

**CABINET**

Minutes of a meeting held on 20 February, 2017.

Present: Councillor N. Moore (Chairman), Councillor L. Burnett (Vice – Chairman);  
Councillors: B.E. Brooks, P. G. King and G. John.

Also Present: Councillors: N. Hodges and S. Wiliam.

**C3460 MINUTES -**

RESOLVED – T H A T the minutes of the meeting held on 6 February, 2017 be approved as a correct record.

**C3461 DECLARATIONS OF INTEREST -**

No declarations were received.

**C3462 COMMUNITY MENTAL HEALTH SERVICES (REF) -**

The Scrutiny Committee (Healthy Living and Social Care) on the 16 January, 2017 considered the above report of the Director of Social Services.

The Head of Adult Services introduced the report that provided an overview of how mental health services in the Vale operated. For this item, the Head of Adult Services was joined by the Social Care Lead for Mental Health.

In summarising the report, the Head of Adult Services referred to the additional work being undertaken by community support workers around meeting the healthy living lifestyle needs of adults with a mental health issue. The Head of Adult Services also outlined the challenges as a result of the condition and suitability of the Amy Evans building which accommodates the Central Vale Community Mental Health Team. He also highlighted the impact on community resources as a result of legislative changes which was increasing demand. In addition, he referred to joint management arrangements for the social work element of community mental health teams and the joint post with Cardiff Council. It had been identified that there had been clear benefits but also some problems which meant that this arrangements would be brought to an end at least in the medium term. Therefore, there was a proposal to

create an operational post for mental health and learning disability services with sole responsibility for the Vale of Glamorgan.

In respect of the condition of the Amy Evans building, a Committee Member queried the specific issues. The Social Care Lead for Mental Health stated that some remedial work was being progressed, such as repairs to the roof, but there were also issues such as the need for new toilet facilities, windows and confidential meeting rooms. The Committee agreed that the report should be referred to Cabinet to highlight the concerns of the Committee around the condition and suitability of the Amy Evans building.

The Chairman, referring to a previous report provided to the Committee which outlined that one of the three Community Mental Health Teams was under significantly more pressure than the other two, queried whether plans were being progressed to improve this. In reply, the Head of Adult Services stated that this was the main purpose of the review of the community mental health services being undertaken, but this needed to be progressed in a quicker timeframe. The Plan was to reorganise the working arrangements of the three teams in order to meet the level of demand.

A Committee Member stated that the report indicated that the level of people who would experience mental health issues would be in their thousands and he queried how this related to the current referral rate, which was around 120 each month. In reply, the Head of Adult Services stated that primary health services would receive the majority of referrals which would be handled by General Practitioners. The Community Mental Health Teams would only deal with the more serious and complex mental health cases.

In outlining the referral process, the Social Care Lead for Mental Health advised the Committee that the majority of referrals would come through a General Practitioner, although all Agencies would be able to make a referral and individuals could also make self-referrals. When a referral was received, this would go through a screening process to ensure that it met National Institute for Health and Clinical Excellence (NICE) guidelines. If accepted, referrals would be allocated on the basis of need and two professionals would then be assigned in order to carry out an assessment.

A Committee Member queried the impact of library closures, which could possibly increase the number of people with mental health problems who were socially isolated. In reply, the Social Care Lead for Mental Health explained that the issue of patients becoming isolated was a growing problem and the Third Sector was being invited to undertake more preventative work.

RECOMMENDED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the report be referred to Cabinet to highlight the Committee's grave concern regarding the condition and unsuitability of the Amy Evans building, which was clearly not fit for purpose.

Reasons for recommendations

- (1) To inform the Scrutiny Committee of developments in Community Mental Health Services in the Vale of Glamorgan.
- (2) In order to outline the Committee's concerns regarding the condition and suitability of the Amy Evans building.



Cabinet, having considered the recommendations of the Scrutiny Committee (Healthy Living and Social Care)

RESOLVED –

- (1) T H A T the contents of the report be noted with concern.
- (2) T H A T the Leader write to the Cardiff and Vale University Health Board asking for an update on future plans for investment on the Amy Evans building or alternative sites for service provision.
- (3) T H A T a further report be brought back to Cabinet to outline future options in regards to the conditions and suitability of the Amy Evans building.

Reasons for decisions

- (1) To note contents of the report
- (2-3) To provide future options for the conditions and suitability of the Amy Evans building.

**C3463 UPDATE ON THE WORK UNDERTAKEN BY PUBLIC HEALTH WALES, BY DR SIAN GRIFFITHS, CONSULTANT IN PUBLIC HEALTH MEDICINE (REF) -**

The Scrutiny Committee (Healthy Living and Social Care) on the 16 January, 2017 considered the above presentation.

The Committee welcomed Dr. Sian Griffiths, Consultant in Public Health Medicine, who had been invited to provide an overview of the work undertaken by Public Health Wales.

Dr. Griffiths began by referring to some of the key determinants when it came to assessing public health:

- Life expectancy within the Vale for both males and females had increased although those people living in deprived areas of the Vale were still comparatively disadvantaged. There were similar inequalities in respect of healthy living expectancy, with an average 20 year gap for men.
- Smoking – whilst overall rates were declining across Wales, in areas of high deprivation the rate of smoking was much higher. In the Vale of Glamorgan areas of central Barry showed a rate as high as 29% while in the Western Vale the rate was as low as 17%. A number of factors could explain the high rate, including access to cheaper tobacco.
- Physical activity – the rate of people taking part in the minimum of 150 minutes of exercise per week had flatlined across both Wales and the Vale of Glamorgan.
- The rate of adults who reported eating five or more portions of fruit or vegetables a day showed a small reduction over the past four years and was an area of concern.
- The rate of adults of working age with a healthy weight was below 50% and more people in the Vale are now overweight.
- The percentage of adults drinking above the recommended guidelines was currently at over 40% in the Vale, which was above the Welsh average. In particular, older people in the Vale were a key area of concern.

