damp. The recent survey of 300 residents conducted by the Welsh Audit Office, found that 23% of residents reported concerns about damp.

In the last 5 years 30% of residents have reported issues with damp or mould. While the numbers of cases are declining, some persistent problems are being experienced. Recent detailed investigations and case reviews have established that greater attention is needed to diagnosis and remedy.

The investigations have found that there are underlying issues with some of Powys' housing stock that do need to be addressed, and resident lifestyle is not always the main cause.

Powys are pro-actively responding to a Welsh Government led initiative regarding design and installation faults with cavity wall and external insulation. This is aimed at ensuring local authorities are not repeating mistakes of the past, and understand their risks arising from this.

It is proposed to build on the findings from the review and associated pilot work carried out over the last year. A structured approach to dealing with damp issues will be put in place in collaboration with our maintenance partner Heart of Wales Property Service. This will ensure robust process and controls from the first contact, through to advanced approaches to dealing with persistent problems.

Step 1 – ensure as much information is collected about reports of damp problem at first point of call, and pre inspection, so the type and cause is identified.

Step 2 – provide information to residents to assist them managing natural condensation that will naturally occur in their homes.

Step 3 – Adopt a consistent step by step checklist approach within HOWPS and PCC, to ensure all matters a landlord may be responsible for are investigated and rectified.

Step 4 – Adopt a whole house approach, considering heating and ventilation upgrades in difficult to resolve cases, or where it is considered residents medical needs or vulnerabilities are a factor.

Step 5 – where no building, ventilation or heating faults are apparent, provide further information to residents to assist them managing condensation.

DRAFT

1. Introduction

The word damp is applied as a common description, and can relate to visible effects, mould growth, smells, or even perception. Damp can be caused by condensation of water vapour generated within a home, or water ingress due to faults with, or decay of, the construction a property. Mould growth is often associated with reports of damp, along with complaints this is causing poor health. Section 2 explores the types of damp.

For the purpose of this strategy the Housing Health and Safety Rating System (HHSRS) Operating Guidance is referred to in terms of risk. Section 1 of the guidance relates to physiological requirements, including damp, extreme cold and extreme heat. The guide sets out that spores of many moulds and fungi can have health effects. These are explored later in this document.

Powys Context

Powys County Council's Housing Service manage approximately 5,400 properties, spread across Powys. In 2012 & 2015 Powys County Council's Housing Service commissioned Savills to carry out stock condition surveys to all its stock. The Councils Welsh Housing Quality Standards programme was determined from these surveys. The surveys identified that around 140 or 2.5% of properties suffered with damp, though the surveys did not detail the type or location of that damp.

In 2017, a process was adopted to appoint BBACIT, the consultancy arm of the British Board of Agreement, to inspect and report on properties with persistent damp issues. These surveys were partly invasive in nature, aimed at identifying the true causes of damp. e.g. using scoping cameras to inspect inside wall cavities through small holes drilled in the structure. While this process has assisted in many cases, it has been necessary in some for carry out further invasive investigation to establish true cause, e.g. exposing the structure of walls or floors.

Internal process were also amended in 2017 to ensure that any investigations carried out internally were fully invasive, and establish for certainty the construction details and actual cause of damp. The new process has included a whole house review approach too, which ensures that the heating and ventilation is checked to see if it meets modern, rather than previous standards.

A National problem

In recent years problems have become apparent across Wales with failures of cavity wall insulation and external wall insulation. The failures with cavity wall insulation include installing in properties not suitable to insulate, or using the wrong type of insulation, given the exposure rating of the property. Poor workmanship also occurred with areas missed during installation, and pre-existing building faults were not rectified. Some local authorities are facing substantial costs to remove cavity wall insulation from properties that were not suitable to insulate, or had the wrong material fitted for the exposure rating. This prompted a Welsh Government led initiative in 2017 to ensure local authorities do not repeat past mistakes, and understand their risks with matter.

2. Background

2.1 Damp

We are all exposed to damp in our homes, since activities such as cooking, bathing, showering, washing clothes, and even breathing create water vapour. This water vapour needs assistance to escape, or it will increase humidity within the property and condense on colder surfaces. While designed to prevent water entering the inside of a building, the external envelope comprising the roof, walls, windows and doors can develop faults, or decay over time. A single fault, or combination of issues, can cause water to penetrate the external envelope.

2.2 Where is damp found?

Damp can occur anywhere in a home, though is typically found in on walls and ceilings in kitchen and bathrooms, the perimeter of ceilings/top of walls in bedrooms. Damp can occur around the edges of, and on the surface of windows, and occasionally it can appear as a patch in the middle of a wall. It can also be found on the lower part of walls in the ground floor rooms, or within the floors.

Its appearance can show as a wet patch, mould growth, or with a visible signs such as salts coming out of the wall. In severe cases plaster decay or blowing can occur. Condensation can also occur in roof spaces if they are not properly vented or insulated, causing sweating on the underside of roof felt.

2.3 What are the types damp?

Condensation

This is typically defined by running water across a surface, caused by water vapour which has “condensed” from warm, moist air on contact with a cold surface. Warm air is able to hold more moisture than cold air, and the amount of moisture in the air is usually expressed as Relative Humidity (RH). Air which contains its maximum moisture content is said to be saturated, at which point it has 100% RH.

Indoor relative humidity should be between 40% and 60%, except for short periods of fluctuation. This range is the optimum to limit the occurrence of condensation and mould growth.

It is important to note that in some circumstances natural condensation can occur when there may be no obvious causes, or a combination of less usual events occur. BRE Digest 297 (Reference), states

“Condensation is always the result of air becoming saturated when it meets a cold surface, but the conditions under which it may occur in dwellings vary considerably. Broadly speaking, condensation is dependent on three interacting factors: the environment within the building, the building structure and the natural climatic conditions outside the building.”

Interstitial Condensation

This can occur where the temperature at a point with the structure is cold enough to cause water vapour to condense within it. This can lead to progressive saturation of masonry or cavity wall insulation.

Cold Bridging

This tends to occur in isolated areas, where a structural feature, or partial omission of insulation, lowers the temperature of part of a surface. This means this area will be colder, and can trigger condensing of water vapour just at that point.

Leaks (Traumatic Damp)

This is obviously apparent where a pipe bursts or cracks. However, it can be more difficult to identify if there is a hidden cause gradually soaking the area affected. e.g. leaking underfloor pipes can give an impression of rising damp, as the structure will gradually absorb the water through capillary action.

Water penetration

This occurs where rainwater penetrates through the tiles on the roof, or the walls, windows or doors. This may be due to a fault with one of those components, or as a greater volume of water is affecting an area e.g. leaking gutter saturating the wall. It can also occur when ground levels outside are higher than the buildings dpc causing water to soak through the walls.

Flooding

Powys is fortunate that events of flooding from rivers is a very low risk. Some properties have been affected by overflowing storm water culverts, and this is carefully managed. However, some estates are built into hillsides, and extreme rain events can cause flooding around the house. Where this occurs any weakness in construction can lead to water penetration.

Rising Damp

This is damp visible at low level to ground floor walls, or where a concrete floor is damp. This is typically defined by a tidemark, or change in surface condition of the plaster. It is important to differentiate this from water penetration to raised ground levels.

- Rising damp is primarily caused by the capillary rise of ground water through the structure.
- However, it can over time be due to the salts that are left from the ground water that has evaporated, causing walls or floors to become porous i.e. hygroscopic. Here the walls can absorb humid air from within the property.

In cases of rising damp it is important to remove affected plaster and replace with a product that will combat the effect of hygroscopic damp.

Perception Damp

This typically relates to reports made by residents that it feels or smells damp.

It feels Damp - In cases where there is no visible damp, this can occur where the relative humidity in the property is naturally high, but the building structure is such that surfaces do not get cold enough for condensation to occur.

It smells damp - In cases with no visible damp, musty smells could be due to a lack of ventilation in the property.

In such cases it is important not to pre judge, and investigate if there is potential for hidden damp or fungal growth, or interstitial condensation within the structure.

Moulds and Fungal Growth

This is the effect of the cause of damp. Moulds can grow when the indoor relative humidity persistently exceeds 70%. Most cases of mould are slight to moderate, but more severe cases can lead to the visible release of spore dust. Fungal growth is less common, and more associated with leaks and water penetration event. Typically the types are wet or dry rot in timber, but plaster or cellar fungus can occur.

2.4 The importance of ventilation and heating

There should be continuous low-level of background ventilation, that allows 0.5 air changes per hour. For this reason the building regulations stipulate that windows shall be fitted with trickle ventilation, even for existing properties. In some cases tenants shut these vents complaining of cold drafts, however this will reduce required air changes.

Extract ventilation in kitchens and bathrooms is also important to remove steam from cooking, bathing and showering, and this is required by Part 3 e) of the WHQS standard.

A property should be heated to maintain a temperature between 18 and 21 degrees, and radiators should be utilised in all rooms to avoid a cold spot in the house for water to condense. Clearly there can be a conflict with affordability for some tenants, particularly for those with key meters, which may lead to some rooms being unheated. A supportive and constructive approach to education needs to be taken if it is found that condensation is only occurring in unheated rooms, especially if fuel poverty is a factor. In these cases residents should be sign posted to Citizens Advice to receive free energy advice.

2.5 Wellbeing Implications

Risks from mould and fungi

The Housing Health and Safety Rating System (HHSRS) Operating Guidance sets out the potential for Harm, and identifies that those under 14 are the most vulnerable age group. An extract of the HHSRS Operating Guidance is shown at Appendix 1.

The guide explains that spores of many moulds and fungi (including timber attacking fungi) can be allergenic, and that risks of health effects are greater to those vulnerable to infection, or with predisposition to sensitisation. It reports health symptoms such as

- rhinitis, conjunctivitis, eczema, cough and wheeze,
- asthma in sensitised persons where there is repeated exposure
- the severity of the asthma can intensify with increasing humidity, house dust mite and mould levels.

The guide also explains that spores from certain types of mould can be toxic and carcinogenic.

The HHSRS guidance also points to research that shows low levels of background ventilation, without visible mould or dampness, can result in high indoor humidity levels and greatly increased house dust mite populations.

Further and ongoing research will be carried out in liaison with Powys health care professionals to identify the vulnerability groups for residents likely to be affected by damp and mould problems.

Mitigating Risks

Reducing occurrences of reported damp need the right balance of building fault remedy heating, ventilation and this will vary based on the construction and the design. Some properties, or residents' medical needs, may benefit from enhanced ventilation to overcome situations where technical characteristics cannot be improved.

2.6 Regulatory Requirements

The Welsh Housing Quality Standard

The WHQS standard has an overriding requirement that a dwelling must be structurally stable, free from damp and from disrepair. The key building components must be in good condition. The walls must be in good condition as must the roof structure and coverings. External windows, doors and chimneys must also be in good condition.

The standard treats damp as a primary requirement i.e. one that affects safety of residents. It defines the requirements by reference to hazards rated as category 1 under the HHSRS. In an assessment of hazard of risk with damp and mould growth will involve reviewing the extent and severity of the dampness and any mould growth in all rooms within the dwelling. It is the cumulative contribution of those deficiencies to the hazard of damp and mould growth which should be assessed. For this reason a property with a minor damp issue in one room, e.g. cold bridging that may cause seasonal slight mould growth, does not in strict application fail the WHQS standard.

2.7 Legal and Insurance implications

It is an important part of forward strategy that the cause of the issue is identified and categorized, and care is needed not to make assumptions, particularly that tenant lifestyle is to blame. There has been a recent increase in formal disrepair cases taken out against the

authority, which can involve large sums in rent based compensation. Compensation claims for damage to contents from mould and health effects are also received.

Care is therefore needed with record keeping to make sure it is accurate, and statements are not made that could be perceived as an acceptance of liability. In disrepair cases, an innocent historic reference to damp, could be used as a reference point for when the damp started, in an attempt to increase rent refund compensation. In insurance claim cases, poor record keeping will be treated as a weakness by the insurance company, resulting in difficulty defending claims and admission of liability by default.

2.8 Current PCC Policy and Standards

Powys are committed to dealing with all damp events in tenants homes, however minor. The WHQS Compliance Policy sets out a wider definition of the standard the Council aim to achieve. This is shown at Appendix 3. The Quality of Accommodation Service Standard, otherwise referred to as the letting standard, also sets out that properties should be free from damp or mould. For that reason Powys will endeavor to investigate and remedy all cases of damp and assist residents manage natural condensation. However, there may be situations where condensation issues need to be monitored and managed, or interim solutions adopted pending planned programme works.

The Repairs and Maintenance Service Standard does not distinguish damp events from other response repairs, except for identifying that severe leaks must be dealt with as an emergency. An Appendix to the Standard will be prepared in consultation with the Response Repairs Working Group.

3. Damp and Powys' housing stock

3.1 Stock Survey Data

The stock surveys carried out 2012 and 2015 identified 140 properties with damp, although the type and location of damp was not recorded. The focus of the Councils WHQS programme at that time was component replacements, rather than targeting damp properties.

A review of the Savills raw data shows the estates with the highest occurrences of damp were

- Garth Owen, Newtown
- Fairview, Temple Street, Llandrindod Wells
- Woodlands Avenue, Brecon
- Wyeside, Hay on Wye

Around 100 of these properties, e.g. Wyeside Gardens, will have received WHQS work that would help to mitigate damp, such as new insulated roofs, or/and external wall insulation. A further 17 of these properties have received attention for damp or mould through response repairs orders. In addition Fairview has been completely refurbished.

3.2 Findings from BBA and Pilot Investigations

Some of Powys earlier built properties were not constructed with damp proof courses (dpc) in the walls, and damp proof membranes in the floor (dpm). Inter war and some earlier post war properties have painted bitumen based dpcs or dpms. However, the DPC position can be closer to the ground than current requirements, at 75mm rather than 150mm. Over time ground levels may have been raised by residents, or by the council to create ramps for level access into properties. This can cause the dpc to be bridged allowing water to penetrate across the wall, and makes properties unsuitable for cavity wall insulation.

3.3 Findings from Service Manager Review

Following concerns expressed by the Chair of the Response Repairs Sub Group, the Service Manager – Asset Management conducted a review of several cases initially indicated by Housing Surveyors as condensation, or requiring a paint over or tanking (membrane) treatment. The review established that

- Where the initial diagnosis was the cause was tenant lifestyle, this was too presumptive, as issues with the building were found.
- There were inherent building defects that needed to be rectified, and an approach to seal these in was not appropriate.
- Building ventilation and heating systems required greater consideration

As a result damp awareness training has been undertaken for all PCC and HOWPS surveyors via Housing Quality Network, and direction has been issued to ensure that all building defects and ventilation issues are resolved, and the modernity of the heating system

is considered. Further training is being arranged to assist detailed methods of invasive surveys.

3.4 Powys response to the national problem

Powys do not appear to have the scale of the cavity insulation problem some local authorities face, though some cases of damp have been linked to faults with the cavity insulation. Where this has occurred, it has been removed, and replaced, or the property has had external wall insulation added. Due to a trend of concerns with the workmanship of one installer, a sample survey of their work was undertaken by BBACIT, and the results are shown below

- 3 properties were satisfactory
- 2 properties had some workmanship issues, but these were not causing damp, and these will be monitored
- 1 had no faults with the insulation, but the buildings pointing had decayed, and this needed remedy
- 1 property had faults with the cavity insulation that needed attention
- 1 property was not suitable to have cavity insulation

3.5 Evolving Trends

A study of repairs history since the commencement of the WHQS programme in 2012 shows that there have been orders raised for damp or mould at 1602 properties. This is 30% of the stock. This has some consistency with the results of the Welsh Audit Office telephone survey, where 23% of residents expressed concerns about damp.

It is interesting to note that the numbers of reports of damp and mould are decreasing year on year. The table below shows this, which validates the impact of the WHQS programme, and the revised approach to dealing with damp since 2017. There is also a significant reduction in the number of repeat orders to address damp at a property within a given year. This indicates more robust diagnosis and solutions are starting to be applied.

Year	Reports of damp or mould	Numbers of repeat orders per property per year
2012	363	81
2013	404	81
2014	527	140
2015	345	48
2016	359	40
2017	186	30
2018	133	6

In the last two years a trend is emerging of damp due to building defects at,

- Garth Owen, Newtown
- Yniswen, Penycae
- Iyshrhos, Caerbont
- Spencer Terrace, Gurnos

It is becoming apparent that these older properties either lack, or are beginning to see failure of original methods of damp proofing.

There are also issues with upside down houses in Treowen, Newtown. These properties are built into the hillside, such they are two storey at the front, and single story at the rear. In ground floor rooms, there have been failures with the original wall membrane (tanking system), causing groundwater to penetrate through the walls. Condensation and perception damp is also a wide concern.

These trends indicate that a more proactive approach is needed for these streets and estates. It is proposed that

- 1) These properties are prioritised for stock condition survey in 2019, to assess the prevalence of damp
- 2) Pre-emptive invasive investigations and works are carried out when the properties become void
- 3) The need for a wider planned programme of preventative work is reviewed on completion of the stock surveys

A register will be established so further trends can be recorded, and progress tracked.

4. The Way Ahead

It is proposed to build on findings of the BBA's surveys and pilot work carried out over the last year, and put in place a structured approach to dealing with damp issues, from the first contact and actions by HOWPS, to advanced approaches to dealing with persistent problems. A working group will be established to implement the proposals, to include health care and social services professionals.

4.1 Approach to dealing with reports of damp

Receipt of tenants call reporting damp

As stated earlier, a reference that may appear to accept the situation as damp by a call centre operative, can be used as evidence of an admission of liability by the claimants solicitor. For that reason, it is proposed that any reports of damp to a PCC First Contact Officers or HOWPS 'call centre operative, are handled and recorded in a controlled way. A script will be developed to follow, to attempt to establish as much information about the problem, and categorise it under one of the damp type headings. If not possible to do that, the matter must be recorded as 'tenant reports damp, investigation required'. The investigation then needs to categorise the damp headings. This means that if there is a condensation issue or false perception, due to tenant's activities or opinion, it will always be recorded as such from that point in time.

Assessment of risk

Information will be sought if the caller, or members of the family residing at the property might have a health condition, or be vulnerable in any other way, that may be affected by the damp incident. This will be used to prioritise the initial response, and ensure safe methods of working are adopted. It will also receive consideration during further actions, and to establish if temporary or longer term decanting may be appropriate. Powys will work with health care professionals and social services, via a working group, to ensure impact on residents health is minimized.

Investigation methodology

Training has been carried out by the Housing Quality Network for Powys and HOWPS Surveyors, to ensure there is a consistent approach to investigation and diagnosis. This will include a checklist approach that will record findings, and allow a step by step approach to eradicating damp in the property. Sometimes a step by step approach to remedial work is required, as resolving one issue may negate the need for further measures. A controlled process will be agreed with HOWPS to ensure that records will be available to robustly defend disrepair or personal injury claims. A clear process will be developed by the working group for dealing with severe cases of mould growth.

The proposed process for investigation

- 1) On receiving a call about damp, information will be sought if the caller, or members of the family residing at the property might have a health condition, or other vulnerability, that may be affected by the damp incident.

- 2) Where call centre staff can establish a likely cause such as water penetration, or a leak, an HOWPS operative will attend and rectify.
- 3) A process will be developed to establish if this damp incident is a severe case, which could potentially cause risk to health.
- 4) Other reports of damp should receive a pre inspection by a HOWPS surveyor or supervisor, and initial diagnosis using appropriate equipment. A photographic record will be taken of the findings and any readings taken. The impact on health will be explored further and assessed
- 5) Where the pre inspection identifies a clear defect(s) this will be dealt with as a repair by HOWPS and the response time prioritised for those with health or age vulnerabilities. The checklist will be completed and sent to the Council, with confirmation of work carried out.
- 6) All surveys should ensure the attributes and their condition at the time of the visit are recorded, that ventilation measures exist and are being used by the resident
- 7) Information should also be collected about the heating system at the property, its use at time of visit, and pattern of use.
- 8) Where the pre inspection identifies further investigation is needed, the outcome from the pre inspection, checklist and photos will be sent to the councils housing surveyor, who will arrange/carry out a more detailed survey, and review of ventilation and heating at the property. Further consideration of affects to health will be made.
- 9) The Councils Housing Surveyor will recommend the work required too, and obtain approval from, the Client Side Team Leader.
- 10) Where a resident disputes the councils findings consideration will be given to commissioning an independent review.

Drying out and follow up

It is important to standardise the approach to use of drying out processes, using dehumidifiers where required, and planning follow up work when able to do so. This needs consistent approach across all areas.

Prevention

Maintain effective cross departmental strategies for inspecting and monitoring storm culverts, to avoid storm damage.

4.2 Prioritising Surveys

Where further trends develop of damp occurrences becoming common in a street, or on an estate, surrounding properties will be prioritised for the first batch of post WHQS programme Stock Condition Surveys to be carried out in 2019.

4.3 Remedies and Operational delivery

Water penetration

HOWPS will rectify issues permanently where possible, but in some cases may carry out interim repairs, and refer the matter to Powys for WHQS works. These works will be carried out as part of Powys WHQS programme

Damp proofing

Greater emphasis will be put on installing retrofit damp courses, and replacing concrete floors with no in built membranes. To align with the Radon Strategy, Radon proof membranes will be used in these cases. If expenditure is very high consideration may need to be given to the economy of carrying out the works, and whether this offers value for money, given the age or use the property can be put to.

Ventilation

Currently properties may have a mixture of manual, time run on, continuous running or humidistatic fans. Some bathrooms with openable windows may not have fans. We will move toward to

- 1) upgrading all fans to humidistatic or continuous running units at void.
- 2) Installing fans to bathrooms without them at void or when mould growth occurs.
- 3) Checking for fans during annual stock condition programmes and installing where absent

Some manufactures offer free property assessments, so we will utilise these to ensure the most appropriate type are used.

Some properties have positive air pressure ventilation systems and greater use will be made of these in difficult to resolve cases. These systems are fitted in the roof void, and residents can complain about the cold air that comes though the inlets for these. Therefore, we will install a version with a heat recovery option going forward, and upgrade existing installations where it is considered residents circumstances warrant a change.

Heating

While some systems may be complaint with WHQS in terms of their age, they may not be providing the optimum balance of temperatures, or may have less modern controls. Consideration will therefore be given to upgrading controls, or replacing with more appropriate whole systems, including renewable energy options.

Whole House Approach

The EPC for the property will also be reviewed, or obtained where one does not exist, so all aspects and impacts are collectively reviewed.

Procurement and Supply Chain

There is currently no specific arrangement for carrying out damp proofing works, so a dynamic purchasing system will be developed so there is a pool of specialist contractors available to carry out this work, and offer long term guarantees.

Tudalen 76

4.4 Consulting with residents

To maintain openness and transparency, the Response Repairs Sub-Group will be consulted on the development of this strategy and associated changes to policy and standards. The group will be used to approve the information and communication information to be developed and made available to residents.

We understand that there are fears about health risks associated with damp so propose to raise awareness by the following means:

- Articles in 'Investing in your Home' newsletter
- Discussions with tenant representatives at Resident Scrutiny Panel and Response Repairs Sub-Group
- Development of information leaflet to supplement CD's currently utilised.
- Availability of leaflets and CD's to hand out at estate days and events
- Briefing notes to inform Councillors and Assembly Members of the initiative, and should wider targeted investigations or work programmes take place

4.5 Costs

Initial Investigation Costs

The cost of initial inspection by HOWPS is included in the annual sum paid to them. In cases where it is believed further investigation is required, they will refer the matter to the Councils Housing Surveyor. At present BBACIT charge £600 for their survey, but the intention is to train and equip PCC staff to carry out these surveys.

Interim Costs

The costs of washing down and treating mould is included in the annual sum paid to HOWPS, as would be removal and treatment of fungi.

Further Investigation and Repair Costs

The costs of investigation and repairs to remedy water ingress and leaks is included in the annual sum paid to HOWPS, provided that substantial parts of, or whole component replacements are not required. Examples would include

- Repairing a roof, including replacing up to 50% of tiles
- Repairing or replacing areas of rendering or pointing provided this is not required for the whole property

The costs of investigation and works to remedy rising damp will not be included in the annual sum. If the situation requires complete replacement or installation of a Damp Proof Course, or replacement of concrete floors, this will be funded from Capital Budget.

Budget

Provision has been made for £500,000 per annum over the next five years to allow comprehensive solutions to be adopted. Costs may vary widely depending on the scope of work required, and typically will be

- up to £10,000 for full damp course treatment to walls (including replastering),
- up to £20,000 where concrete floors require replacement.

4.6 Asset Management

In order to address the weakness in information from the Savills survey, future stock condition surveys will be designed to collect more information about the type, location and potential causes of damp. It is proposed to commence a stock survey of 20% of Powys per year from 2019, and priorities will include streets or estates where there are historic, or increasing trends of damp problems.

DRAFT

Appendix 1 - Extract from Housing Health and Safety Rating Standard 2006, Operating Guidance

Potential for harm

Most vulnerable age group and statistical averages

1.02 The most vulnerable age group is all persons aged 14 years or under.

Basis of estimates

1.03 The averages for Class I outcomes were calculated from the mortality statistics for England and Wales for respiratory disease in children aged 0 to 14 years. The figures for Class II and III were calculated using the same criteria from data from the Hospital Episode Statistics. The estimates for Class IV outcomes were taken from GP consultation rates for coughs and wheeze.

1.04 Recent research has shown that low levels of background ventilation, without visible mould or dampness, can result in high indoor humidity levels and in greatly increased house dust mite populations. In consequence the average likelihoods given may be an underestimate, and should be considered as conservative.

Damp and Mould Growth							
Average likelihood and health outcomes for all persons aged 14 years or under, 1997-1999							
Dwelling type & age		Average likelihood 1 in	Spread of health outcomes				Average HHSRS scores
			Class 1 %	Class II %	Class III %	Class IV %	
Non HMOs	Pre 1920	446	0.0	1.0	10.0	89.0	11 (I)
	1920-45	400	0.0	1.0	10.0	89.0	12 (I)
	1946-79	446	0.0	1.0	10.0	89.0	11 (I)
	Post 1979	725	0.0	1.0	10.0	89.0	7 (J)
HMOs	Pre 1920	430	0.0	1.0	10.0	89.0	11 (I)
	1920-45	219	0.0	1.0	10.0	89.0	22 (H)
	1946-79	967	0.0	1.0	10.0	89.0	5 (J)
	Post 1979	644	0.0	1.0	10.0	89.0	8 (J)
All Dwellings		464	0.0	1.0	10.0	89.0	11 (I)

Physiological health effects

1.05 Both the detritus from house dust mites and mould spores are potent airborne allergens. Exposure to high concentrations of these allergens over a prolonged period will cause sensitisation of atopic individuals (those with a predetermined genetic tendency to sensitisation), and may sensitise non-atopic individuals. Once a person is sensitised relatively low concentrations of the airborne allergen can trigger allergic symptoms such as rhinitis, conjunctivitis, eczema, cough and wheeze. For a sensitised person, repeated exposure can lead to asthma, and it appears that the severity of the asthma intensifies with increasing humidity, house dust mite and mould levels.

1.06 Deaths from all forms of asthma in the UK are around 1,500 a year, of which around 60% has been attributed to dust mite allergy. 20 to 30% of asthma sufferers are sensitised to mould spores. One in eight children suffer with asthma in the UK, compared with one in thirteen adults.

Mould growth

1.08 Although less significant statistically in health terms, spores of many moulds and fungi (including timber attacking fungi) can be allergenic. The spores can also be carcinogenic, toxic and cause infections; the potential health effect varying with species. Fungal infection, whilst not common, is usually associated with those vulnerable to infection (such as those on immuno-suppressant drugs). Some fungi, particularly when in very high concentrations, can also colonise the airways of susceptible individuals, particularly asthmatics. Toxins from some moulds (mycotoxins) can cause nausea and diarrhoea, can suppress the immune system, and have been implicated in cancers. Although uncommon, these are serious if they occur.

Social and mental health effects

1.09 The mental and social health effects of dampness and mould should not be underestimated. Damage to decoration from mould or damp staining and the smells associated with damp and mould can cause depression and anxiety. Feelings of shame and embarrassment can lead to social isolation.

Appendix 2 - Extract from Welsh Housing Quality Standard

PART 1 - In a good state of repair

The Standard

The dwelling must be structurally stable, free from damp and from disrepair. The key building components must be in good condition. The walls must be in good condition as must the roof structure and coverings. External windows, doors and chimneys must also be in good condition.

Minimum Requirement

All dwellings must be in a good state of repair. The assessment of whether or not the dwelling is in a good state of repair will be carried out using the Housing Health and Safety Rating System (HHSRS).

Elements that will need to be assessed are:

1(a) structurally stable and free from disrepair (Primary)

1(b) free from damp (Primary)

Interpretation

1(b) Is the dwelling free from damp (Primary)?

This is referred to in the HHSRS Operating Guidance as HHSRS Hazard 1. This hazard assessment covers threats to health associated with increased prevalence of house dust mites and mould or fungal growths resulting from dampness and/or high humidities. The hazard incorporates threats to mental health and social wellbeing which may be caused by living with the presence of damp, damp staining and/or mould growth.

There are many variables to understanding the causes, likely impact and potential hazards relating to the dwelling being free from damp, which means that the assessment should be one of professional judgement rather than measurement. Consideration should be given to the design, condition and state of repair of the dwelling. The location, extent and duration of any dampness identified are important determinants of the effect it may have on dust mite populations and mould growth, and the consequent potential for harm (HHSRS Operating Guidance ref: pages 48)

Appendix 3 - Extract from Powys WHQS Compliance Policy

1(b) free from damp – primary

HHSRS Hazard 1: Damp and mould growth

Powys standard

- A. Dwellings should be warm, dry and well-ventilated. Indoor relative humidity should be between 40% and 60%, except for short periods of fluctuation. This range is the optimum to limit the growth of house dust mite populations and mould growth. It is also the recognized comfort zone.
- B. The structure and finishes of a dwelling should be maintained free from rising, penetrating and traumatic dampness, or persistent condensation.
- C. Rising and penetrating dampness should be prevented by proper and adequate damp-proofing including damp proof courses and membranes and detailing around door and window openings. The external fabric should be kept in repair to prevent rain penetration. Preventative measures including frost protection, will help avoid traumatic problems such as burst pipes and tanks.
- D. All facilities which involve the use of water (for example, baths, wash hand basins, sinks, showers, and wc basins) should be properly installed to prevent or at least minimise the risk of dampness from splashing during normal use. Such facilities should be properly connected to a waste pipe capable of safely carrying waste water to a drainage inlet outside the dwelling.
- E. There should be properly installed rain water goods, including eaves gutters and rainwater fall pipes, capable of safely collecting rainwater discharged from the roof and carrying it safely away from the dwelling either into a drainage inlet or other proper means of disposal.
- F. Roof and underfloor spaces should be properly ventilated to ensure timber remains air dry to minimize the chance of fungal infection.
- G. The dwelling should be able to cope with normal occupant moisture producing activities without persistently high relative humidities. There should be provision for the safe removal of moisture-laden air during peak production. This should include extraction during cooking or bathing, either by mechanical means, or passive stack ventilation and direct venting of clothes drying facilities (whether tumble driers or drying cabinets) to the exterior.
- H. There should be sufficient and appropriate means of ventilation to deal with moisture generated by normal domestic activities without the need to open windows. Opening windows can result in heat loss, noise, and may be a security risk. There may be no need for additional background ventilation where windows are ill-fitting, no draught-stripping, and/or where there are open chimney flues. Where there is draught-stripping, or tight fitting windows, ^{Update 82} background ventilation may be

necessary via trickle vents in replacement windows, insertion of high-level airbricks, or by a passive stack or a mechanical heat recovery ventilation (MHRV) system.

- I. If moisture levels are controlled, through adequate ventilation, dust mite populations can be significantly reduced by raising indoor temperatures. To achieve this, there should be adequate structural thermal insulation, and appropriate means of space heating.

DRAFT

Appendix 4 Further reading and sources of information

Housing Health and Safety Rating Standard 2006

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf

Welsh Housing Quality Standard

<https://gov.wales/docs/desh/publications/141030-whqs-guide-for-social-landlords-en.pdf>

Powys WHQS Compliance Policy

https://customer.powys.gov.uk/media/2765/WHQS-Compliance-Policy-2017-2018/pdf/WHQS_Compliance_Policy_2017-2018_June_2017_ENG.pdf

Strategy to address thermal comfort and fuel poverty

Powys County Council
Housing Services



Contents

- Executive summary 3
- 1. Introduction 5
- 2. Background 8
 - 2.1 Thermal Comfort 8
 - 2.2 Regulatory Requirements 8
 - 2.3 Wellbeing Implications 9
 - 2.4 Fuel types, efficiencies and Costs 10
 - 2.5 Common thermal comfort problems 12
 - 2.6 Legal Implications 13
 - 2.7 Current Policy and Standards 13
- 3. Powys Housing stock 14
 - 3.1 Stock Condition Survey Data 14
 - 3.2 Energy Ratings 14
 - 3.3 History of Improvements 16
 - 3.4 Response to the regional problem 16
 - 3.5 Funding Opportunities 17
- 4. The Way Ahead 18
 - 4.1 WHQS plus programme 18
 - 4.2 Approach to dealing with Demand 18
 - 4.3 Properties with Low Energy Ratings 20
 - 4.4 Operational Delivery 20
 - 4.5 Consulting with residents 20
 - 4.6 Costs 21
 - 4.7 Asset Management 21
 - 4.8 Consultation with members 22
- 5. Appendices 24

Executive summary

Optimum thermal comfort is achieved through a balance of heating, insulation and ventilation. Complaints show a trend of residents feeling cold, and concerned about their or family's health. Some tenants report they have high bills or cannot afford to fully heat their homes.

Medical or psychological needs can result in some residents having demands for higher temperatures, or more prolonged periods of heating use than average. Rising fuel costs are causing fuel poverty, and this can be worse for those in off gas areas, and for those on pay meters.

Landlords have a responsibility to their tenants under legislation to provide a safe, warm and damp free home. The Welsh Housing Quality Standard (WHQS), and Housing Health and Safety Rating System 2006 (HHSRS), set out the requirements to meet, and the risks to address.

Powys have installed 1680 heating systems and externally insulated 1058 of properties in the last five years. The programme of works to ensure properties meet the Welsh Quality Homes Standard will conclude by December 2018.

Powys has the highest proportion of off gas stock in Wales, and are responding to the Welsh Government's initiatives to obtain additional funds to improve heating and insulation standards. Significant investment has been made in renewable heating technology, though there have been isolated cases of incorrect maintenance, or improper use, that have caused high heating bills.