Dr. Griffiths also referred to a number of partnership public health documents which illustrated the work that was ongoing at present. These included the following:

- Public Health Integrated Medium Term Plan
- Tobacco Free Cardiff and Vale Strategy and Action Plan
- Cardiff and Vale Healthy Weight Framework

- Cardiff and Vale Physical Activity Action Plan
- Cardiff and Vale Eating Well Action Plan
- Cardiff and Vale of Glamorgan Alcohol Working Group Action Plan.

In terms of some examples of success, Dr. Griffiths outlined that there were a number of programmes ongoing in relation to tobacco. In the Vale of Glamorgan, three schools had signed up to the Smoke Free School Gates Scheme with another three schools looking at the Just Be programme. Dr. Griffiths also outlined the key work that was undertaken through the National Exercise Referral Scheme and also initiatives around food and alcohol awareness for older people. Other important initiatives included the Otago Fall Prevention Programme and also the Making Every Contact Count Scheme, which was around ensuring that professionals from all partnership agencies were involved in providing consistent public health messages and support to individuals.

In terms of how things could be done better, Dr. Griffiths outlined that there should be stronger links in relation to urban healthy planning, active travel, promotion of urban and rural green spaces as a means to improve physical and mental wellbeing. She outlined that greater support was needed for the Vale Food Charter, commonly known as Food Vale, and also there was a need for more efficient joint working in which information and priorities for each agency was shared on a more regular basis.

The Chairman stated that legislation around smoking had been a relative success and queried whether there was anything to be learned in regard to promotion of healthy living and weight loss. In reply, Dr. Griffiths stated that work was being undertaken around influencing people to reduce the level of sugar in their diets and advertisement campaigns were being designed to focus on children and young people. She also outlined that UK Government support could be stronger and that the Welsh Government had limited areas of power in this area. A key aspect was lobbying for better food labelling and a focus on sugar intake.

A Committee Member stated that the inequality in the life expectancy figures were very stark and he queried as to what level of the population would be following all of the healthy living guidelines. In reply, Dr. Griffiths stated that this was very complex. Although some people would be aware of all the healthy lifestyle choices, at present only 6% of the population chose to follow all of them. She outlined that this showed how difficult it was to stick to the guidelines. She added that the term Lifestyle Choices was commonly used but, in many cases, choice would not be available, particularly in deprived areas where healthy food was not so easily accessible or affordable.

A Member referred to challenges being experienced in some of the deprived areas of the Vale and he asked whether there was anything that local Councillors could do to help with the Public Health campaigns. In reply Dr. Griffiths advised that there was an Action Plan in place to ensure that more actions were focused on the more deprived areas. Work such as tackling the level of smoking was being progressed on an individual Ward basis and she stated that the Food Charter was a key strategic document.

In reply to a query regarding the level of staff being given the flu immunisation jab, Dr. Griffiths stated that the Local Health Board had been successful in encouraging staff to have the vaccinations. Her colleague from Public Health Wales, Dr. Tom Porter, was leading on this.

The Chairman queried the percentage of the NHS budget that was spent on Public Health and he asked whether the Welsh Government Minister was minded to increase spending or the profile of Public Health. Dr. Griffiths stated that, as a percentage of overall spending, the overall budget on Public Health was small but that Welsh Government Ministers were well focused on public health. She added that the Well-being of Future Generations Act was seen as world leading, with public health written right through it as a document. In that regard, Wales was well placed.

A Committee Member asked for clarification regarding healthy eating. The Member queried whether food priced at a modest level was more of an issue than people's willingness to cook healthy meals. The Member also referred to the fact that food packaging and labelling had been in place for over a decade and had not seemed to have improved the situation. The Member queried how Local Government and other public services could persuade people to live a healthier lifestyle. In reply, Dr. Griffiths stated that this was a key issue. Packaging was not an easy thing to get right as there would be some people who would be well aware of the issues and would still choose not to follow the recommended guidelines. She added that time could be an issue for a number of demographic groups and she cited the example of people on zero hours contracts who would not have enough time or confidence to prepare a healthy meal. Therefore, there was a need for a multi-faceted approach in order to support people to make the right lifestyle choices.

In reply to a Member's query regarding the meningitis immunisation programme, Dr. Griffiths advised that the Meningitis B Vaccination was being provided to new born babies. She added that she was not sure of the catch up programme for older children.

Having thanked Dr. Griffiths for her input, the Committee

RECOMMENDED – T H A T the presentation by Public Health Wales be referred to Cabinet for its action as appropriate and in particular to highlight the following areas for improvement:

- Stronger links around urban healthy planning, active travel, promotion of urban and rural green spaces as a means to improve physical and mental well-being.
- Greater support for the Vale Food Charter “Food Vale”.
- Efficient joint working and regular sharing of information and priorities.

Reason for recommendation

To highlight to Cabinet that there were specific areas for improvement that could be progressed in the Vale of Glamorgan in regard to healthy living lifestyle choices.



At the meeting, the Leader commented that the Council was already adopting an entirely integrated approach with regards to land planning and active travel through:

- Site allocations and policy (Local Development Plan);
- Targeting Section 106 monies;
- Prioritising key routes throughout the Vale of Glamorgan.