There has also been significant investment in external wall insulation, but recent validation of data has shown unreliable assumptions and poor historic data. As a result more comprehensive programmes of roof insulation are needed.

Despite the improvements, a recent sample survey of 300 residents conducted by the Welsh Audit Office, states that 20% of residents reported concerns about their homes not being warm enough.

It is proposed to build on work carried out over the last year, and put in place a structured approach to dealing with hard to heat issues. This will start from the first contact and actions by Heart of Wales Property Services (HOWPS) or Powys County Council officers, and extend to advanced approaches to dealing with persistent problems.

Step 1 – ensure as much information is collected about reports of cold or hard/expensive to heat homes.

Step 2 – provide information to residents to assist them managing the thermal comfort within their homes.

Step 3 – Adopt a consistent approach with Heating Partnering Contractors to ensure there is a balanced approach to assessing a residents needs and choices with regard to the type of heating system required.

Step 4 – Adopt a whole house assessment considering ventilation and insulation of the property in difficult cases where residents' medical needs or vulnerabilities are a factor.

Step 5 – where no heating design or insulation faults are apparent, provide further information to residents to assist them managing their thermal comfort.

1. Introduction

Thermal comfort is optimised by achieving the right balance of heating, insulation and ventilation. It is impacted by the efficiency of the heating system, the buildings insulation levels, and design and orientation of the property. The ease of controlling the heating system, and ability to adjust the heat output in different rooms is important. Ventilation of the property also needs to be balanced and controllable to avoid excess draughts or heat loss.

Reports of feeling cold, or the home being too expensive to heat, can be due to any or all of the factors above, but also human issues such as medical conditions or budget available to heat the home. The Welsh Government states

“A household in Wales is in fuel poverty if they spend 10% or more of their income on energy costs, including Housing Benefit, Income Support or Mortgage Interest or council tax benefits on energy costs.

A household is in severe fuel poverty if they have to spend 20% or more of their income on energy costs.”

People who struggle to heat their homes warm usually have low incomes and are often the most vulnerable people in our communities. The latest estimate is that there are 291,000 households living in fuel poverty equivalent to 23% of households in Wales”.

For the purpose of this strategy the Housing Health and Safety Rating System (HHSRS) Operating Guidance is referred to in terms of risk. Part A of the guidance relates to PHYSIOLOGICAL REQUIREMENTS, Section 2 extreme cold, and 3 refers to extreme heat. This strategies focus is on Section 2 Excess Cold. This details the highest risk group is persons over 65, that health effects can be caused with building temperatures below 19°C, and become very serious below 16°C.

Powys Context

Powys County Councils Housing Service manages approximately 5,400 properties, spread across Powys. In 2012 Powys County Council’s Housing Service commissioned Savills to carry out stock condition surveys and energy surveys (EPC) to all its stock. The findings were that the average energy rating (SAP) for Powys stock was 65 and 35% fell below the energy rating required by the Welsh Housing Quality Standard. This is contributed to by the proportion of ‘off gas’ stock, as explained under the Regional Problem heading below.

The Councils Welsh Housing Quality Standards components replacement programme was determined from these surveys. Internal process were amended in 2017 to ensure that there was an increased focus on targeting properties with lowest energy ratings. Prior to this, the priority for the external wall insulation programme was system-built precast concrete properties. This followed recommendations from Michael Dyson Associates for measures to preserve the structure of the buildings. These system built properties did lack insulation, and

their energy ratings are improved. However, it has become increasingly apparent that crosswall construction properties did not have insulation behind tile, timber or UPVC cladding.

In 2017 concerns started to develop with the accuracy of the data received from Savills, and a process was adopted to audit the data. Following this, meetings were held with Savills which resolved that a sample survey was required to check and validate information. This process and the findings are detailed in section 3.2.

In response to a request from the Welsh Government, an action plan was developed to ensure that Powys fully understand its position with the energy rating of its stock. This plan is shown at Appendix 1.

A Regional Problem

One of the biggest challenges for public landlords with rural stock is difficulty providing efficient and affordable heating for residents. Since the properties are 'off gas', the cheapest and most efficient form of fuel is not available.

Powys is a very large rural County, with the greatest number of 'off gas' properties in Wales (approximately 31,000). Powys County Council have 1,484 properties which do not have mains gas heating. This is over a quarter of the stock. Of these, 495 properties do not have a central heating system, and are heated either by room heaters or night-time storage/e; electric panel heaters.

History of Building Regulations over time

Requirements for heating and insulation were limited until 1985, when Part L of the building regulations was introduced. This contains a requirement to make reasonable provision for the conservation of fuel and power, with an approved document giving guidance on how to comply.

Part L was updated in 1995 and then again in 2002. It focused initially on energy efficiency and then from 2002 on Carbon Emissions.

In 2003, the Energy Performance of Buildings Directive (EPBD) was adopted. This required EU member states to adopt a whole-building calculation method for assessing the carbon emissions of new buildings and gave them three years in which to do this. For existing properties the EU directive enabled requirements for landlords to produce an EPC certificate for any new tenancies, and these requirements were put in place in 2006

Wall Insulation requirements

The compulsory requirements for wall insulation were not fully introduced until the 1985 building regulations. Some properties were built with 25mm of insulation following a change in the building regulations in 1976, though this related to exposed properties only. It was not until the building regulations in 1990 that requirements were introduced for thicker insulation.

It is worthwhile noting the measure of thermal efficiency, known as U Value and measured in W/m^2K , was 1.7 in 1965, compared to 0.6 in 1990, and currently 0.3.

Loft Insulation

The requirements for loft insulation started in the 1965 building regulations, however this could be only 25-50mm thick. The requirements increased to

- 75mm in 1973
- 100mm in 1985
- 150mm in 1990
- 200mm in 2002.

The measure of thermal efficiency, again as a U Value in W/m^2K , was 1.4 in 1965, compared to 0.35 in 1990. It is currently 0.17.

2. Background

2.1 Thermal Comfort

A property should be heated to maintain a temperature between 18 and 21 degrees, and radiators/heaters should be utilised in all rooms to avoid a cold spot in the house where condensation of water vapour generated in the home can occur. However, whole house heating can present a conflict with affordability, particularly for those in 'off gas' areas, or with key meters.

The walls and roof should be adequately insulated, and door and windows should be draught proofed. For existing buildings orientation to the prevailing weather, north facing aspect and solar gain are predetermined. The effects will vary with the seasons.

Ventilation should be designed to have permanent background air flow, and mechanical boost to extract steam in kitchens and bathrooms. It should not cause excessive heat loss. However, tenants can complain or feel uncomfortable with draughts from ventilation systems, and express concern this will cause heat loss raising bills.

2.2 Regulatory Requirements

The Welsh Housing Quality Standard

The WHQS standard has an overriding requirement for properties to be 'Adequately heated, fuel efficient and well insulated' It sets out

"All dwellings must be capable of being adequately heated at an affordable cost to the residents. Dwellings with inadequate heating cause discomfort and can pose a health risk.

Whether the dwelling can be adequately heated depends on the cost of providing the heat required and the ability of the resident to afford it. The eradication of fuel poverty, the inability to afford to heat one's dwelling, is a strategic priority for the Welsh Assembly Government as set out in 'Better Homes for People in Wales'.

Meeting the cost of heating bills can be difficult for many residents. Landlords should do whatever they reasonably can to minimise the cost of heating dwellings to a comfortable level".

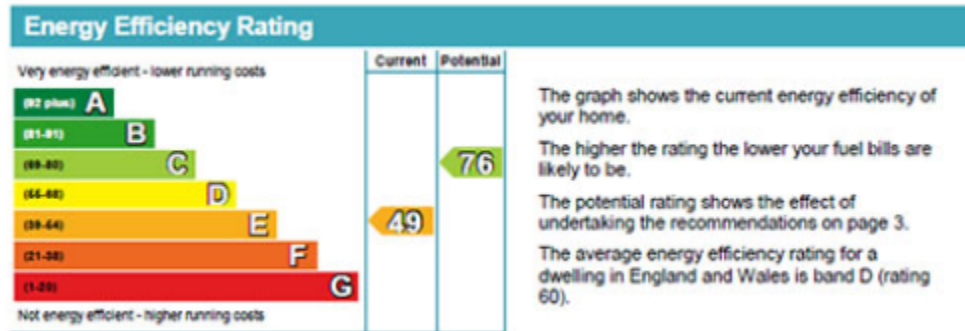
The standard treats thermal comfort as a primary requirement i.e. one that affects safety of residents. Its requirement is that properties must achieve a minimum SAP rating of 65.

The more detailed requirements have been adopted into Powys County Councils WHQS Compliance Policy, and the extract is shown in Appendix 2.

Energy Performance of Buildings Regulations (2012)

There is a compulsory requirement for landlords to provide is an Energy Performance

Certificate to residents under the Energy Performance of Buildings (England and Wales) Regulations 2012. This adopts and clarifies the requirements of the **Energy Performance of Buildings Directive** 2002, implemented in the UK in 2006. The certificate contains a rating from A to G and a simplified RD SAP rating, as example below.



These certificates are the same as those required for owner occupiers selling properties. They can only be provided by assessors trained and accredited by one of the Governments approved EPC Energy Software Providers. The quality of EPC's varied considerably in early years, due to Assessor competence or interpretation, software design and scoring methodology limitations. It should be noted that a 5 point plus or minus tolerance in scoring was allowable. Tighter audit controls have been put in place, and the software requirements and scoring methodology were revised in 2015. Most of Powys EPC's use the older system.

Building Regulations

The full measure of thermal comfort for new build properties, as required by Part L of the building regulations, is the Standard Assessment Procedure (SAP) 2012. It too accounts for the buildings construction, insulation levels and includes costs of fuels used to heat the property. However, it works at a more detailed level than the RD SAP used with the EPC process. This will apply to Powys Housing Development Programme.

2.3 Wellbeing Implications

Risks from excess cold

The Housing Health and Safety Rating System (HHSRS) Operating Guidance sets out the potential for harm, and identifies that those over 65 being at greatest risk.

Health effects.

The guide sets out a healthy indoor temperature is around 21°C, with a small

risk of health effects below 19°C. Below 16°C, there are serious health risks for the elderly including greatly increased risks of respiratory and cardiovascular conditions. Below 10°C a great risk of hypothermia, especially for the elderly, so sleeping in cold bedrooms is an added risk.

Full detail of the risks identified is shown at Appendix 3, though key points are

- Excess Winter Deaths, is greater in Britain than in most other countries of continental Europe and Scandinavia.
- Cardiovascular conditions (e.g. heart attacks and stroke) account for 50 per cent excess winter deaths.
- Respiratory diseases (e.g. 'flu, pneumonia, bronchitis) account for another third.
- Excess cold can also cause an increase in blood pressure/reduce resistance to infection because of the effect of cold air on bronchial lining and immune system/worsen symptoms of rheumatoid arthritis.

2.4 Fuel Types, efficiencies and costs

Gas – Gas is the most efficient and cheapest fuel, and cleanest type with its carbon emissions (CO₂) half those of oil-fired central heating and a third of those from coal.

LPG – LPG can be supplied from communal tanks or through use of cylinders (bottled gas). It is not as efficient as natural gas, and while a cleaner fuel, can be more expensive than oil.

Oil – provides an effective fuel source, and has lower carbon emissions than coal. It is cheaper than electricity in off gas areas. However, the cost of supply can cause issues, with minimum delivery volumes set by providers, and risk of sudden price increases. A storage tank is required in the garden, and its location and specification needs to comply with OFTEC regulations.

Solid Fuel – this may be in the form of coal, or wood, and dry storage for the fuel is required. Such systems usually require high user intervention to maintain the fuel source. Coal has similar costs to oil, and is cheaper than wood where there is not free supply. Wood requires a large amount of storage if used for whole house heating.

Electric – typically this will be in the form of a dual tariff, such as economy 7 or economy 10, though may be standard rate. The cheaper rate period is used to warm up the storage heaters, and hot water in the tank, and other electric use during the period will be cheaper. The peak rate is used at other times, and boosting heating and hot water can cancel out savings. Combined this is still twice the cost of gas, solid fuel and oil. The standard rate is three times the cost of gas. Unless generated by wind farms or water power, electricity produces high carbon emissions given the power plants used to generate it.

The Energy Savings Trust monitors and publishes average fuel prices as below

Table 1 – Fuel prices published by Energy Savings Trust

Fuel prices	Average price (pence/kWh)*	Standing charge (£/year)	Carbon dioxide factor (kgCO ₂ /kWh)
Gas	3.63	86.15	0.184
Coal / solid fuel	4.03	-	0.315
Oil	4.06	-	0.245
Wood pellet	5.44	-	0
LPG	6.53	-	0.214
Electricity (off peak economy 7)	8.08	81.76	0.381
Electricity (standard rate)	14.33	74.22	0.381

Fuel prices last updated in March 2018, based on average fuel costs over the previous 12 months

The Energy Savings Trust also report the savings that can be made using renewable technology. These are shown at Appendix 4. The most relevant comparator for Powys Stock is against electric systems and newer LPG boilers, as there are few G rated boilers fitted now.

Air Source Heating – typically £380 – £545 compared to newer LPG or electric heating systems but up to £900 compared to older storage heater system around £1,000 - compared to older LPG

Photovoltaic Panels (PV)

PV roof panels generate electricity that can be used by the householder, or can be fed back into the electricity grid. The savings on bills depend on the residents lifestyle, as the electricity generated is instant, and therefore only occurs during the warmer day light hours. The table below shows a resident that is home all day will achieve over twice the savings of someone that is out most of the day. Recent developments have seen batteries introduced to PV systems to store some of the electricity, and this will close the gap on savings.

Location	Savings on bills (£/year)					
	<i>Home all day</i>	<i>Home in the mornings</i>	<i>Home in the afternoons</i>	<i>Out all day until 4pm</i>	<i>Out all day until 6pm</i>	
<i>Aberystwyth, Wales</i>	<i>£210</i>	<i>£170</i>	<i>£155</i>	<i>£105</i>	<i>£90</i>	

Not all properties will be suitable for PV panels, as the roofs need to have a southerly aspect to capture the sun, and not be subject to shading from parapet walls, other buildings or trees.

Solar Panels

Solar Panels provide the primary source of hot water heating. However, the savings are moderate compared to the outlay. The cost of installing a typical solar water heating system is £4,000 - £5,000, whereas the savings are only £50-£95 per year depending on the main fuel water source. The system can provide most of your hot water in the summer, but much less during colder weather, when peak rate electricity is used. For this reason Solar Hot Water is only likely to be used as an exception. The savings depending on fuel source are shown in Appendix 4.

2.5 Common thermal comfort problems

Some rooms not warm enough – this may be due to the orientation of the property, or rooms that may have more than one external wall. Rooms in extensions to a property can often suffer from such reports, since they have three external walls, and can have a separate roof to the main property. The walls and roof to the extension may lack, or be insulated differently to the main building. A more simple cause may be a fault with the heat emitter in the room e.g. airlock in radiator.

Whole house not reaching or holding onto the required temperature – this can be caused by several reasons

- Faults with heating units causing lack of efficiency
- Design faults due to a boiler having inadequate capacity, or radiators not being correctly sized.
- Lack of, or faults with the insulation of the property
- Tenants not being aware of the need to adjust controls and time clock settings for colder conditions

Costing much too much to heat the property – this may be due to reasons above, though the cost of the heating fuel type, meter and tariff arrangements, and residents pattern of heating use are all considerations here.

Draughts – typically tenants report draughts around doors and windows, though this can be caused by cold shed due to the temperature of the glass being much lower than the room.

All of Powys properties have double glazing, and wherever possible radiators are placed under windows to minimize cold shed.

Ventilation draughts - As set out in Powys Damp Strategy, ventilation is important to create air changes that prevent damp in a property by controlling the humidity within the home. However, some residents will close or block up vents, or turn off mechanical ventilation, due to draughts, and put themselves and their home at risk of condensation problems.

2.6 Legal and Insurance implications

There has been a recent increase in claims from residents for high heating bills, and there is potential for claims of effects to health caused by inadequate heating. If there are faults with the heating and buildings insulation, the Council may fall liable for these costs. Care is therefore needed to ensure that complaints are investigated in a controlled way.

2.7 Current Policy and Standards

Powys WHQS Compliance Policy replicates the requirements of the WHQS standard and is set out Appendix 2.

The Quality of Accommodation Service Standard, otherwise referred to as the letting standard, sets out that properties should have a heating system that is safe, works and has an instruction manual. The standard was recently amended to ensure a property has at least 200mm of loft insulation. It requires the kitchen to have a fan.

The Repairs and Maintenance Service Standard sets out that heating breakdowns are be treated as emergencies, and temporary heating will be provided until faults are fixed. It highlights the importance of prioritising repairs for the elderly and vulnerable.

The Quality of Accommodation Service Standard is due to be reviewed by the Tenant Scrutiny Panel, and the impact of this Strategy will considered as part of that process.

3. Thermal Comfort in Powys' housing stock

3.1 Stock Survey Data

Heating requirements

The stock surveys carried out in 2012 identified over 2150 properties which required replacement heating within 5 years, based on simple visual inspection or lifecycles. However, the life of the boiler component is not the only indicator. Some boilers can be economically maintained beyond their lifecycle, while others may have design or component faults that lead to premature replacement. The annual servicing programme and breakdowns are therefore a significant driver for the programme of heating works. A poor energy rating or complaints from residents can also prompt replacement.

It should be noted that nearly all of Powys properties have a form of heating that complies with the WHQS requirements, though some residents choose not to have installed or use what is in place. These cases are recorded as acceptable fails. The mix of types of systems installed is explained at Appendix 5.

Insulation requirements

The survey identified that around 555 properties may not have wall insulation. Of these 460 were solid wall or system built, so would be on the External Wall Insulation programme.

3.2 Energy ratings

At the time of Savills survey in 2012, the average SAP for the stock was 65.6 and there were 1875 properties with a SAP below 65.

Powys current records show the averages SAP rating across the stock is 65.43, which is detailed below;

EPC Rating	Numbers or homes	SAP Band	Average SAP within Band
B	9	81 - 91	84
C	1982	69 - 80	72
D	2674	55 - 68	63
E	352	39 - 54	50
F	25	21 - 38	33
G	2	1 - 20	14

It should be noted that due to the QL Asset Management System not having an energy module, Powys use the EPC data which is held at Landmark for its energy ratings. Historically, these EPC's were not always updated following energy works, so Powys officers were trained

to do this. There have been complications with registration, so at present essential EPC's for voids or energy funding claims are outsourced.

Data Audit

In 2017 concerns started to develop with the accuracy of the data received from Savills, and a process was adopted to audit the data. The findings of the audit were that

- Properties that had LPG supplied as part of a district system with large remote communal tanks, were treated as having natural gas
- There was concern about accuracy of loft insulation records
- There was a trend of over estimation of floor areas
- No adjustments had been made for properties with cross wall construction, to reflect the different insulation levels of tile, timber or shiplap cladding

A meeting was held with Savills to discuss these concerns, and it was acknowledged by the Council that previous staff may not have provided accurate information regarding points 1 and 2. With point 2, this impacted on assumptions made at the time of the survey where access to lofts not possible.

Savills did acknowledge that they had not taken account of mixed construction on a property, but could do so as they had recorded that data as part of their stock condition survey. They also accepted there may be errors with floor areas, and they could not identify where assumptions about loft insulation were made.

The meeting resolved that sample survey of 68 properties was required to check and validate information and clarify the impact of anomalies. The results were

- that on average there was a 3% reduction in the SAP score in the sample, and
- most properties fell within the 5 point tolerance when amended.
- 12 properties had a negative change from 5 to 22 points lower
- 3 properties had an improved rating

It needs noting though this is in part due to the impact of changes in the governments methodology for scoring SAP. A further meeting was held to discuss the results of the survey, and resolved there is a need to remodel the wider data set, to take account of these anomalies, and include updates for work carried out by Powys.

Savills have been able to carry out this remodeling for 2000 properties, and have positively lifted the energy rating to 66.4 for those properties.

3.3 History of Improvements

Wall Insulation

Much of Powys stock was built before the requirement to insulate walls was made compulsory from the mid 1980's. Most of these had cavity wall insulation installed when grants were made available in the 1990's. Much of this work was carried out through energy companies who were able to access the funding for this. In Powys a mixture of Urea Formaldehyde Foam, blown mineral fibre and polystyrene beads were installed. Some faults are becoming apparent with these works, as set out in Powys Damp Strategy.

There are several estates in Powys with timber, upvc and tiled cladding on the upper half of the wall, and these areas were not insulated at the time cavity wall insulation was installed. As stated earlier there is a need to better reflect the impact of this on the energy rating. Some of these homes with early timber frame wall construction, may have 15-25 mm of mineral wool or fibre insulation, though this may not be accurately reflected in the EPC.

Loft Insulation

Since requirements started in 1965, more of Powys properties were built with loft insulation, though most of these would be well below the current standards. Historic records of loft insulation and topping up programmes are poor and unreliable

We are therefore largely reliant on EPC surveys, which we have found can make incorrect assumptions when a roof cannot be accessed. Based on 2016 Landmark data, around 1800 lofts are below the WHQS recommendation of 200mm, and around half of these properties had a SAP below 65. Recent contract records for roofing where insulation is topped up are available, and this information is being collated.

Recent WHQS programme

In areas with mains gas supply, Powys policy is to replace with a gas system. In off gas areas residents are given a choice of oil, or air source. If residents wish to remain on solid fuel or electric heating their needs are accommodated if possible. As part of the programme

1680 properties have had heating systems installed in the last 5 years, and a further 320 are planned for this year.

1058 properties have had External Wall Insulation fitted, and an additional 260 are planned for this year

3.4 Powys response to the regional problem

We have installed 236 air source heat pumps in our 'off gas' properties, and have carried out extensive engagement with our tenants, tenant representatives and Housing Officers. Many of our off gas estates will already have a property on the estate with air source heating already installed. Heating Contractors and Officers provide controls advice once a new system has been installed so ensure that savings are realised and that the householder is happy with their system.

Our preferred heating solutions for off gas properties are condensing oil heating and air source heat pumps to reduce running costs and levels of fuel poverty. Both systems have their merits and drawbacks in terms of reducing levels of fuel poverty. For air source, it is important that people are not overpaying on their electricity tariffs, so we promote switching and sources of information for help with switching and changing from a prepayment to standard meter by referring to Citizens Advice energy advisers. The person is important, particularly for air source because we have vulnerable tenants and some would struggle to adapt to new heating controls, or due to medical reasons (e.g. circulation or mobility issues) they may heat the property to a higher temperature than is normal. We also want tenants to be happy with their choice of heating in the long term. The property is important because air source heating is more suitable for well insulated properties with good levels of loft insulation and cwi/ewi.

For oil, some people struggle with the high upfront payment required. It is important to consider these issues to reduce the fuel poverty gap as much as possible.

We have existing funding secured for heating works under the Welsh Housing Quality Standard, and will look to supplement our established air source programme with other renewable energy projects. We will

- 1) Fund and carry out pilot schemes for hybrid heating systems, PV panels and ground source heating
- 2) seek additional funding opportunities to enable us to target properties in a different way, e.g. adding solar heating as a supplement to existing full heating systems
- 3) considering underfloor heating with air and ground source with underfloor heating. This measures will be part of our WHQS plus approach referred to in Section 4.

3.5 Funding Opportunities

The current key direct funding opportunities for local authority housing include.

- Feed in Tariff (PV Panels)
- Renewable Heat Incentive (Air Source and Ground Source)
- ECO (some streams where council tenants are on benefits, e.g. CERO for loft insulation)
- Warm Homes Fund
- ARBED Am Byth (targeted at private sector but can include mixed tenure schemes)
- Fuel Poor Gas Connection Vouchers

Occasionally additional funding streams also become available on an intermittent basis. However, Powys data on the heating and insulation of its homes is sometimes too poor to fully evidence and meet the detailed criteria and evidence requirement for the bids. Powys therefore need to fully develop the correct resource to able to ensure data is accurate, and can fully evidence bids

Citizens Advice, their partners and some third sector organisations are sometimes able to access small amounts of funding for tenants too e.g. top up for some prepayment meters and white goods etc.

4. The Way Ahead

It is proposed to continue to follow the current programmes, and also to pilot a WHQS standard plus approach to maximising thermal comfort for residents. This will take a combined approach to heating, insulation and ventilation improvements, and account for the properties energy rating, and resident medical needs and vulnerabilities. The aim will be to ensure the best levels of comfort are achieved for a tenants circumstances.

4.1 Proposed WHQS plus programme

The current WHQS programme comprises

- Heating replacements based on lifecycles of system, or breakdowns
- Some Heating replacements/upgrades for medical need or vulnerability issues
- External Wall Insulation to system built and high priority cross-wall construction properties
- Insulation top ups as part of the roofing programme, and voids

The proposed WHQS plus approach will add or increase

- Heating and insulation replacements for medical need or vulnerability issues
- Upgrades of heating timer and thermostatic controls for elderly or vulnerable persons
- A targeted and combined approach to improving heating and insulation to properties with an EPC rating below band D
- Top up of loft insulation when any other energy efficiency works or WHQS works are carried out or where the need is identified
- Ensure there is balanced insulation to properties with mixed construction
- Affordable EPC and ventilation measures when properties become void

4.2 Approach to dealing with reports of coldness or high heating bills

Receipt of tenants call reporting cold homes

As stated earlier, control is needed with complaints about cold homes or excess bills, and the process is set out below. A script will be agreed for HOWPS / Powys County Council contact center staff to follow. This will attempt to establish as much information about the problem, and categorise it under one of the thermal comfort problem headings. If not possible to do that, the matter must be recorded as 'tenant reports cold or high heating bills, investigation required'.

The proposed process for heating requests (not breakdowns)

1. Requests for replacement heating made to HOWPS or Powys County Council Contact Centres will be referred to Powys Heating Services and Renewables Officer.
2. Where property is on the WHQS programme it will be referred onto the appropriate contract officer to arrange work with the WHQS framework contractor

3. Where the property is not on the programme, or the request is because the tenant wants to change a heating system to a different type, the Heating Services and Renewables Officer will visit the resident to review and discuss options with the tenant
4. The design of the heating system will take account of the EPC for the property, and the tenants lifestyle, to ensure accuracy with heat loss calculations
5. Measures recommended by the EPC will be considered and ordered with the appropriate WHQS contractor or HOWPS
6. If there are no EPC records, the insulation levels should be checked on Powys component database, and validated during the pre-works survey as required. An EPC survey should be commission
7. The Councils Contract Officer will recommend the work required too, and obtain approval from, the Planned Maintenance and Improvement Team Leader

Process for heating breakdowns

- 1) Where heating breaks down, and is considered to beyond economic repair, it is will be referred to Powys Heating Services and Renewable officer, to review
- 2) If the decision is made to replace the system then the process above will be followed

Requests to insulate a property

- 1) Requests for loft insulation will be referred to the Housing Surveyor who will consult with the EPC & rewiring records to establish if this can be topped up.
- 2) Requests for insulating the walls of a property made to HOWPS or Powys Council Contact Centres will be referred to Powys Affordable Warmth and Renewable Energy Officer Heating Services and Renewables Officer.
- 3) Where property is on the WHQS External Wall Insulation programme it will be referred onto the appropriate contract officer to arrange with the WHQS framework contractor
- 4) Where the property is not on the programme, or the request is because the tenant is complaining about the current insulation levels, the Affordable Warmth and Renewable Energy Officer will review the EPC and Councils insulation records, and contact the resident to review and discuss options
- 5) Where the property has an E, F or G rating both loft and wall insulation improvements will be considered
- 6) If the property has a D or higher rating, the medical needs and vulnerabilities of the resident will be taken into account. Wall insulation works will be carried out where it is considered economical and essential for the resident to stay in their home
- 7) If the property has no EPC one will be arranged.
- 8) The design of the insulation will take account of the EPC for the property, and the heating type, to ensure needs of the resident and the property are met.

Complaints about high heating bills

These will be referred to Powys Heating Services and Renewable officer who will investigate

the adequacy and condition of the heating, insulation and ventilation of the property. Where there are no technical weaknesses or solutions, support with billing will be provided by the councils' tenancy support officers, and referrals made to Citizens advice where appropriate.

Hard to Heat cases

- 1) We will consider installing photovoltaic, or solar panels, on properties where low energy ratings or fuel poverty, cannot otherwise be addressed. The orientation of the property needs to be suitable before considering photovoltaics or solar panels.

4.3 Properties with low energy ratings

27 properties have an EPC rating of F or G, and 352 a rating of E. We propose to target these least efficient properties first. These are located across the county.

EPC Recommendations Programme

At present public landlords are not obliged to carry out all the recommendations on an EPC certificate to improve the energy efficiency. Such recommendations are system generated, subject to assumptions made by EPC Assessors, and can include impractical options such as wind turbines. Therefore, they are best used as a guide to further works. In 2016 Landmark made available a download of EPC data for landlords. This is being reviewed alongside Powys records of work undertaken. The aim will be to establish a pro-active programme of energy efficiency improvement works as part of Powys' future 'WHQS plus' programme.

Meanwhile it is proposed that the EPC will be reviewed when a property becomes void, or has any heating or insulation or ventilation improvements carried out, and affordable and practical recommendations that will assist are carried out.

We will also conclude the review all properties with an E, F or G EPC rating and target improvements to these.

4.4 Operational delivery

Works will be carried out by specialist contractors where relevant, to secure long term guarantees. Heating and External Wall Insulation works and associated ventilation works will be delivered by WHQS contractors. Loft Insulation will be delivered by HOWPS on voids, and WHQS contractors during roofing works. We will work with HOWPS and suppliers to develop a process and work stream for one off ventilation upgrades

4.5 Consulting with residents

To maintain openness and transparency, the Investing in Homes Sub Group will be consulted with on this strategy. They will continue to be kept up to date with progress on cases, and will be encouraged to assist with communications with residents and have a representative at any meetings with residents should wider programmes of heating and insulation works be

developed. The group will be used to approve the information and communication information to be developed and made available to residents.

We understand that there are fears about health risks associated with cold homes so propose to raise awareness by the following means:

- Article in 'Investing in your Home' newsletter
- Discussions with tenant representatives at Tenant Scrutiny Panel and Investing in Homes sub-group
- Development of information leaflets.
- Availability of leaflets and CD's to hand out at estate days and events
- Briefing notes to inform Councillors and Assembly Members of the initiative, and should wider targeted investigations or work programmes take place

4.6 Costs

Initial Investigation Costs

Powys employs officers to inspect properties and specify what heating work is required, so this included in the Asset Team salary budget. The costs of the design for heating is included in the WHQS arrangements with framework contractors.

The cost of investigation and works to establish insulation levels currently costs £600 per property. Training is being arranged, and equipment purchased, to allow Powys officers to carry such surveys as part of future workload. This cost can be absorbed within current salary budgets.

Budget

There is currently £2.16 million set aside in 18/19 for heating replacements, which includes provision for air source heating in off gas areas. A further £2.4 million is allocated for the next four years.

Provision has been made for £200,000 per annum over the next five years to allow additional renewable energy solutions such as photovoltaic panels or solar hot water. This will be targeted to improve energy ratings in hard to heat cases. Unit costs may vary depending on the scope of work required, and typically between £4,000 and £6,000.

There is £1.47 million available for External Wall Insulation in 18/19, and a further £3million to 2023. Other insulation improvements are budgeted within the roofing allocation (loft insulation), and the £500k per annum damp alleviation budget.

4.7 Asset Management

We are planning to commence a 20% sample of stock surveys from 2019. Were further trends

develop of reports of cold properties in a street, or on an estate, surrounding properties will be prioritised for the first batch of those surveys

To improve data on loft insulation, we will measure this when the property is void, and discuss with HOWPS the possibilities of their heating contractor recording this at the time of a heating service.

4.8 Consultation with members

Recommendations from the Health, Care and Housing Scrutiny Committee

- The Council should investigate how it can assist tenants in the bulk buying of fuel such as oil and LPG.

The council will make enquiries if funding can be obtained through the Arwain scheme to support resource to develop bulk buying scheme for oil and lpg.

- That the Portfolio Holder for Housing make representations to the Minister and Welsh Government to bring pressure on utility companies to extend energy networks to reduce fuel poverty in Wales.

Representations have already been made by the council at the Welsh Housing Quality Managers meeting with the Welsh Government, these will be followed up in writing by Housings Portfolio Holder.

- That local energy co-operatives and local energy production be included in the strategy.

The council will investigate opportunities presented by established local energy co-operatives, and opportunities to facilitate growth in such arrangements.

- That other energy systems such as ground source heating and air source hybrid systems be included in the strategy.

Please refer to section 4.8. The council have drawn up a list of sites with small local LPG are networks, and will work with its air source supplier to carry out feasibility studies, and identify pilot scheme for retrofit hybrid measures.