Furthermore in terms of open spaces / parks / health and wellbeing:

- The Corporate plan linked to healthy living and social care agenda;
- The scrutiny targets do the same;
- Section 106 investment in investment in Barry and Penarth Parks.

Cabinet, having considered the recommendation of the Scrutiny Committee (Healthy Living and Social Care)

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T Cabinet reminds the Scrutiny Committee (Healthy Living and Social Care) that this administration has invested in Leisure facilities, including

refurbishing many indoor centres and outdoor play areas throughout the Vale of Glamorgan. The Scrutiny Committee (Healthy Living and Social Care) should also be reminded this administration has established 9 Green Flag parks and more outdoor play areas were due to be refurbished during this financial year and beyond.

### Reasons for decisions

- (1) To note contents of the report
- (2) To inform the Scrutiny Committee (Healthy Living and Social Care) of the current administration's investment in Leisure facilities and outdoor play areas.

### **C3464 WALES AUDIT OFFICE REPORT ON DELAYED TRANSFERS OF CARE - CARDIFF AND VALE HEALTH AND SOCIAL CARE COMMUNITY (REF) -**

The Scrutiny Committee (Healthy Living and Social Care) on 16 January, 2017 considered the above report of the Director of Social Services.

For this item, the Committee welcomed Mrs. Urvisha Perez, Performance Auditor for the Wales Audit Office, and Judith Hill, Head of Integrated Care for the Cardiff and Vale University Health Board (UHB). The purpose of the report was to highlight the outcomes of a Wales Audit Office (WAO) review into Delayed Transfers of Care in the Cardiff and Vale of Glamorgan region.

Mrs. Perez advised that the review had been carried out between March and June 2016. The review had highlighted the following:

- The partnership working arrangements for Cardiff and the Vale had improved the rate of Delayed Transfers of Care;
- There was evidence of good progress in relation to integration and joint working;
- There were strong governance structures in place;
- Partners jointly owned delayed transfers of care and collective action was being taken to tackle the issues;
- Performance was widely and regularly reported across the partnership ensuring a sustained focus on improvement.

The WAO had made two recommendations. The first one was to address the findings of the Delivery Unit's discharge planning audit, either by developing a

separate action plan or by incorporating actions into existing service improvement action plans. The second recommendation related to the Intermediate Care Fund (ICF) and to explore ways of mainstream services being funded through the ICF to ensure that services remained resilient.

The Chairman then asked the Head of Integrated Care to provide an update on the current position. She advised that the direction of travel was still positive and that the level of Delayed Transfers of Care had reduced to 61 across the region with 21 in the Vale of Glamorgan. She stated that this was really positive when compared to where the Health Board was back in February 2015 when 150 cases had been delayed. She added that it was also fair to say that there were still some significant issues such as the capacity of Elderly, Mentally and Infirm (EMI) care and nursing homes and the struggle in placing individuals into these homes as well as the availability of domiciliary care for complex cases. She also explained that it was difficult to determine how the Health Board measured the flow of patients across the whole system on a regular basis.

The Head of Integrated Care also advised that there were a number of improvement programmes currently being progressed with the aim to speed up the hospital discharge process. She referred to the Unscheduled Care and Improvement Programme which was looking at the process from the front door through to the moment a patient was ready to be discharged. In addition, there would be a weekly multi-agency meeting to discuss patients declared ready for discharge and to look at the complexities of cases. There was also a lot of scrutinising of decisions taken around patient discharge and whether these could have been taken in a quicker timeframe. The key element was in relation to streamlining the process. She referred to the strong relationships between the Health Board and Vale of Glamorgan Council which she deemed to be excellent and the close co-operation that existed with the Discharge Teams. In summary, she added that she was still somewhat anxious about this month's Delayed Transfers of Care figures and she reiterated her concerns in relation to domiciliary care and the provision of EMI placements.

The Chairman queried whether the challenges around care homes were in relation to capacity or was it as a result of family choice. In reply, the Head of Integrated Care stated that it was a combination of both. As there was a lack of capacity, this meant that there was not the choice available so families were reluctant to accept a choice that they did not want to make. Further to these comments, the Director of Social Services stated that the issue of residential home provision was somewhat different for the Vale of Glamorgan (and Cardiff) because community hospitals were not used and so there was potentially greater reliance on residential and nursing care. The question for him, as Director, was whether Health Board savings on acute services

should be reinvested into community health and social care. He added that a debate across Wales was needed on the preferred model of care.

A Committee Member stated that, from his perspective, the Vale of Glamorgan had been proactive and that improvements had been made in the level of hospital discharges. However, there was a need to look beyond statistics as these were all individuals who were not always appropriately placed and suffered as a consequence. There was a need to scrutinise very closely how long individuals were staying in hospital. He added that a year was too long and that this was something that the WAO may need to look at. The Member also raised the issue of pooled budgets and queried whether enough work was currently being carried out prior to February 2018 when the Cardiff and Vale Health Board would have to implement pooled budgets. In reply, the Interim Head of Business Management and Innovation stated that the Joint Commissioning Board was currently looking at this and so work was being progressed.

In reply to a question regarding the possible use of Barry Hospital, the Head of Integrated Care stated that the Unscheduled Care and Improvement Programme was still at an early stage. It was looking at alternative provision and service areas which were not being maximised. It was too early, therefore, to comment on the best use of Barry Hospital, however, nothing had been ruled out.

A Committee Member commented that, in terms of performance, the report had highlighted that the rate of Delayed Transfers of Care in Cardiff and the Vale remained the second highest in Wales. The Member queried whether any good practice had been picked up from other Health Boards and were there any specific problems that needed to be addressed. In reply, Mrs. Perez advised that no other Health Board area was looked at during the review, although some case studies of good practice were included in the report. She also added that it was important to consider that the patient flow for the Cardiff and Vale Health Board was the second largest in Wales.

Further to these comments, the Head of Integrated Care stated that in terms of numbers, the Health Board was not satisfied with current performance. Patients could not be discharged if they were at risk of harm and the key element of the Improvement Programme was to streamline the process and to establish any aspects that were preventing hospital discharges. With regard to the Delayed Transfers of Care performance indicator, she stated that it was important to remember that this was an on-a-day census and so it was very difficult to capture this information for an entire month.

A Committee Member queried whether challenges in the domiciliary care sector were impacting on the level of Delayed Transfers of Care. The Head of Integrated Care stated that domiciliary care was a significant issue for the Health Board and Local Authorities, particularly in relation to the fragility of the market and the pressure on providers to remain cost effective. She also highlighted that packages of care were becoming more complex and some domiciliary care providers struggled with the level of demand. Therefore, the situation needed to be closely monitored, including how the Health Board assessed patients and how best to provide complex domiciliary care packages.

RECOMMENDED –

- (1) T H A T the Wales Audit Office review in respect of Delayed Transfers of Care in the Cardiff and Vale Health and Social Care Community be noted.
- (2) T H A T the report and Review be referred to Cabinet for its consideration.

Reasons for recommendations

- (1) To keep the Scrutiny Committee informed and to ensure that Members of the Committee are fully aware of the findings and conclusions of the review.
- (2) To ensure that Cabinet has sight of the Review and is able to consider areas of improvement.

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After this item had been presented, the Director of Social Services commented that the Welsh Audit Office report was a positive one that detailed ongoing improvement in reducing the rate of Delayed Transfers of Care.

Cabinet, having considered the recommendations of the Scrutiny Committee (Healthy Living and Social Care)

RESOLVED –

- (1) T H A T it be noted that the subject of Delayed Transfers of Care in the Cardiff and Vale Health and Social Care Community is debated at regional partnership board meetings and is always subject to attention and focus.

- (2) T H A T it be noted that the reablement teams were working well at Barry Hospital, Redlands House, Hen Goleg and Ty Dyfan Care Home, and the teams should be congratulated on their hard work.

Reasons for decisions

- (1) To note the discussions that took place on the subject of Delayed Transfers of Care in the Cardiff and Vale Health and Social Care Community.
- (2) To congratulate the reablement teams on their hard work in reducing delayed transfers of care.

**C3465 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1 APRIL TO 30 NOVEMBER 2017 (REF) -**

The Scrutiny Committee (Healthy Living and Social Care) on 16 January, 2017 considered the above report of the Director of Social Services.

The Operational Manager for Accountancy presented the report, the purpose of which was to advise the Scrutiny Committee of the position in respect of revenue and capital expenditure for the period 1st April to 30th November, 2016.

In setting the Social Services budget for 2016/17, the use of £970,000 from the Social Services Fund was approved.

The projected outturn for the Social Services Directorate was an adverse variance of £600,000 when compared to the amended budget.

A table and graph setting out the variance between profiled budget and actual expenditure to date and the projected position at year end were attached at Appendix 1 to the report.

Children and Young People's Services – It was projected that this service would outturn with an underspend of £400,000. Work had been ongoing to ensure that children were placed in the most appropriate and cost effective placements. This had included the Council's success in significantly reducing the number of children placed in residential care, from an average of 23 in 2014/15 to a current average of 10. It should however be noted that the number of Looked After Children had increased during the course of the year, placing considerable pressure on the Council's in-house fostering resources and increasing the Council's reliance on independent fostering placements. Given this pressure and the complexity of some

of these children, the outturn position could fluctuate with a change in the number of Looked After Children and / or their need for independent fostering or residential placements.

Adult Services – It was projected that the Community Care Package budget could outturn with a variance of up to £1m by year end. This budget was extremely volatile and had been adversely affected this year by the increase in the cost of packages commissioned as a result of the introduction of the National Living Wage, the continued pressure on the budget from demographic growth and clients having increasingly complex needs. The final outturn was, however, difficult to predict. The increase in fee levels was above the level of inflation provided for within the budget.

The annual deferred income budget for 2016/17 had been set at £747,000 and, as at 30th November, 2016, income received to date was £211,000 over-recovered. It was therefore being projected that this budget would outturn at £100,000 over-recovered by year-end and this favourable variance was included as part of the projected overspend for care packages.

The service would strive to manage growing demand and try to mitigate this position and some initiatives may be funded via regional grants in the current financial year. It was proposed that any shortfall at year end was funded from the Social Services Legislative Changes fund to cover the shortfall. Committee would be provided with further details during the course of the year.

Leisure Services – It was anticipated that this service would achieve a breakeven position at year end. Employee costs within Grounds Maintenance were projected to be under budget due to vacant posts, however, this had been offset by increased supplies and services costs. Transport costs were projected to be £80,000 over budget due to high repair costs early in the financial year, however, Grounds Maintenance were currently reviewing the level of vehicles they required and had identified those that were surplus to requirements.