Appendix 1 – Energy Rating Action Plan

Key Steps	Responsible Officer	Accountable Officer	Consulted (who needs to input)	Informed (who needs to be informed)	Start Date	End Date	Status
Request Information regarding Process and Approach	Phil Dark	Phil Dark		Roger Francis	26 th October 2017	29 th November 2017	Done
Identify and Collate information for properties with no Energy Performance Information	Catrin Sneade/Cathy Green	Roger Francis		Phil Dark	26 th October 2017	29 th November 2017	Done
Meet to review information and the way forward	Roger Francis	Phil Dark		Brendon Burd	20 th November	20 th November 2017	Done
Develop programme of surveys to address 430 properties with no Energy Performance information	Catrin Sneade	Phil Dark	EPC4U Framework Contractor, delivering EPC's	Roger Francis	26 th November 2017	11 th December 2017	Done
Deliver EPC's and Sap ratings to 430 properties that have no Energy Performance Information	EPC4U/Catrin Sneade/Martin Harbour/Andrew Dowell/ Neal Parry	Roger Francis		Phil Dark	1 st December 2017	31 st October 2018	Ongoing
Arrange monthly progress meetings to evaluate progress and highlight non-access/refusals on programme	Catrin Sneade	Phil Dark		Roger Francis	27 th November 2017	30 th November 2017	Ongoing
Develop programme to survey properties and re-assess energy efficiency in F & G Banding	Martin Harbour/Andrew Dowell/ Neal Parry	Gary Knight		Cathy Green	1 st December 2017	28 th February 2018	Done yet to lodge EPC
Collate information and cross reference all properties that have received Heating and Insulation improvements since previous EPC was delivered	Cathy Green	Phil Dark	Catrin Sneade	Roger Francis	20 th November 2017	22 nd December 2017	Done
Review Banding E properties with SAP score of less than 65, analyse the recommendations and develop programme of works	Catrin Snead	Phil Dark	Martin Harbour/Andrew Dowell/ Neal Parry	Roger Francis	23 rd November 2017	31 st Sept 2018	Ongoing

Identify properties that are not viable to raise above SAP 65, and log constraints in categories Physical, Financial, Tenant and log as Acceptable Fails.	Catrin Sneade/Cathy Green	Phil Dark	Roger Francis		23 rd November 2017	31 st March 2018	Done but review per new Strategy
Analyse all above information and set 5 year programme to have all Housing properties surveyed and new EPC and SAP rating by 2023 as per 10 year rule	Phil Dark	Phil Dark	Catrin Sneade	Martin Harbour/Andrew Dowell/ Neal Parry	8 th January 2018	31 st January 2018	
Develop risk profiling template	Philip Dark	Phil Dark	Catrin Sneade	Roger Francis	27 th November 2017	31 st January 2018	
Review process for improving energy performance in voids, on Roofing and Heating Contracts, and update data.	Roger Francis	Phil Dark	Catrin Sneade/Cathy Green	Contracts Team	26 th October 2017	31 st December 2017	Done

Tudalen 108

Appendix 2 - Extract from Powys WHQS Compliance Policy

3(a) Heating systems must be reasonably economical to run and capable of heating the whole of the dwelling to a comfortable level in normal weather conditions

Primary

Powys standard

- A. Existing heating systems must be reasonably economic to run. A "reasonably economic to run" heating system would be one that is programmable (i.e. residents can control the temperature and timing), and of a size recommended for the dwelling it serves.
- B. The annual energy consumption for space and water heating must be estimated using the Government's Standard Assessment Procedure for Energy Rating of Dwellings 2012 (SAP 2012) method. A minimum rating of 65 out of 100 must be achieved.
- C. Lack of adequate ventilation and poor thermal performance of external walls and windows, in addition to inadequate background heating levels, are significant contributors to condensation in older dwellings. Of particular concern are kitchens and bathrooms in which large amounts of moisture are generated. All cost effective opportunities to upgrade the thermal and ventilation performance of the dwelling must be taken.
- D. Other factors that will impact on the overall SAP for the energy rating of a dwelling are as follows.
 - I. Loft insulation:
It is recommended that at least 200 mm of glass wool insulation, or the thermal equivalent, is provided in the loft. Whenever replacing or topping up existing insulation this thickness could be reduced when using materials with greater insulation, such as thermal quilting.
 - II. Ensuring that all the pipes and tanks in the roof space are lagged.
All pipes and tanks in the roof space should be lagged. 20 - 25mm is the minimum thickness of pipe insulation that should be used. There are two types of insulation. The preferred industry type is preformed foam cylinders that are split along their length so that they can be easily slipped onto the pipe. Insulating tape is used to seal the splits and join the sections. If using the preformed cylinders is not practical, then felt can be used. This should be double thickness and closely wrapped to the pipe.
 - III. Ensuring that the thermal performance of the external walls is adequate to avoid the likelihood of condensation:
All necessary steps should be taken to ensure the thermal performance of external walls is adequate to avoid the likelihood of condensation.

3(b) External doors and windows must be sufficiently well fitting so that they do not cause severe draughts

Primary

Powys standard

External doors and windows must be sufficiently well fitting so that they do not cause severe draughts without reducing background ventilation. Additional draught stripping may be considered adequate.

3(c) The main entrance door should not open directly into the living room

Secondary

Powys standard

The main entrance door should not open directly into the living room. The provision of a lobby area in a living room entered directly by the front door will cut down on unnecessary heat loss.

3(d) The hot water tank must be effectively insulated (Primary)

Primary

Powys standard

The hot water tank must be effectively insulated. A factory foam jacket would be considered adequate. Existing unlagged hot water tanks should have a jacket fitted. This should cut heat loss by around 75%. If there is already a jacket fitted to the hot water tank, it should be at least 75mm (3") thick. If not, it should be replaced with a new heat saving one.

2.6 Acceptable fail: Cost of remedy

- a. In off gas areas it may not be possible to achieve the minimum SAP rating of 65, despite adequate insulation and heating. This is considered to be an acceptable fail.

Appendix 3 - Extract from Housing Health and Safety Rating Standard 2006, Operating Guidance

2 Excess cold

Description of the hazard

2.01 This category covers the threats to health from sub-optimal indoor temperatures.

Potential for harm

Most vulnerable age group and statistical averages

2.02 The most vulnerable age group is all persons 65 years or over.

Excess Cold							
Average likelihood and health outcomes for all persons aged 65 years and over, 1997-1999							
Dwelling type & age		Average likelihood 1 in	Spread of health outcomes				Average HHSRS scores
			Class 1 %	Class II %	Class III %	Class IV %	
Non HMOs	Pre 1920	330	34.0	6.0	18.0	42.0	1,066 (C)
	1920-45	340	34.0	6.0	18.0	42.0	1,035 (C)
	1946-79	400	34.0	6.0	18.0	42.0	880 (D)
	Post 1979	530	34.0	6.0	18.0	42.0	664 (D)
HMOs	Pre 1920	340	34.0	6.0	18.0	42.0	1,035 (C)
	1920-45	290	34.0	6.0	18.0	42.0	1,213 (C)
	1946-79	370	34.0	6.0	18.0	42.0	951 (D)
	Post 1979	350	34.0	6.0	18.0	42.0	1,005 (C)
All Dwellings		380	34	6	18	42	926 (D)

Basis of Estimates

2.03 The averages relate to persons aged 65 years or over who suffered illness, including fatal illness, as a result of cold homes in England and Wales in the years 1997, 1998 and 1999.

- The statistics for Class I were derived from data for cold/winter related mortality .
- The estimates for Class II and Class III include cardiovascular and respiratory illness serious enough to lead to hospital admission and are calculated from Hospital Episode Statistics.
- Class IV estimates are based on new GP consultations from the General Practice Research Database and the Fourth Morbidity Survey of General Practice.

2.04 The statistical evidence shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related death. The colder the dwelling, the greater the risk. There are indications that with temperatures up to 19°C there will be some excess death. However, for these statistics it has been assumed that no cold-related deaths occur in dwellings which achieve 18°C hall temperature when the external temperature falls to 5°C.

Excess Cold

Health effects

2.05 A healthy indoor temperature is around 21°C, although cold is not generally perceived until the temperature drops below 18°C. A small risk of adverse health effects begins once the temperature falls below 19°C. Serious health risks occur below 16°C with a substantially increased risk of respiratory and cardiovascular conditions. Below 10°C the risk of hypothermia becomes appreciable, especially for the elderly.

2.06 There are approximately 40,000 more deaths between December and March than expected from the death rates in other months of the year. This seasonal fluctuation, Excess Winter Deaths, is greater in Britain than in most other countries of continental Europe and Scandinavia.

2.07 Cardiovascular conditions (e.g. heart attacks and stroke) account for half the excess winter deaths, and respiratory diseases (e.g. influenza, pneumonia and bronchitis), account for another third. The increase in deaths from heart attacks occurs about 2 days following the onset of a cold spell, the delay is about 5 days for deaths from stroke, and about 12 days for respiratory deaths.

2.08 Although there is some excess winter deaths in all age groups, it becomes significant for those in the 45+ age group. The risk increases with age in a roughly linear pattern up to the 85+ age group, after which there is a marked increased risk.

2.09 The main causal factor for excess winter deaths appears to be changes in ambient (outdoor) temperature, but seasonal infections, and changes in behavioural patterns, air pollution levels and micronutrient intake may also account for some of the seasonal pattern.

2.10 The extent to which housing contributes is not clearly known, but the indication is that people living in dwellings that are poorly heated are at significantly greater risk. There is less evidence on the relationship between housing characteristics and health other than mortality. However, it is very probable that the findings in relation to cold-related mortality can be extended in broad terms to cardio-respiratory morbidity and health related quality of life.

2.11 Low temperatures can impair the thermoregulatory system of the elderly, and the very young whose thermoregulatory system is immature. Both these groups may spend a greater time indoors in cold weather and both will not move about as much as other groups in the cold.

2.12 Cold air streams may affect the respiratory tract and can slow the heart temporarily, increasing cardiovascular strain. When the whole body is cooled, blood pressure increases. The effect of cold air on the bronchial lining and immune system can reduce resistance to infection. Thus, sleeping in cold bedrooms has been shown to substantially increase risk.

2.13 The symptoms of rheumatoid arthritis can be worsened by cold. Low temperatures also aggravate sickle cell anaemia and the related thalassaemia, and can affect the healing of leg skin ulcers.

Appendix 4 – Savings brought by the use of renewable technology

Air Source Heating - Figures are based fuel prices as of April 2018.

Existing system	Fuel bill saving (per year)	Annual RHI payments (installations between 1st January 2018 to 31 March 2018)	Carbon savings (per year)
Old (G-rated) gas boiler	£400 - £465	£875 - £1,030	3,300 - 3,900 kg
New (A-rated) gas boiler	An increase of £35 - £55		1,200 to 1,400 kg
Old electric storage heaters	£800 - £990		4,600 - 5,700 kg
New electric storage heaters	£465 - £545		3,200 - 3,800 kg
Old (G-rated) oil boiler	£460 - £545		5,200 - 6,100 kg
New (A-rated) oil boiler	An increase of £45 - £55		2,300 - 2,700 kg
Old (G-rated) LPG boiler	£1,145 - £1,350		4,200 - 4,900 kg
New (A-rated) LPG boiler	£380 - £450		1,700 - 2,000 kg
Coal	£425 - £525		6,900 - 8,300 kg

Solar Panels

Solar water heating systems can achieve savings on your energy bills. Based on the results of a field trial, we conducted across a range of household and system sizes, typical savings from a well-installed and properly used system are £50 per year when replacing gas heating and £80 per year when replacing electric immersion heating. Savings will vary from user to user

Existing system	Fuel bill savings (£/year)	Carbon dioxide savings (kgCO ₂ /year)
Gas	£50	270 kg
Oil	£55	350 kg
Coal	£65	540 kg
Electricity	£80	390 kg
LPG	£95	310 kg

--	--	--

Appendix 5 Heating Descriptions and Definitions

Heating system types

Full central heating – all rooms are heated with radiators, served from a central heat source. The hot water may be provided directly by the boiler, or via a hot water tank.

Full heating – Electric storage/panel heating – most typical in off gas areas, or in blocks of flats. Hot water is provided by a water tank.

Partial central heating – typical of solid fuel systems, here not all rooms have radiators, some may have secondary heaters.

Partial heating – most commonly solid fuel or electric storage heaters in some rooms

Secondary heating – this describes different forms of heating to the main heating type and may be fixed or portable

Portable heating only – while less common, as not compliant with regulations, some residents may choose to only use plug in electric or oil radiators, and any original boilers could be decommissioned.

1.5 Central Heat Sources

Combination or System Boiler

A combination boiler provides the heating and hot water, with no additional storage of hot or cold water. The hot water is instantly heated providing a constant source.

A system boiler works in conjunction with a hot water cylinder and cold water feed and expansion tanks in the loft.

Powys policy is to install combination boilers where possible to reduce maintenance and service costs, and free up storage space.

Back boiler – traditionally boilers were located behind the fire in lounge or dining room, and within a chimney stack. Older installations, particularly solid fuel, only had capacity to serve a limited number of radiators. These are system type boilers with a hot water cylinder

Communal boiler – blocks of flats, or houses in multiple occupation may be served by a communal boiler. This will provide all heating requirements. Hot water may be a communal supply, or via hot water tanks in each flat or room

Forms of renewable Energy

Heat Pump – this is a central heating unit that captures natural energy from the environment,

and converts it to generate heat. Air Source takes natural energy from the air, via a unit located outside. Ground Source takes heat from a liquid in pipes installed in bore holes or trenches in the ground.

Solar Heating panels – these capture the energy from the sun and warms water in a tank which can be used to supply hot water.

Photovoltaic panels – the panels capture the energy of the sun converting it into electricity, which supplies the house, and feeds back into the grid. The energy is instantly used, so full benefit will not be received when the property is not occupied. Recently batteries to store the electricity have made this more viable option.

Appendix 6 - Further reading and sources of information

Housing Health and Safety Rating Standard 2006

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf

Welsh Housing Quality Standard

<https://gov.wales/docs/desh/publications/141030-whqs-guide-for-social-landlords-en.pdf>

Powys WHQS Compliance Policy

https://customer.powys.gov.uk/media/2765/WHQS-Compliance-Policy-2017-2018/pdf/WHQS_Compliance_Policy_2017-2018_June_2017_ENG.pdf

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol



Health, Care and Housing Scrutiny Committee

Scrutiny Observations to Cabinet on:

- (a) **Wales Audit Office Report – WHQS**
- (b) **Damp and Thermal Comfort Strategies**

The Health, Care and Housing Scrutiny Committee met on 8th November, 2018 and considered the following documents:

- Report of the Wales Audit Office – Implementation of WHQS in Powys
- Report of the Portfolio Holder for Corporate Governance, Housing and Public Protection regarding Damp and Thermal Comfort Strategies

The Health, Care and Housing Scrutiny Committee thank the Portfolio Holder for Corporate Governance, Housing and Public Protection and officers for attending scrutiny.

Wales Audit Office Report – WHQS.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 That the installation of fans in bathrooms be considered where suitable to alleviate condensation issues.		The strategy covers this when assessing damp issues, and fans are installed during WHQS upgrade work. As added to section a proactive measure, this will be added to the void property standard, and done at each void. - Jan 2019 and ongoing. Future stock condition surveys will check if required, and annual programmes of installation developed. - Annual, ongoing	

Damp and Thermal Comfort Strategies.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)

<p>1 The Council should investigate how it can assist tenants in the bulk buying of fuel such as oil and LPG</p>	<p>Accepted, This was raised by Councillor Huw Williams in Council and the Council is looking into this, this has been referenced in section 4.8 of the strategy.</p>		
<p>2 That the Portfolio Holder for Housing make representations to the Minister and Welsh Government to bring pressure on utility companies to extend energy networks to reduce fuel poverty in Wales</p>	<p>Accepted, the portfolio holder to write to the Welsh Minister in January 2019</p>		
<p>3 That local energy co-operatives and local energy production be included in the strategy</p>	<p>Accepted, and incorporated in the final strategy, at section 4.8.</p>		
<p>4 That other energy systems such as ground source heating and air source hybrid systems be included in the strategy</p>	<p>Accepted, and more directly incorporated in the strategy (section 3.4 and 4.8)</p>		

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, within 2 months i.e. by 15.03.19

Membership of the Health, Care and Housing Scrutiny Committee on 8th November, 2018:

County Councillors:

G I S Williams, J Charlton, S C Davies, D E Davies, J Gibson-Watt, H Hulme, A Jenner, E Jones, G Morgan, K M Roberts-Jones, D Rowlands, E Vaughan, R Williams and S L Williams

Cyngor Sir Powys County Council

Impact Assessment (IA)

The integrated approach to support effective decision making



This **Impact Assessment (IA)** toolkit, incorporating Welsh Language, Equalities, Well-being of Future Generations Act, Sustainable Development Principles, Communication and Engagement, Safeguarding, Corporate Parenting, Community Cohesion and Risk Management, supporting effective decision making and ensuring compliance with respective legislation.

Please read the accompanying guidance before completing the form.

Draft versions of the assessment should be watermarked as "Draft" and retained for completeness. However, only the final version will be made publicly available. Draft versions may be provided to regulators if appropriate. In line with Council policy IAs should be retained for 7 years.

Service Area	Housing	Head of Service	Simon Inkson	Strategic Director	Nigel Brinn	Portfolio Holder	Cllr James Evans
---------------------	---------	------------------------	--------------	---------------------------	-------------	-------------------------	------------------

Proposal	Additional Strategies to accompany the Welsh Housing Quality Standard Compliance Policy, and Repairs and Maintenance Policy						
-----------------	---	--	--	--	--	--	--

Outline Summary / Description of Proposal

Welsh Government requires that the Council as social housing landlord has a Welsh Housing Quality Standard (WHQS) Compliance Policy which is reviewed annually. The policy commenced on 1 April 2016 and this impact assessment only looks at the impact of the further measures.

The proposals document some established practice, and introduce changes in practice making the approaches to dealing with damp and thermal comfort issues more clear. They also set out in some circumstances, particularly relating to tenant and family health, it may be necessary to optimise interpretation of, or exceed the WHQS requirements

The proposals have not resulted in change of objective or budget saving, and have been incorporated in the HRA business plan. The key impacts will be reducing the risk of health effects to young children and the elderly, by reducing occurrences of persistent damp, helping those residents with additional demands for warmth, and easing fuel poverty.

Impact assessments have been published when the policy was adopted and the previous review.