In relation to the Social Services Programme, the Directorate was currently required to find savings totalling £2.257m by the end of 2019/20 and this target was analysed by year in the following table. The surplus shown and the savings brought forward figures were as a result of the foster carer recruitment project, which was being developed in addition to the required savings targets. This surplus could be used to mitigate any increase in savings to be found in future years.

Year	Savings Required £000	Savings Identified £000		Cumulative Surplus/ (Shortfall) £000
Savings Brought Forward		110	110	110
2016/17	1,002	1,078	76	186
2017/18	605	605	0	186
2018/19	320	320	0	186
2019/20	330	330	0	186
TOTAL	2,257	2,443		

Within Adult Services, £100,000 of the full year saving generated from the Hafod Homes transfer had been offset against the £300,000 saving for Residential Services. Currently, there were no other approved plans in place to find the remaining £200,000 of this saving. Further consideration would have to be given to the way in which the saving could be fully achieved during the year. With regard to the Care Package Budget Reduction, while there was significant pressure on this budget, schemes had been put in place to deliver savings in this area by transferring domiciliary care clients to direct payments, by putting in place additional reablement capacity and by establishing a review team.

Appendix 3 to the report detailed financial progress on the Capital Programme as at 30th November, 2016.

Community Centres Works – A net contribution of £7,500 was received from a Community Centre in order to facilitate works to a boiler system and it would therefore be requested that the Capital Programme be increased to reflect this.

Leisure Centre – The Leisure Centre floor replacement and changing room works were expected to commence in March 2016 and therefore, it would be requested that £134,000 be brought forward from the allocated 2017/18 Capital Programme budget of £1,912,000 to fund flooring works (£70,000) and Changing Room works at Penarth Leisure Centre (£40,000) and Barry Leisure Centre (£24,000).

Wordsworth Park – Local residents, school pupils and their parents, and others with an interest in the future of Wordsworth Park, were invited to have their say on the proposed improvements. A consultation ran from Monday, 19th September until Monday, 31st October, 2016. The consultation results had been considered, and the

Council's Principal Landscape Architect was now preparing a brief based upon the consultation responses and would shortly be undertaking a tendering exercise. It was likely that the chosen contractor would be appointed early next financial year. Improvements to the park would be implemented prior to September 2017 and therefore slippage of £70,000 would be requested.

Parks and Grounds Maintenance Asset Renewal – A virement of £18,000 would be requested from a resulting underspend on the Barry Island Community Centre roof renewal scheme which was part of the Parks and Grounds Asset Renewal budget to the Community Centres Works scheme. This was in order to progress further Community Centre asset renewal projects in 2016/17.

Parks and Ground Maintenance Asset Renewal – Following a review of expenditure within the asset renewal budget for Parks and Ground Maintenance, it was considered that expenditure on licences should be treated as revenue expenditure rather than capital. The Capital Programme would therefore be reduced by £12,000 and the costs be reported through revenue.

Appendix 4 to the report provided non-financial information on capital construction schemes. From this Appendix, it could be seen that most of the previous year's schemes had now commenced and some were complete. Start dates had also been provided for new schemes for this financial year and these would be monitoring closely to identify if capital schemes start to slip and to identify if further action needed to be taken.

In reply to a Member's query regarding the impact on the budget as a result of the changes to the Deprivation of Liberty Safeguards, the Head of Adult Services stated that this was having a very significant effect and was a large cost pressure within the budget. This was an ongoing challenge for the Council and a limited amount of financial support had been provided by Welsh Government.

The Committee asked for an update regarding the Welsh Government's cap on the weekly charge for domiciliary care services and also in regard to the Intermediate Care Fund. In reply, the Operational Manager for Accountancy stated that the proposed increase on the cap to £70 a week could equate to an additional £250,000 extra income for the Council each year. With regard to the proposed £10m Welsh Government increase for Social Care, she advised that this would equate to an additional 3% of the Council's budget. In relation to this, the Director stated that in addition, Welsh Government had indicated that an extra £25m had been allocated for Social Services across Wales, although the specific detail for any of this extra money had yet to be provided.

The Chairman queried progress in relation to the Colcot Pitches and St. Paul's Church Capital Programme schemes. In reply, the Operational Manager for Leisure advised that it was likely that some of the work for the Colcot Pitches would be carried forward into the next financial year. With regard to St. Paul's Church, he advised that this would be the subject of report to Cabinet in the near future that would detail possible options.

In reply to a question regarding financial savings relating to the Learning Disability Day Services, the Head of Adult Services advised that the £30,000 savings already identified was as a result of a member of staff leaving the service. He also added that savings in the back office function for this service would not be huge and so there was a need to look at how effective the Learning Disability Day Service strategy had been.

A Committee Member asked for an update in respect of the Independent Living Fund (ILF). The Head of Adult Services advised that the ILF was continuing and that the Strategic Leadership Group was looking at the scheme and how the money could be spent.

The Chairman queried the level of winter pressures that had been experienced this year. In reply, the Head of Adult Services stated that it was too early to tell whether this was any better or worse than previous years. He also added that the budget monitoring process was extremely complex and that, as the end of year approached, the Council would have a better picture on the final budget position.

#### RECOMMENDED –

- (1) T H A T the position with regard to the 2016/17 revenue and capital monitoring be noted.
- (2) T H A T progress made in delivering the Social Services Budget Programme be noted and be referred to Cabinet for consideration.

#### Reasons for recommendations

- (1) To ensure that Members are aware of the position with regard to the 2016/17 revenue and capital monitoring relevant to this Scrutiny Committee.
- (2) That Members are aware of the progress made to date on the Social Services Budget Programme.

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Cabinet, having considered the recommendations of the Scrutiny Committee (Healthy Living and Social Care)

RESOLVED – T H A T the contents of the report be noted.

Reason for decision

To note the contents of the report.

**C3466 VOLUNTARY SECTOR COMPACT (REF) -**

The Voluntary Sector Joint Liaison Committee on 8 February, 2017 considered the above report of the Managing Director.

The Head of Performance and Development presented the report, advising that it had been good practice for a number of years for Councils and other partners to have established mechanisms for working with the Voluntary Sector in their areas. Since 2008 the Council had had in place a formal Compact with the Voluntary Sector in the Vale of Glamorgan which set out the shared vision and values for joint working together with the expectations of the partners and the various activities that would be pursued to further these expectations. This Compact had been between the Voluntary Sector (Vale Centre for Voluntary Services), Vale of Glamorgan Council, Vale of Glamorgan Local Health Board and Cardiff and Vale NHS Trust. Since that time, however, changes to the structure of the Voluntary Sector (with the creation of the Glamorgan Voluntary Services organisation) and health organisations (with the creation of the Cardiff and Vale University Health Board [UHB]) had taken place. Joint working between all partners had increased and had also been increasingly formalised in recent years.

The Compact had therefore been revised, maintaining much of the original version in relation to the aim, objectives and themes of joint working, but updates had been made to reflect the Council's new corporate vision, values and Well-being Outcomes as well as the changes that had been made in the creation of Glamorgan Voluntary Services (GVS). References were also made to other areas of joint working, notably on the Council's transformational change programme, Reshaping Services. The revised Compact was proposed to cover the period 2017-2021 and could be updated sooner should it be felt appropriate. An annual work plan for 2017/18, attached at Appendix B to the report, was proposed to enable the Committee to set actions to be

progressed each year with updates against each of the work plan actions being provided to each meeting of the Voluntary Sector Joint Liaison Committee.

Due to the emergence of alternative governance arrangements with the Health Service (and the Public Services Board's increasing role), it was proposed that in order to maintain a link between the Committee and the work of the Compact, the Terms of Reference regarding membership should also be amended. The current composition of the Committee was ten Vale Elected Members, eight representatives (one currently vacant) from the Voluntary Sector and two from the Health Service. It was proposed that the future membership of the Committee would be formed of eight Elected Members of the Vale of Glamorgan Council and eight representatives of the Voluntary Sector (including one representative as nominated by the Community Liaison Committee from Town and Community Councils to provide a link between the work of the two Committees).

The Head of Performance and Development advised that following discussions with colleagues in the UHB, he could confirm that they were supportive of the proposals suggested, advising that they had withdrawn due to the fact they considered that there were a number of other avenues, with formal arrangements that they were involved in. Ms. Connor, the Chief Executive of GVS, also advised Committee that similar arrangements to the Compact were in place between GVS and the UHB in the form of a strategic framework document.

The Head of Service further stated that should the Compact, membership and Terms of Reference be approved by the Committee, the recommendations would be reported to Cabinet for approval, with the proposals regarding the amendments to the Terms of Reference and membership of the Committee being requested to be referred for consideration at the Council's Annual Meeting. A copy of the current Terms of Reference for the Committee was attached at Appendix C to the report and the revised Terms of Reference included in the Compact at Appendix A (section v, page 12).

All present stated that they welcomed the review of the Compact and the annual work plan, which was proposed to enable the Committee to set actions, and agreed that it strengthened the relationship with the Voluntary Sector and the Vale of Glamorgan Council. However, a Member relayed their disappointment at the decision of the UHB to withdraw from the Compact and in particular from the membership of the Committee as they considered that this offered accountability for Members.

The Leader of the Council advised that he had felt that the Council had needed to concentrate on the Voluntary Sector and that the revised Compact and the suggested changes to the membership and Terms of Reference was an appropriate way to do so. This view was shared by Ms. Connor, who further stated that she was pleased to see the Compact refreshed, advising that the Vale of Glamorgan had been one of the first Local Authorities in Wales to develop a Compact with the Third Sector.

The Chairman, in conclusion, stated that both the Voluntary Sector and the Council had undergone considerable change over recent years and that he was pleased with the progress that had been made to date.

In acknowledging that updates against each of the work plan actions would be provided to each meeting of the Committee, it was subsequently

AGREED –

- (1) T H A T Cabinet be requested to approve the report, the Compact and work plan attached as Appendices A and B to the report.
- (2) T H AT notwithstanding Recommendation (1) above, Cabinet be requested to endorse the changes to the Terms of Reference and Membership of the Voluntary Sector Joint Liaison Committee (as outlined below) and refer to Full Council for approval:
  - (i) Membership of the Voluntary Sector Joint Liaison Committee to consist of eight Elected Members of the Vale of Glamorgan Council, seven representatives of the Voluntary Sector and one representative, as nominated by the Community Liaison Committee from Town and Community Councils within the Vale, to provide a link between the work of the two Committees;
  - (ii) Terms of Reference -
    1. To refer, as appropriate, reports and recommendations to the Council's Cabinet and the Executives of Voluntary Sector organisations.
    2. To appoint a Chairman and Vice-Chairman from amongst the eight Members of the Council and an Honorary Vice-Chairman from amongst the seven representatives from the Voluntary Sector.
    3. To advise the Council of the needs, views and concerns of the Voluntary Sector.