Tudalen 121

Profile of savings delivery (if applicable)

2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
£N/A	£	£	£	£	£

2. Consultation requirements

Consultation Requirement	Consultation deadline	Feedback considered
Staff consultation required	Staff in the Clientside & Planned Maintenance and Improvements Team has been consulted. The Response Repairs & Investing In your Home subgroups, and the Tenants Scrutiny Panel have been consulted. The Health, Care and Housing Scrutiny Committee have received and made recommendations about these papers	Yes

3. Version Control (services should consider the impact assessment early in the development process and continually evaluate)

Version	Author	Job Title	Date
1	Phil Dark & Henk Jan Kuipers	Service Manager Asset Management & Service Improvement Officer	09-12-2018

Cyngor Sir Powys County Council
Impact Assessment (IA)

The integrated approach to support effective decision making



Tudalen 122

Cyngor Sir Powys County Council

Impact Assessment (IA)

The integrated approach to support effective decision making



4. Impact on Other Service Areas

Does the proposal have potential to impact on another service area? (Including implication for Health & Safety and Corporate Parenting)	
PLEASE ENSURE YOU INFORM / ENGAGE ANY AFFECTED SERVICE AREAS AT THE EARLIEST OPPORTUNITY	
The proposal aims to mitigate health impacts to young children and elderly residents in particular, so will have positive effect.	
Service Area informed:	Contact Officer liaised with:
Mitigation	

4. How does your proposal impact on the council's strategic vision?

Council Priority	How does the proposal impact on this priority?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
The Economy We will develop a vibrant economy	The proposal will increase the work done to address damp, and introduce new workstreams, so will create some growth in the construction sector.	Good	The procurement of new work streams will focus maximising opportunity for Powys and Welsh companies	Good
Health and Care We will lead the way in effective, integrated rural health and care	The proposal will mitigate health impacts, to young children and elderly residents in particular. .	Very Good	Decisions made to carry out work where resident circumstances override technical requirement will be monitored and recorded.	Very Good
Learning and skills We will strengthen learning and skills	The proposals include training of staff to carry out work currently done by consultant.	Very Good	Savings created by not using consulted will be monitored and recorded	Very Good
Residents and Communities We will support our residents and communities	The proposals address the findings of the Welsh Audit Office telephone survey, and the representations made to members about fuel poverty.	Very Good	There is some scope for cross tenure measures	Good

Source of Outline Evidence to support judgements

6. How does your proposal impact on the Welsh Government’s well-being goals?

Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
A prosperous Wales: An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	Some actions from the strategy will involve decarbonisation and renewable energy measures	Good	A dynamic purchasing system will be established to procure new workstreams, to maximise opportunity for Powys and Welsh companies	Good
A resilient Wales: A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	No change proposed.	Neutral		Choose an item.
A healthier Wales: A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	The proposal will mitigate health impacts, to young children and elderly residents in particular.	Neutral		Choose an item.
A Wales of cohesive communities: Attractive, viable, safe and well-connected Communities.	No change proposed.	Neutral		Choose an item.

Cyngor Sir Powys County Council

Impact Assessment (IA)

The integrated approach to support effective decision making



Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
A globally responsible Wales: A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	No change proposed.	Neutral		Choose an item.
A Wales of vibrant culture and thriving Welsh language: A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.				
<i>Opportunities for persons to use the Welsh language, and treating the Welsh language no less favourable than the English language</i>	No change proposed.	Neutral		Choose an item.
<i>Opportunities to promote the Welsh language</i>	No change proposed.	Neutral		Choose an item.
<i>Welsh Language impact on staff</i>	No change proposed.	Neutral		Choose an item.
<i>People are encouraged to do sport, art and recreation.</i>	No change proposed.	Neutral		Choose an item.
A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).				
<i>Age</i>	No change proposed.	Neutral		Choose an item.
<i>Disability</i>	No change proposed.	Neutral		Choose an item.
<i>Gender reassignment</i>	No change proposed.	Neutral		Choose an item.
<i>Marriage or civil partnership</i>	No change proposed.	Neutral		Choose an item.
<i>Race</i>	No change proposed.	Neutral		Choose an item.
<i>Religion or belief</i>	No change proposed.	Neutral		Choose an item.
<i>Sex</i>	No change proposed.	Neutral		Choose an item.
<i>Sexual Orientation</i>	No change proposed.	Neutral		Choose an item.
<i>Pregnancy and Maternity</i>	No change proposed.	Neutral		Choose an item.

Tudalen 125

Source of Outline Evidence to support judgements

7. How does your proposal impact on the council's other key guiding principles?

Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Sustainable Development Principle (5 ways of working)				
Long Term: Looking to the long term so that we do not compromise the ability of future generations to meet their own needs.	No change proposed.	Neutral		Choose an item.
Collaboration: Working with others in a collaborative way to find shared sustainable solutions.	No change proposed.	Neutral		Choose an item.
Involvement (including Communication and Engagement): Involving a diversity of the population in the decisions that affect them.	No change proposed.	Neutral		Choose an item.
Prevention: Understanding the root causes of issues to prevent them from occurring.	No change proposed.	Neutral		Choose an item.
Integration: Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.	No change proposed.	Neutral		Choose an item.
Preventing Poverty: Prevention, including helping people into work and mitigating the impact of poverty.	The proposal will aid tenants in fuel poverty.	Very Good	Cases where fuel poverty is alleviated will be monitored and recorded	Very Good

Cyngor Sir Powys County Council
Impact Assessment (IA)

The integrated approach to support effective decision making



Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Unpaid Carers: Ensuring that unpaid carers views are sought and taken into account	No change proposed.	Neutral		Choose an item.
Safeguarding: Preventing and responding to abuse and neglect of children, young people and adults with health and social care needs who can't protect themselves.	No change proposed.	Neutral		Choose an item.
Impact on Powys County Council Workforce	No change proposed.	Neutral		Choose an item.

Tudalen 127

Source of Outline Evidence to support judgements	No cha
---	--------

8. Achievability of proposal?

Impact on Service / Council	Risk to delivery of the proposal	Inherent Risk
Low	Low	Low
Mitigation		
None.		

Cyngor Sir Powys County Council

Impact Assessment (IA)

The integrated approach to support effective decision making



9. What are the risks to service delivery or the council following implementation of this proposal?

Risk Identified	Inherent Risk Rating	Mitigation	Residual Risk Rating
None identified	Low		Choose an item.
	Choose an item.		Choose an item.
	Choose an item.		Choose an item.
Overall judgement (to be included in project risk register)			
Very High Risk	High Risk	Medium Risk	Low Risk
			The changes as a result of the review do not change objectives or budget saving.

10. Indicative timetable for actions to deliver change proposal, if approved

Fudalen 128

Action	Target Date	Outcome	Decisions made
No actions needed			
Portfolio Holder decision required	Yes	Date required	asap
Cabinet decision required	Choose an item.	Date required	
Council decision required	Choose an item.	Date required	

11. Indicative resource requirements (FTE) – link to Resource Delivery Plan

Support Requirements	2018-19				2019-20				2020-21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
None required												

12. Overall Summary and Judgement of this Impact Assessment?

Outline Assessment (to be inserted in cabinet report)	Cabinet Report Reference:
The proposals do not result in change of key objective or budget saving or addition. The impact is to ensure that where genuine health or fuel poverty factors exist, if required work is carried out that exceeds the requirements of the WHQS standard, to improve residents quality of life.	

13. Is there additional evidence to support the Impact Assessment (IA)?

What additional evidence and data has informed the development of your proposal?

14. On-going monitoring arrangements?

What arrangements will be put in place to monitor the impact over time?
Annual review of the policy.
Please state when this Impact Assessment will be reviewed.
When the policy is reviewed.

15. Sign Off

Position	Name	Signature	Date
Impact Assessment Lead:	Henk Jan Kuipers		08-07-2018
Head of Service:	Simon Inkson		
Strategic Director:	Nigel Brinn		
Portfolio Holder:	CLlr James Evans		

16. Governance

Decision to be made by	Portfolio Holder	Date required	asap
-------------------------------	------------------	----------------------	------

Judalen 129

FORM ENDS

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

6

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

15th January 2019

REPORT AUTHOR: County Councillor Aled Davies

Portfolio Holder for Finance

SUBJECT: Financial Overview and Forecast as at 30th November 2018

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 This report provides an update on the projected revenue spend against budget for the 2018/19 financial year and reflects the position as at 30th November 2018, it provides an indication of the 2018/19 full year financial forecast.
- 1.2 The revenue expenditure outturn against budget is now projected to be £3.6m (October £3.7m) over budget, this is based on savings achieved to date but also reflects assurance received from budget managers that further savings will be achieved in year.
- 1.3 A number of actions were identified in the previous report which could assist in reducing the level of deficit projected by year end. The impact of these actions has now been reflected in the revised position leading to the improved outturn now projected.
- 1.6 Savings of £5.791m have been delivered to date, 47% of the total £12.296m required, with £6.505m yet to be achieved.
- 1.7 The report has been prepared on an exceptions basis, using actual variance against budget to define the RAG (Red, Amber, Green and Blue) status of the services' financial position. The report only highlights those service areas where projections are forecast to exceed the budget provided, or services that have a significant degree of financial risk on the Council, and where corrective action must be taken to ensure a balanced year end budget, and mitigate any risk for future years.
- 1.8 The overall position now requires further control of expenditure and the S151 Officer has recommended this is now adopted.

2 Revenue Position

- 2.1 The revenue forecast is summarised in the table below, underlying expenditure is projected to exceed the budget by £5.074m (October £5.217m), excluding Housing Revenue Account (HRA) and Delegated Schools. It is important to note that this position is reported based on the current delivery of efficiency savings and does not reflect those that remain to be achieved, we maintain this approach to ensure a prudent position. Given previous years' trends and performance this position is likely to improve as the year progresses.
- 2.2 To counter the prudent approach to reporting savings and better predict the year-end position, this year's reporting also provides a forecast based on the expected delivery of

savings. This is only included following assurance from Directors that savings will be achieved or that alternative means of delivery are identified and realistic.

2.3 On the basis of expected savings delivery and capitalisation of transformation costs the projected position will be an overspend of £3.618m (October £3.674) against the approved budget.

2.4 Both projections are included in the table below.

Summary Forecast by Directorate	Total Working Budget	Forecast Spend	Variance (Over) / Under Spend		Variance including expected savings delivery	
	£'000	£'000	£'000	%	£'000	%
Social Services	84,347	89,823	(5,476)	(6)	(5,314)	(6)
Environment	30,817	32,181	(1,364)	(4)	(70)	0
Schools and Leisure Resources	36,008	35,369	639	2	639	2
Central Activities	18,169	18,044	125	1	125	1
	2,319	1,317	1,002	43	1,002	43
Total	171,660	176,734	(5,074)	(3)	(3,618)	(2)
Housing Revenue Account (HRA)	0	(19)	19	0	19	0
Schools Delegated	75,343	75,948	(605)	(1)	(605)	(1)
Total including HRA and Delegated Schools	247,003	252,663	(5,660)	(3)	(4,204)	(2)

2.5 The table in Appendix A details the forecast spend by Service, against approved working budget and shows the projected position on both savings delivery, capitalisation and service performance.

3 Reserves

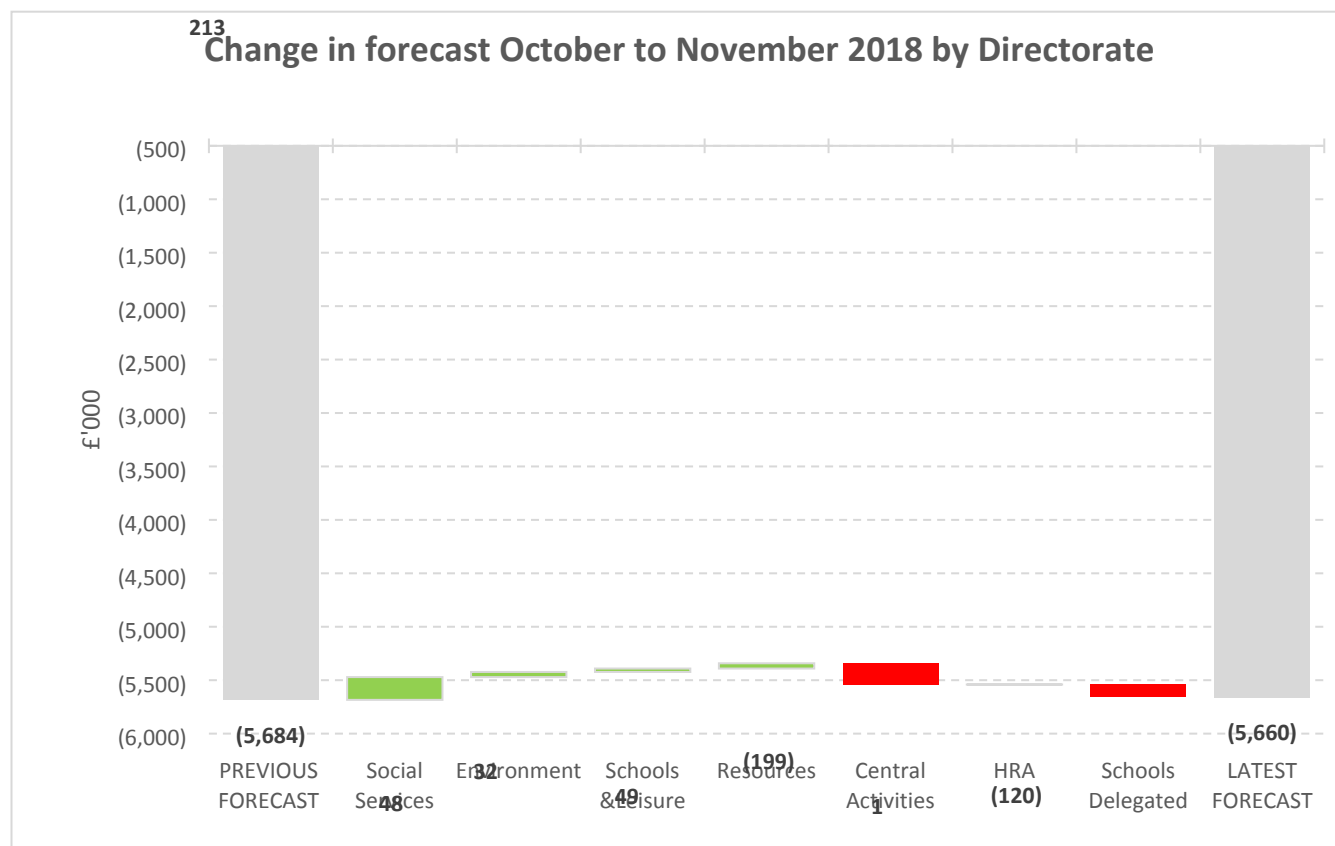
3.1 The total revenue reserves held at 1 April 2018, together with the forecast addition/(use) of reserves during the year and the projected year end balances, as at 30th September, are set out in the table in Appendix C. The revenue reserves held at the beginning of the year totalled £40.3m, with £9.7m held in the General Reserve and Specific and Ring fenced reserves of £27.4m. The planned use of reserves to support the overall revenue budget during the year (excluding Schools and HRA) is £10.3m.

3.2 Based on the projections included in this report the overspend would be financed from the General Fund Reserve. With the assurance around the delivery of savings and the capitalisation of transformation costs the impact on the General fund would be £3.6m, reducing the balance to £6.062m this would then represent 3.5% of the total net revenue budget (excluding Schools and HRA) or 5.6% when including the budget management reserve. This revised position would be in line with the policy set.

3.3 Specific reserves will also be reviewed to identify alternative reserve funding to limit the impact on the General Fund Reserve.

4. Revenue Forecast

4.1 The graph below shows the change in forecast, from that reported at the end of July to the projected forecast position as at 30th November by Directorate, including HRA and Delegated Schools:



4.2 RAG status has been applied to service variance based on the categories below, and those with a variance calculated as “red” have been explained in more detail below.

- **Red** Overspend above 2%
- **Amber** Overspend of 1-2%
- **Green** +/- 1%
- **Blue** Underspend above 1%

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance RAGB status
	£'000	£'000	£'000	%	
Children Services	18,513	24,574	(6,061)	(33)	R

Costs continue to rise within Children services with expenditure projected to exceed the allocated budget by £6.061m for the year, a reduction of £169k since that reported in October.

The appropriate workforce establishment has been agreed and although funding for this is accommodated within the service budget, many posts are being covered by agency staff at a considerably higher cost per post. The projected position includes the continuation of agency staff through to the end of this financial year, with costs exceeding baseline budget by £722.5kk.

There has been a slight reduction in the number of Children looked after (CLA), 226 in November compared to 235 in September, however the predicted spend continues to increase and is forecast to exceed the baseline by £4.087m by the end of the year with an increase of £376k realised in November due to changes to placements during the month. Fluctuations in demand and levels of complexity make it a very high risk area which is difficult to forecast.

The forecast position also reflects £2.2m of savings that are not going to be achieved. This is impacting on the position reported for the current financial year. As part of the 2019/20 budget process this has been removed as part of the Council's overall budget strategy.

There are a number of risks that may further impact the financial position, these include: -

- Additional costs backdated in respect of 'Sleep-ins' following the outcome of a judicial review
- Holiday pay liability for relief staff at Golwg y Bannau/Camlas
- Legal costs – the baseline budget has already been utilised and costs now exceeds budget by £203.3k.

The financial pressures are mitigated by investment funding that remains unallocated of £810k. Additional monies from Welsh Government for "Supporting Sustainable Social Services" have also been received totalling approximately £579k and this is included as income to reduce forecast net spend for Childrens Services, further details on the intended use of the grant is contained within section 6 below.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Highways, Transport & Recycling (HTR)	21,340	23,040	(1,700)	(8)	R

The overspend in this area has reduced by £66k from October. Unachieved savings at this point in the year total £1.2m and are the main reason for the projected position.