4. To report on the work of those organisations grant funded by the Council, either in full or in part.
5. To act as a consultative forum where the Voluntary Sector and the Council may, in partnership, put forward policy proposals for discussion and decision.
6. To facilitate and promote joint working between the Council and the Voluntary Sector.
7. In accordance with the statutory provisions, only Members of the Council will have voting rights. However, where there is no consensus, this will be reported in the minutes and placed before the Cabinet prior to a decision being taken.
8. To review the Compact and associated Annual Work Plan and to monitor and report on progress made towards achieving the actions contained within the Compact and the Plan.
9. To consider reports of the Cabinet and other Committees of the Council which have a bearing and impact on the Voluntary Sector.

#### Reasons for decisions

- (1) To seek Cabinet approval of the Compact and the work plan
- (2) To seek endorsement by Cabinet and approval by Full Council of the Membership and Terms of Reference of the Voluntary Sector Joint Liaison Committee as required under the Council's Constitution.

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Cabinet, having considered the recommendations of the Voluntary Sector Joint Liaison Committee

RESOLVED –

- (1) T H A T the contents of the report, the Compact and work plan attached at Appendices A and B to the report be approved.
- (2) T H A T the changes to the Terms of Reference and Membership of the Voluntary Sector Joint Liaison Committee (as outlined below) be referred to Full Council for approval:
  - (ii) Membership of the Voluntary Sector Joint Liaison Committee to consist of eight Elected Members of the Vale of Glamorgan Council, seven representatives of the Voluntary Sector and one representative, as

nominated by the Community Liaison Committee from Town and Community Councils within the Vale, to provide a link between the work of the two Committees;

(ii) Terms of Reference -

- 1 To refer, as appropriate, reports and recommendations to the Council's Cabinet and the Executives of Voluntary Sector organisations.
- 2 To appoint a Chairman and Vice-Chairman from amongst the eight Members of the Council and an Honorary Vice-Chairman from amongst the seven representatives from the Voluntary Sector.
- 3 To advise the Council of the needs, views and concerns of the Voluntary Sector.
- 4 To report on the work of those organisations grant funded by the Council, either in full or in part.
- 5 To act as a consultative forum where the Voluntary Sector and the Council may, in partnership, put forward policy proposals for discussion and decision.
- 6 To facilitate and promote joint working between the Council and the Voluntary Sector.
- 7 In accordance with the statutory provisions, only Members of the Council will have voting rights. However, where there is no consensus, this will be reported in the minutes and placed before the Cabinet prior to a decision being taken.
- 8 To review the Compact and associated Annual Work Plan and to monitor and report on progress made towards achieving the actions contained within the Compact and the Plan.
- 9 To consider reports of the Cabinet and other Committees of the Council which have a bearing and impact on the Voluntary Sector.

Reasons for decisions

- (1) To approve the Compact and the work plan.
- (2) To seek approval by Full Council of the Membership and Terms of Reference of the Voluntary Sector Joint Liaison Committee as required under the Council's Constitution.

**C3467 TREASURY MANAGEMENT AND INVESTMENT STATEMENT  
2017/18 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND  
RESOURCES) -**

Cabinet was provided with the interim report on the Council's treasury management operations for the period 1 April, 2016 to 31 December, 2016 and the proposed 2017/18 Treasury Management and Annual Investment Strategy.

The Welsh Government (WG) provided the Council with a General Capital Funding grant and the Authority was also advised of a level of borrowing that WG was prepared to fund via the Revenue Support Grant Settlement. If the Council wished to borrow in excess of this level to increase its capital expenditure, then it could. However, it would either have to find the additional costs of borrowing through savings in other services or increase Council Tax.

In order to manage the increased flexibility, Part 1 of the Local Government Act 2003 required local authorities to have regard to the Prudential Code, which had been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice.

The key objectives of the fully revised Prudential Code were to ensure that the capital investment plans of local authorities:

- Were affordable;
- That all external borrowing and other long term liabilities were within prudent and sustainable levels;
- The treasury management decisions were taken in accordance with professional good practice.

In March 2012 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code), which required the Council to approve a treasury management strategy before the start of each financial year.

The Code of Practice and legislation required the Council to set out its Treasury Management Strategy and to prepare an Investment Strategy. The Welsh Government (WG) issued revised Guidance on Local Authority Investments in April 2010 that required the Council to approve an Investment Strategy before the start of each financial year and stated that authorities may produce a single strategy document, covering both the requirements of the CIPFA Treasury Management Code and WG's guidance.

The proposed Treasury Management and Investment Strategy for 2017/18, was attached at Appendix 1 to the report. The Treasury Management Strategy itself covered a rolling period of three years and was intended to link in to the Medium Term Financial Planning process. The Investment Strategy covered the next financial year. The document also included a number of statutory Prudential Indicators that could be used to support and record local decision-making.

### **Proposed Strategy 2017/18**

As at 31 December, 2016 the Authority had placed all of its investments with either the 'Debt Management Account Deposit Facility' (DMADF) of the Bank of England which were guaranteed by the UK Government, or with UK Local Authorities.

The Authority would continue to use credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service and Standard & Poor's to assess the risk of loss of investments. The lowest available credit rating would be used to determine credit quality. In addition, regard would be given to other available information on the credit quality of banks and building societies.

### **Interim Report**

In so far as the Council's Treasury Management operations entered into for the period 1 April, 2016 to 31 December, 2016 were concerned, all activities were in accordance with the Council's approved strategy on Treasury Management. The following table set out the monies borrowed / repaid during the period.