The service is forecasting overspends against some areas of budget: -

- Trade Waste collection and Domestic Waste are forecast to overspend by £157k and £367k respectively, due to a forecast reduction in income from Trade Waste and continuing increased fuel costs and depreciation for domestic waste vehicles.
- An increase in the usage of materials within the fleet workshops and a shortfall in income due to the transfer of vehicles to HOWPS no longer maintained in-house, resulting in a forecast overspend at year end of £156k.

- An overspend of £278k on Public Transport is forecast as a result of the re-tender exercise and loss of income on the T4 route due to the impact of the commercialisation of part of the route not foreseen during the tender process.
- These over spends are offset by an under spend of £110k as a result of the spend freeze, forecast profit of £100k in the Design Team and an underspend of £265k on waste contracts, due to increased income from sale of recyclable material and lower than budgeted spend on landfill tax.

The revised forecast based on the expected delivery of savings and other service factors shows that the position will be significantly improved by year end with a forecast overspend reduced to approximately £70k.

Service Area	Net Budget	forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Workforce, OD and Comms	2,522	2,602	(80)	(3)	R

The forecast position within Workforce, OD and Comms has remained at a similar position to September with only a small increase in forecast overspend of £6k from that previously reported. Unachieved savings of £144k remain the main reason for the overspend in this area.

4.3 Other Service areas which are not RAG status RED but due to a high level of scrutiny, further information is also provided below.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Adult Social Care	65,834	65,249	585	0.9	G

The forecast underspend position within Adult Social Care has increased by a further £44k from October with a year end position as at the end of November projected at £585k. Undelivered savings equate to £162k but there are plans in place to deliver the remaining target by the end of the financial year which is reflected in the assured forecast position for Social Services. Of the original £2.2m investment £491k still remains to be allocated to Service budget headings, as agreed this will only be released on presentation of business cases which satisfy criteria set out by full council.

The forecast does not account for future demography, learning disability transitions, contractual agreements including uplifts or winter pressures. In addition, the liability associated with the recent judicial review relating to the payment of the National Living Wage in respect of "Sleep-ins" is still being calculated for the in-house service and legal direction has been sought re external providers.

Projected increases in demand within Adult Social Care are being managed in part by prevention and cost avoidance, through the following: -

- Telecare- £319k
- Direct Payments as opposed to traditional Home Care £132.5k
- Shared Lives instead of a Residential placement/Supported Tenancy – £58.3k
- Reablement – 3% of ongoing packages

If these preventative and early intervention measures were not in place, costs would be increased.

Schools Delegated	75,343	75,948	(605)	(0.8)	G
--------------------------	---------------	---------------	--------------	--------------	----------

The BRAG rating of Green reflects the projected outturn against budget plans submitted by the Schools. These plans include a significant draw on their delegated reserves. Budget plans across the primary sector expect to draw a net £458k from reserves, and £127k in the Special sector. This will be updated monthly going forward.

Budget Plans and forecasts received for Secondary schools are projecting a net £1.2m in year draw from reserves. In line with the Scheme for Financing schools, Secondary Schools are required to submit monthly forecast end of year projections, and if not received will be notified of the failure to comply with the scheme, continued non-compliance will result in a notice of concern.

5. Savings

5.1 The table below summarises the delivery of the savings including those that remained undelivered in prior years; £5.8m or 47% has been delivered. For prudence the forecast includes savings that have been achieved or have progressed to a point where there is confidence in final delivery taking place. It does not reflect expectations that are not currently being realised.

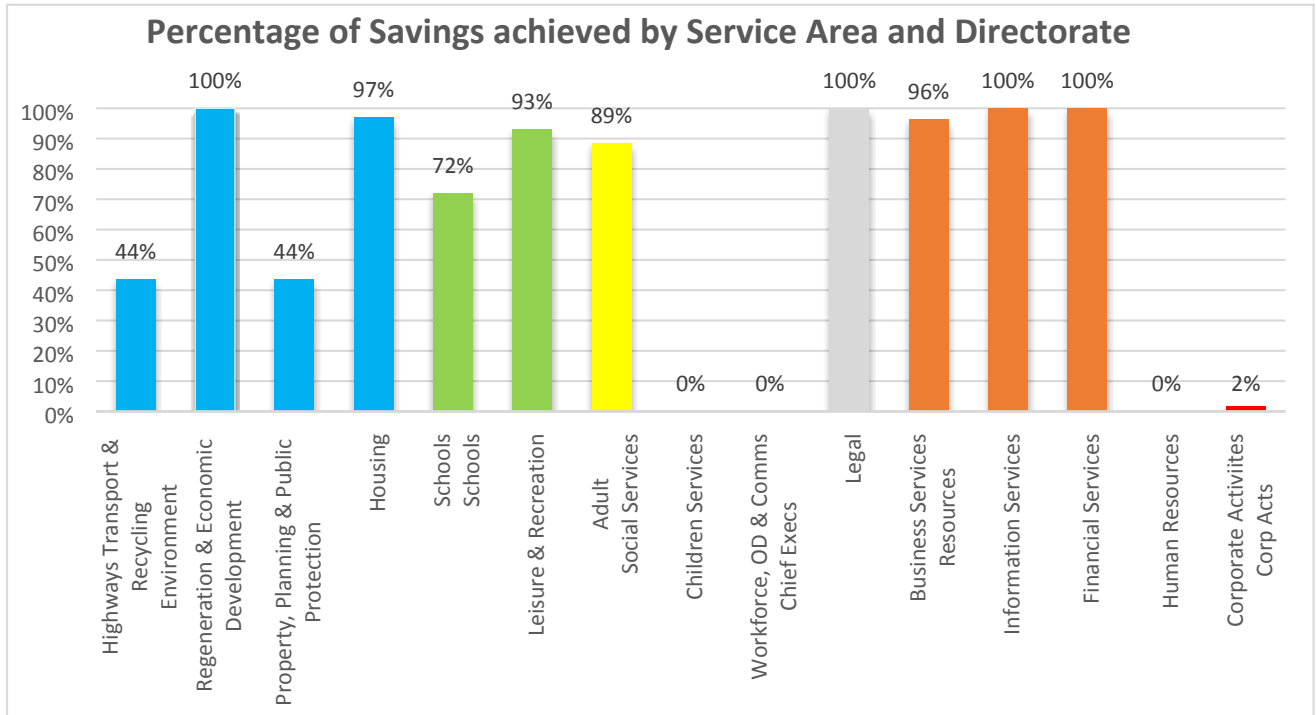
	Target £'000	Delivered £'000	Variance £'000
2015/16	1,157	77	1,080
2016/17	321	0	321
2017/18	1,975	420	1,555
2018/19	8,843	5,294	3,549
Total	12,296	5,791	6,505

5.2 Further analysis of the unachieved savings showing the RAG status by Directorate is provided in the table below. Further detail by Service area can be found in Appendix B.

UPDATE ON DELIVERY OF SAVINGS PROPOSALS BY RAG			
Directorate	RED	AMBER	TOTAL UNACHIEVED SAVINGS AS AT 30th November 2018
	£'000	£'000	£'000
Social Services	2,298	162	2,460
Environment	0	1,408	1,408
Schools	442	49	491
Resources	50	26	76

Corporate Activities	1,963	0	1,963
Chief Executives	107	0	107
Total	4,860	1,645	6,505

5.3 The graph below shows the percentage of savings achieved to date by Service Area and Directorate.



6 Grant to be accepted

6.1 Supporting Sustainable Social Services £579,066 – Payment of the grant will help to address workforce challenges; focus on mitigating existing children’s services pressures; respond to current pressures in core social services to be better positioned to manage unexpected or increased demands and to plan for and respond to additional demands on social care resources as a result of winter pressures.”

7 Options Considered/Available

No alternative options are considered appropriate as a result of this report.

8 Preferred Choice and Reasons

None to consider.

9 Impact Assessment

Is an impact assessment required? Yes/No

10 Corporate Improvement Plan

To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue

monitoring reports are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

11 Local Member(s)

This report relates to all service areas across the whole County.

12 Other Front Line Services

This report relates to all service areas across the whole County.

13 Communications

Budget information is of interest to internal and external audiences and regular updates are provided by the Portfolio Holder for Finance. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

14 Support Services (Legal, Finance, HR, ICT, BPU)

This report has no specific impact on support services other than reporting on those service areas financial outturns. Financial Services work closely with all service areas in monitoring financial performance against budgets.

15 Scrutiny

Has this report been scrutinised? Yes / No

16 Data Protection

If the proposal involves the processing of personal data then the Data Protection Officer must be consulted and their comments set out below.

17 Statutory Officers

The Head of Financial Services (Deputy Section 151 Officer) has provided the following comment:

The projected position continues to report a deficit outturn. The option to capitalise transformation costs provides an opportunity to improve the revenue position and this together with assurance that savings for some Directorates will be delivered significantly reduces the overall deficit projected.

The Council has made a significant level of investment into social care services in Powys. The additional funding provided budget to support the increased level of demand experienced in both service areas and also funded the detailed plans for improvement. Demand within Children's services continues and placement costs are already exceeding the increased level of budget. This continues to be an area of financial risk for the Council.

The council needs to further address the projected deficit and deliver an outturn more in line with the approved budget. The actions taken to date have improved the projected forecast, but further action to limit or delay spend will improve the position further and limit the impact on the general fund reserve.

School budgets particularly those within the secondary sector, remain a risk that needs to be addressed, compliance work and action is crucial to ensure that this is managed effectively.

The Monitoring Officer has no specific concerns with this report.

17 **Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:		Reason for Recommendation:	
a. That the contents of this report are noted. b. That the grant in section 6.1 is accepted. c. That given the pressure on the revenue budget the Cabinet supports the S151 Officer's requirement to control discretionary expenditure until the end of the financial year		To monitor the council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.	
Relevant Policy (ies):		Financial Regulations	
Within policy:	Yes	Within Budget:	n/a
Relevant Local Member(s):			
Person(s) To Implement Decision:		Jane Thomas	
Date By When Decision To Be Implemented:		Ongoing	
Contact Officer	Tel	E mail	
Jane Thomas	01597 827789	jane.thomas@powys.gov.uk	

Forecast Outturn and Undelivered Savings as at 30th November 2018

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Total Unachieved Savings as at 30th November 2018	Service Under/(Over) spend excl. unachieved savings	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	£'000	£'000	%	
Social Services							
Adult & Commissioning	65,834	65,249	585	(162)	747	0.9	G
Children Services	18,513	24,574	(6,061)	(2,298)	(3,763)	(32.7)	R
Environment							
Regeneration	1,412	1,354	58	0	58	4.1	B
Property Planning and Public Protection	7,114	6,854	260	(171)	431	3.7	B
Housing General Fund	951	933	18	(3)	21	1.9	B
Highways, Transport & Recycling	21,340	23,040	(1,700)	(1,234)	(466)	(8.0)	R
Schools							
Schools Service	27,232	26,908	324	(442)	766	1.2	B
Leisure & Recreation	8,776	8,461	315	(49)	364	3.6	B
Resources							
Business Services	6,533	6,423	110	(26)	136	1.7	B
Information Services	4,164	4,162	2	0	2	0.0	G
Legal Services	3,058	3,021	37	0	37	1.2	B
Financial Services	1,892	1,836	56	0	56	3.0	B
Workforce, OD and Comms	2,522	2,602	(80)	(157)	77	(3.2)	R
Service Area Totals	169,341	175,417	(6,076)	(4,542)	(1,534)	(3.6)	
Central Activities	2,319	1,317	1,002	(1,963)	2,965	43.2	B
Total	171,660	176,734	(5,074)	(6,505)	1,431	(3.0)	
Housing Revenue Account (HRA)	0	(19)	19	0	19	0.0	G
Schools Delegated	75,343	75,948	(605)	0	(605)	(0.8)	G
Total including HRA	247,003	252,663	(5,660)	(6,505)	845		

Efficiency / Saving	2015/16	2016/17	2017/18	2018/19	Total to be Achieved 18/19	Total Achieved to Date	Remainder to find	Achieved
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%
Environment								
Highways Transport & Recycling	0	0	270	1,923	2,194	959	1,234	44%
Regeneration & Economic Development	0	0	0	100	100	100	0	100%
Property, Planning & Public Protection	0	0	31	272	303	132	171	44%
Housing	0	0	0	86	86	83	3	97%
Environment	0	0	302	2,381	2,683	1,275	1,408	48%
Schools								
Schools	158	0	49	1,376	1,583	1,141	442	72%
Leisure & Recreation	0	0	0	709	709	660	49	93%
Schools	158	0	49	2,085	2,292	1,801	491	79%
Social Services								
Adult	0	0	0	1,432	1,432	1,270	162	89%
Children Services	0	1	1,101	1,197	2,298	0	2,298	0%
Social Services	0	1	1,101	2,629	3,730	1,270	2,460	34%
Chief Executives								
Workforce, OD & Comms	0	0	0	107	107	0	107	0%
Legal	0	0	0	61	61	61	0	100%
Chief Executives	0	0	0	168	168	61	107	37%
Resources								
Business Services	0	0	92	623	715	689	26	96%
Information Services	0	0	32	323	354	354	0	100%
Financial Services	0	0	0	303	303	303	0	100%
Human Resources	0	0	0	50	50	0	50	0%
Resources	0	0	124	1,299	1,422	1,347	76	95%
Corporate Activities	999	320	400	281	2,001	38	1,963	2%
Grand Total	1,157	321	1,975	8,843	12,296	5,791	6,505	47%

RESERVES BALANCES AS AT 30th NOVEMBER 2018

APPENDIX C

Summary	Opening Balance (1st April 18) Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Forecast (Over) / Under Spend	Projected Balance (31st March 19) Surplus/ (Deficit)
	£'000	£'000	£'000	£'000
General Fund	9,680	0	(3,618)	6,062
	9,680	0	(3,618)	6,062
Ringfenced & Specific Reserves				
Budget Management Reserve	3,584	0		3,584
Specific Reserves	2,356	50		2,406
21st Century Schools Reserve	5,524	(5,000)		524
Adult Services Reserve	2,750	(2,004)		746
Regeneration Reserve	100	(100)		0
HOWPS	185	(185)		0
Mid Wales Growth Fund	150	0		150
Highways Reserve	57	(57)		0
Invest to Save & Corporate Initiatives (inc J	5,830	(1,031)		4,799
Insurance Reserve	1,587	40		1,627
Transport & Equipment Funding Reserve	6,163	(2,082)		4,081
Sub-Total	28,286	(10,369)	0	17,917
Schools Delegated Reserves	(693)	(1,566)	(605)	(2,864)
School Loans & Other Items	(185)	7		(178)
Net School Delegated Reserves	(878)	(1,559)	(605)	(3,042)
Total Ringfenced & Specific Reserves	27,408	(11,928)	(605)	14,875
Housing Revenue Account	3,267	212	19	3,498
	3,267	212	19	3,498
Total Revenue Reserves	40,355	(11,716)	(4,204)	24,435

**CYNGOR SIR POWYS COUNTY COUNCIL.
CABINET EXECUTIVE**

15th January 2019

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

**SUBJECT: Capital Programme Update for the period to 30th November
2018**

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 The Capital Governance Framework identifies multiple points within a project's life cycle where decisions have to be made to progress. These decisions vary from approval of options for further analysis, to final investment decisions and change control.
- 1.2 This monthly Capital report on the status of all projects within the Capital strategy, is an integral part of the Governance Framework for Capital development works. It ensures that stakeholders are engaged in evaluation and decision-making and encourages a disciplined governance that includes approval gateways at which prudence, affordability and sustainability of projects are reviewed.
- 1.3 The Revised working budget for the 2018/19 Capital Programme, after accounting for approved virements, is £114.525m (The Original budget was £87.703m). The Increase in budget is largely due to virements from previous year's programme that have lapsed into 2018/19.
- 1.4 The actual spend to the end of November is £37.960m and a further £35.555m has been committed.
- 1.5 Table 1 below summarises the position for each portfolio and service.

Table 1 Capital Table as at 30th November 2018

Service	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2018/19 as at 30 th November 2018 (after virements approved and required)	Actuals	Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
People									
Adult Services & Commissioning	819	502	0	0	1,321	141	123	1,057	80.0%
Children's Services	0	141	0	0	141	-28	215	-46	-32.6%
Housing	1,825	1,016	0	0	2,841	1,253	488	1,100	38.7%
Schools and Inclusion	39,367	5,790	0	0	45,157	13,132	22,254	9,771	21.6%
Workforce, OD and Comms	0	0	0	0	0	0	0	0	
Resources									
Business Services	0	298	0	0	298	106	25	167	56.0%
Information Services	1,610	947	0	0	2,557	557	333	1,667	65.2%
Legal Services	0	19	0	0	19	0	0	19	100.0%
Financial Services	578	-509	0	0	69	0	0	69	100.0%
Corporate Activities	0	0	0	0	0	0	0	0	
Place									
Highways, Transport & Recycling	16,380	10,167	-148	-4,035	22,364	8,608	4,004	9,752	43.6%
Leisure & Recreation	3,357	5,964	0	0	9,321	4,874	845	3,602	38.6%
Regeneration	1,125	-459	0	0	666	179	61	426	64.0%
Property, Planning And Public Protection	2,503	2,391	0	0	4,894	424	719	3,751	76.6%
Total Capital	67,564	26,267	-148	-4,035	89,648	29,246	29,063	31,339	34.7%
Housing Revenue Account	20,139	13,308	0	-8,570	24,877	8,714	6,492	9,671	38.9%
TOTAL	87,703	39,575	-148	-12,605	114,525	37,960	35,555	41,010	35.8%

1.6 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £87.703m to £114.525 as at 30th November 2018 to reflect virements and re-profiling of the capital programme. This matches the projected expenditure to ensure a balanced budget.

1.7 Table 2 Funding of the Capital Budget as at 30th November 2018

Revised Working Budget 2018/19 as at 31st August 2018 (after virements approved and required)						
Funding Source	Supported Borrowing £'000	Prudential Borrowing £'000	Grants £'000	Revenue Contributions To Capital £'000	Capital Receipts £'000	Total £'000
Council Fund	-16,204	-31,996	-26,274	-12,059	-3,115	-89,648
HRA	0	-15,466	-3,792	-5,085	-534	-24,877
Total	-16,204	-47,052	-30,066	-17,144	-3,649	-114,525

2. **Proposal**

- 2.1 That Cabinet will note the contents of this report and approve all virements and request for new funding herein.
- 2.2 **Fleet Facility** - A review of the Fleet service is currently ongoing and this will inform the requirements for workshops going forward. It will therefore be necessary to roll the budget of £147,513.59 forward to 19/20 when the outcomes of the review will be known.
- 2.3 **Strategic Salt Reserve** – In order to enable the new salt dome at Llangammarch Depot to be constructed out of the winter maintenance season, therefore minimising disruption to gritting, it will be necessary to commence works in Spring 2019 and as it is therefore necessary to roll forward £824,512 of the budget to 2019/20.
- 2.4 **Abermule Business Park** – Following the completion of ecological surveys it was identified that ecological mitigation works were required prior to undertaking works to discharge planning conditions. The main contract works will now not commence until the new year to allow the mitigation and planning discharge works to be completed and it will therefore be necessary to roll £2,723,482.33 of the budget to 2019/20.
- 2.5 **Relocation to Cwrt-y-Plyffin** – Further design work on the redevelopment proposals has been undertaken to bring the estimated costs within the allocated budget and this has delayed the submission of the planning application. Works will now not commence on site until the new year, and it will therefore be necessary to roll £897,000 of the budget over to 2019/20.
- 2.6 **Green Waste Kerbside Collection** - members will recall a report from the Portfolio Holder with recommendations placed at the 9th October meeting. It is proposed that a green waste collection service is introduced to all households on a chargeable basis. This would be on the basis of an annual charge, (typically £35 per year) for a 240 litre wheeled bin, to be collected fortnightly. The bin would be brown to distinguish it from the grey residual bin and of a larger size than the standard 180 litre residual wheeled bin.

An initial Capital outlay of about £410,000 will be required for the purchase of the bins. With the introduction of a collection service and the removal of the green waste banks at bring sites, estimated savings of £280k would be achieved. It is estimated that the chargeable service itself would operate at a small loss (£18k), but the saving would be achieved through the reduction in operating cost of £298k to service the green waste banks. In order to implement the new service from April the bins need to be purchased in 2018/19. It is recommended to create a budget of £410,000 for the new bins financed from prudential borrowing.

3. Project Update

- 3.1 **21st Century Schools:** Work on the Band A phase of the 21st Century Schools programme is progressing well. The only exception is the Welshpool catchment area schools. The decision by Cadw to list the Ysgol Maesydre has had a huge impact, on both the Budget and the timelines of the project. Consequently, the Welsh Medium School has been deferred to Band B of the programme.
- 3.2 **Housing:** The council achieved the Welsh Housing Quality Standard (WHQS) at the 31st December, 2018. The WHQS Schemes are progressing well with a total spend of £3.8m to date which represents 25% of the budget for 2018/19 financial year. As reported in September, the spend profile for the WHQS has been revised, with a virement of £6.780m from 2018-19 to 2019-20, in line with projection at the end of October. The roll forwards relate to estate works and the new builds budgets and are revised in line with the current work programmes. This projection is being reviewed on a monthly basis and adjusted accordingly.
- 3.3 **Highways, Transport and Recycling (HTR):** have a working budget of £25m. Total spend at the end of August, including commitment is £9.273m, representing 36% of budget. Finance are monitoring the project performance with project officers to ensure that work is progressed in line with expectation.
- 3.4 **Salt Barns:** - The main aspect of this build works will not happen before the close of the current Financial year. A review is currently on-going with a view to transferring the bulk of the Budget to next financial year.

4. Options Considered / Available

- 4.1 N/A

5. Preferred Choice and Reasons

- 5.1 N/A

6. Impact Assessment

- 6.1 Is an impact assessment required? Yes/No

7. Corporate Improvement Plan

- 7.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the

short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

8. Local Member(s)

8.1 This report relates to all service areas across the whole County.

9. Other Front Line Services

9.1 This report relates to all service areas across the whole County

10. Communications

Have Communications seen a copy of this report? Yes/No

Have they made a comment? If Yes insert here.

11. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

11.1 This report has no specific impact on support services other than reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets.

11.2 Finance

This monthly Capital report on the status of all projects within the Capital strategy is an integral part of the Governance Framework for Capital development works.

The virements proposed in section 2 of this report, are to align the actual works expected to be done in the current financial year to the funding required to finance such Capital works. This is a prudent approach to ensure that the Council only makes available what is required to finance the Capital expenditure. There are no exceptional financial implications to be reported at this time.

12. Scrutiny

12.1 Has this report been scrutinised? Yes / No?

13. Data Protection

N/A

14. Statutory Officers

The Head of Financial Services & Deputy Section 151 Officer notes the contents in the report.

The Deputy Monitoring Officer notes the content of the report and makes no specific comment upon the same.

15. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

16. Future Status of the Report

Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:		Reason for Recommendation:	
a. The contents of this report are noted by Cabinet. b. That Cabinet approves the virement proposed in section 2 of this report.		To outline the capital budget position as at 30 th November 2018. To ensure appropriate virements, are carried out to align budgets with spending plans.	
Relevant Policy (ies):			
Within Policy:	Y / N	Within Budget:	Y / N
Contact Officer: Jane Thomas Tel: 01597-826290 Email: jane.thomas@powyscc.gov.uk			

Relevant Local Member(s):	
Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	
Is a review of the impact of the decision required?	Y / N
If yes, date of review	
Person responsible for the review	
Date review to be presented to Portfolio Holder/ Cabinet for information or further action	

Background Papers used to prepare Report:

Delegated Decision List

18 December	Portfolio Holder for Learning and Welsh Language	Approved the appointment of Mr S Lunt to the governing body of Ysgol Gymraeg y Trallwng and Mr JD Evans to the governing body of Mount Street Junior CP School.
20 December	Leader & Portfolio Holder for Corporate Governance, HR and Public Protection	Approved the purchase of a property in Welshpool.
28 December	Portfolio Holder for Corporate Governance, HR and Public Protection	Approved the purchase of a property in Welshpool.
3 January	Portfolio Holder for Highways, Recycling and Assets	Approved the Highways Winter Service Plan.
8 January	Portfolio Holder for Learning and Welsh Language	Approved the appointment of Mr T Davies and Mrs EM Davies to the governing body of Brecon High School, Mrs S Davies to Ysgol Calon Cymru and County Councillor I McIntosh to Cradoc CP School.

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

Cabinet Date	Cabinet/Man Title	Portfolio Holder	Lead	Decision Maker
29/01/19	Budget for 2019/20	Aled Wyn Davies	Jane Thomas	Cabinet
31/01/19	Traffic Regulation Orders	Phyl Davies	Tony Caine	Portfolio Holder
31/01/19	Lake Vrynwy	Phyl Davies	Alastair Knox	Portfolio Holder
31/01/19	Parking Charges and Concessions	Phyl Davies	Tony Caine	Portfolio Holder
31/01/19	Llandrindod On-Street Parking	Phyl Davies	Tony Caine	Portfolio Holder
31/01/19	Llanfyllin Parking Review	Phyl Davies	Tony Caine	Portfolio Holder
31/01/19	Welshpool One-Way and Parking Restrictions	Phyl Davies	Tony Caine	Portfolio Holder
12/02/19	29/01/19 Review of Day Time Activities for Older People	Cllr Stephen Hayes	Dylan Owen	Cabinet
12/02/19	08/01/19 Developments of National Significance	Martin Weale	Gwilym Davies	Cabinet
12/02/19	29/01/19 Love where you live Strategy	James Evans	Simon Inkson	Cabinet
12/02/19	29/01/19 School Organisation Proposal Banw and Llanerfyl Schools	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
12/02/19	29/01/19 Treasury Management Quarter 3 report	Aled Wyn Davies	Ann Owen	Cabinet
12/02/19	29/01/19 HRA rent increase and increase in charges for other housing services	James Evans	Simon Inkson	Cabinet
12/02/19	29/01/19 Development of a Gypsy and Travellers site in Machynlleth	James Evans	Simon Inkson	Cabinet
12/02/19	29/01/19 Changes to the Housing Allocation Scheme	James Evans	Simon Inkson	Cabinet
12/02/19	29/01/19 Review of ECOFLEX and the adoption of an ECO 3 Proposed statement of intent	James Evans	Simon Inkson	Cabinet
12/02/19	29/01/19 Changes of Functions of NTSEAT	James Evans	James Munro	Cabinet
12/02/19	29/01/19 Budget Outturn as at December 2018	Aled Wyn Davies	Jane Thomas	Cabinet
12/02/19	29/01/19 Welsh Public Library Standards performance 2017/18	Rachel Powell	Kay Thomas	Cabinet
12/02/19	29/01/19 Newtown Schools Capital Development	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
12/02/19	29/01/19 Schools Major Improvements Programme	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
12/02/19	29/01/19 Provision of Respite Care	Rachel Powell	Jan Coles	Cabinet
12/02/19	29/01/19 North Powys Wellbeing Programme - Approval of First Phase	Cllr Stephen Hayes		Cabinet
12/02/19	29/01/19 Children's Pledge	Rachel Powell	Daniel Harper	Cabinet
28/02/19	Food Hygiene Rating System Audit by FSA	James Evans	Beverley Cadwallader	Portfolio Holder
28/02/19	Highways Capital	Phyl Davies	Shaun James	Portfolio Holder
05/03/19	19/02/19 Rights of Way Improvement Plan	Aled Wyn Davies	Mark Stafford-Tolley	Cabinet

05/03/19	19/02/19	HRA Business Plan	James Evans	Simon Inkson	Cabinet
05/03/19	19/02/19	Vision 2025: Our CIP Quarter 3 2018-19 Performance Report	Aled Wyn Davies	Rhian Jones	Cabinet
05/03/19	19/02/19	Budget Outturn as at January 2019	Aled Wyn Davies	Jane Thomas	Cabinet
05/03/19	19/02/19	Feasibility Study	James Evans	Nia Hughes	Cabinet
05/03/19	19/02/19	Brecon Outline Business Case	Phyl Davies	Natasha Morgan	Cabinet
26/03/19	12/03/19	Corporate Safeguarding 6 monthly update	Rachel Powell	Alison Bulman	Cabinet
26/03/19	12/03/19	Post 16 Review update	Myfanwy Catherine Alexander	Joni Hughes	Cabinet
26/03/19	12/03/19	Home to school Transport - Post 16 and Welsh Medium	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
26/03/19	19/02/19	Vision 2025 CIP Review	Rosemarie Harris	Emma Palmer	Cabinet
26/03/19	12/03/19	Prosecution Enforcement Policy	James Evans	Clive Jones	Cabinet
29/03/19		Consolidation of Parking	Phyl Davies	Shaun James	Portfolio Holder
30/04/19	16/04/19	HAMP	Phyl Davies	Alastair Knox	Cabinet
30/04/19	16/04/19	South Office Review	Phyl Davies	Natasha Morgan	Cabinet
30/04/19	16/04/19	Prosecution enforcement policy	James Evans	Clive Jones	Cabinet
30/04/19	16/04/19	Public toilets strategy	Martin Weale	Peter Morris	Cabinet
30/04/19	16/04/19	Scrap Metal Dealers & Delegation	James Evans	Beverley Cadwallader	Cabinet
30/04/19	09/04/19	Gender Pay report	James Evans	Bets Ingram	Cabinet
30/04/19	09/04/19	Housing association development programme (PDP)	James Evans	Simon Inkson	Cabinet
30/04/19	09/04/19	Supplementary Planning Guidance - Renewable Energy & Landscape	Martin Weale	Peter Morris	Cabinet
30/04/19	09/04/19	Budget Outturn as at February 2019	Aled Wyn Davies	Jane Thomas	Cabinet
30/04/19	16/04/19	School Reorganisation – Llanfyllin All Through School Consultation Report	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
30/04/19	09/04/19	BESD & Pupil Referral Unit Provision	Myfanwy Catherine Alexander	Imtiaz Bhatti	Cabinet
30/04/19	09/04/19	Specialist Centre Provision	Myfanwy Catherine Alexander	Imtiaz Bhatti	Cabinet
21/05/19	07/05/19	Implications of Grenfell (awaiting Inspector's report)	Martin Weale	Ian Maddox	Portfolio Holder
21/05/19	07/05/19	Treasury Management Quarter 4 report	Aled Wyn Davies	Ann Owen	Cabinet

21/05/19	07/05/19	Annual employment monitoring report	James Evans	Bets Ingram	Cabinet
21/05/19	07/05/19	Light review of the Strategic Equality Plan	James Evans	Bets Ingram	Cabinet
21/05/19	07/05/19	Evaluation of the impact of the roll out of full service universal credit on HRA rent arrears	James Evans	Simon Inkson	Cabinet
21/05/19	07/05/19	Budget Outturn as at 31 March 2019	Aled Wyn Davies	Jane Thomas	Cabinet
21/05/19	07/05/19	Budget Outturn 2018/19	Aled Wyn Davies	Jane Thomas	Cabinet
21/05/19	07/05/19	Health & Care Strategy – Statements of Intent	Cllr Stephen Hayes	Dylan Owen	Cabinet
31/05/19		Minimum Unit Prices	James Evans	Clive Jones	Portfolio Holder
18/06/19	04/06/19	Review of WHQS compliance policy	James Evans	Simon Inkson	Cabinet
18/06/19		Vision 2025: Our CIP Quarter 4 2018-19 Performance Report	Aled Wyn Davies	Rhian Jones	Cabinet
18/06/19	04/06/19	FINAL Vision 2025: Our CIP 2019/20 Update and Annual Report 2018-19	Aled Wyn Davies	Rhian Jones	Cabinet
18/06/19	04/06/19	Towards 2040 (PSB Well-being Plan) Annual Report	Aled Wyn Davies	Rhian Jones	Cabinet
18/06/19	04/06/19	Medium Term Financial Strategy	Aled Wyn Davies	Jane Thomas	Cabinet
18/06/19	04/06/19	School Reorganisation – Llanerfyl and Banw Objection Report	Myfanwy Catherine Alexander	Marianne Evans	Cabinet
18/06/19	04/06/19	Regional Technical Statement	Martin Weale	Peter Morris	Cabinet
09/07/19	25/06/19	Strategic Equality Plan End of Year Monitoring Report	James Evans	Bets Ingram	Cabinet
09/07/19	25/06/19	Local Housing Market Assessment	James Evans	Simon Inkson	Cabinet
09/07/19	25/06/19	Implementation of the Renting Homes Act 2014	James Evans	Simon Inkson	Cabinet
09/07/19	25/06/19	HRA New Build Programme	James Evans	Simon Inkson	Cabinet
09/07/19	25/06/19	Budget Outturn Report as at 31 May 2019	Aled Wyn Davies	Jane Thomas	Cabinet
30/07/19	16/07/19	Treasury Management Review Report 2018/19	Aled Wyn Davies	Ann Owen	Cabinet
30/07/19	16/07/19	Treasury Management Quarter 1 Report	Aled Wyn Davies	Ann Owen	Cabinet
30/07/19	16/07/19	Budget Outturn Report as at 30 June 2019	Aled Wyn Davies	Jane Thomas	Cabinet
17/09/19	03/09/19	Outcome of the tenants' satisfaction survey	James Evans	Simon Inkson	Cabinet
17/09/19	03/09/19	Budget Outturn as at 31 July 2019	Aled Wyn Davies	Jane Thomas	Cabinet
30/09/19		Highways Winter Plan	Phyl Davies	Shaun James	Portfolio Holder
08/10/19	24/09/19	3 x Supplementary Planning Guidance	Martin Weale	Peter Morris	Cabinet
08/10/19	24/09/19	National Development Framework – Welsh Government consultation	Martin Weale	Peter Morris	Cabinet
08/10/19	24/09/19	Budget Outturn as at 31 August 2019	Aled Wyn Davies	Jane Thomas	Cabinet
05/11/19	22/10/19	Treasury Management Quarter 2 Report	Aled Wyn Davies	Ann Owen	Cabinet

05/11/19	22/10/19	HRA Asset Management Strategy	James Evans	Simon Inkson	Cabinet
05/11/19	22/10/19	Budget Outturn as at 30 September 2019	Aled Wyn Davies	Jane Thomas	Cabinet
27/11/19	12/11/19	Council Tax Base	Aled Wyn Davies	Andrew Griffiths	Cabinet
17/12/19	03/12/19	Budget Outturn as at 31 October 2019	Aled Wyn Davies	Jane Thomas	Cabinet