Loan Type	Opening Balance	Received	Repaid	Closing Balance
	01/04/2016			31/12/2016
	£'000	£'000	£'000	£'000
PWLB	151,211	0	(812)	150,399
Other Long Term Loans	6,000	0	0	6,000

WG Concessionary Loan	2,100	0	0	2,100
Temporary Loans	100	0	0	100
Total	159,411	0	(812)	158,599

Loans borrowed from the Public Works Loan Board (PWLB) were intended to assist Local Authorities in meeting their longer term borrowing requirements. The above loans were all at fixed rates of interest. The rate paid on each loan was largely dependent upon the original duration of the loan and date taken out.

Other long term loans represented those non-PWLB loans that were repayable at least one year or more from the date they were advanced. The bulk of this debt was represented by two market loans of £2,000,000 and £4,000,000.

In the 2016/17 accounts the Council recognised a £2.1M interest free loan from WG which was repayable in 2025.

Temporary loans represented those loans that were borrowed for a period of less than one year, borrowed on notice.

The Council's investments for the period to 31 December, 2016 were set out below;

Borrowing Institution	Opening Balance	Received	Repaid	Closing Balance
	01/04/2016			31/12/2016
	£'000	£'000	£'000	£'000
Local Authorities	48,000	128,150	-111,150	65,000
Debt Management Account Deposit Facility	30,600	1,371,350	-1,393,150	8,800
Total	78,600	1,499,500	-1,504,300	73,800

Interest at an average rate of 0.28% and amounting to £229,432 had been received from maturing investments for the first 9 months of 2016/2017.

At the meeting, the Leader noted that there was a typographical error in Paragraph 20 of the report, which stated that: "the Council has concluded that a 4% charge in line with the **CFR** Method is sufficient to ensure prudent provision for supported borrowing". This should instead refer to the "**Regulatory** Method" and he requested the report be amended before it was presented to Council for final approval.

This was a matter for Executive and Council decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the Treasury Management interim report for the period 1 April to 31 December, 2016 be endorsed.
- (2) T H A T Cabinet recommend to Council the policy for making Minimum Revenue Provision in 2017/18 be approved.
- (3) T H A T Cabinet recommend to Council that the proposed 2016/17 Treasury Management and Investment Strategy be approved including the following specific resolutions:
  - The Authorised Limit for External Debt be set at £192,500,000 for 2016/17, £214,700,000 for 2017/18, £214,400,000 for 2018/19 and £220,300,000 for 2019/20.
  - The Operational Boundary for External Debt be set at £185,600,000 for 2016/17, £200,300,000 for 2017/18, £199,200,000 for 2018/19 and £205,700,000 for 2019/20.
  - The Section 151 Officer be granted delegated authority within the total Authorised Limit and Operational Boundary as estimated for individual years to effect movement between the separately agreed limits for borrowing and other long term liabilities.
  - An upper limit be set on its fixed interest rate exposures of £161,100,000 for 2016/17, for 2017/18 of £190,400,000, for 2018/19 of £190,100,000 and for 2019/20 of £196,000,000 of its net outstanding principal sum on its borrowings / investments.
  - An upper limit be set on its variable interest rate exposures of £0 for 2016/17, 2017/18, 2018/19 and 2019/20 of its net outstanding principal sum on its investments.
  - An upper limit of £5,000,000 for 2016/17, £10,000,000 for 2017/18, £5,000,000 in 2018/19 and 2019/20 be set for total principal sums invested for over 364 days.
  - The amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate for 2017/18 be set as below:

	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and above	100%	0%

- The Prudential Indicators set out in Appendix 1 be approved.
- The Treasury Management Policy set out in Appendix 2 be approved.

#### Reasons for decisions

- (1) To endorse the Treasury Management Interim Report.
- (2) To agree the basis of the Minimum Revenue Provision calculation for 2017/18.
- (3) The Treasury Management and Annual Investment Strategy was prepared as required by the Local Government Act 2003.

#### **C3468 FINAL CAPITAL PROPOSALS 2017/18 TO 2021/22 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Approval was sought for the Final Capital Programme Proposals for the years 2017/18 to 2021/22.

The Initial Capital Programme Proposals 2017/18 to 2021/22 were presented to Cabinet on 14 November, 2016 (Cabinet Minute C3363 refers). They were subsequently referred to Scrutiny Committees in December 2016.

In responding to the Initial Capital Programme Proposals, no specific recommendations to amend the Initial Proposals were made by Scrutiny Committees.

Corporate Performance and Resources Scrutiny Committee, at its meeting on 13 December, 2016 (minute no. 617 refers), recommended that the Initial Capital Budget Proposals be endorsed.

The minutes and recommendations of Corporate Performance and Resources Scrutiny Committee were referred to Cabinet on 9 January, 2017 (Cabinet Minute C3420 refers) and as no recommendations were made, Cabinet recommended that the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2017/18.

On 21 December, 2016 the Welsh Government announced the final 2017/18 General Capital funding settlement. There had been a £14K (0.26%) reduction in funding from 2016/17. The Initial Capital Programme Proposals in November 2016 assumed a 10% reduction year on year. Having considered that the authority's capital funding had been flatlined for the past two financial years and reviewing the assumptions adopted by a number of other authorities across Wales, the assumed future funding had been revised to a 5% reduction year on year to 2021/22. The change to this assumption increased the funding in 2018/19 by £270K and had a knock on effect throughout the programme.

On that basis, a table representing the capital funding from the Welsh Government was shown below:

<b>Resources from Welsh Government</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>'000</b>	<b>£'000</b>
Supported Borrowing - General Fund	3,360	3,192	3,032	2,880	2,736
General Capital Grant	2,045	1,943	1,846	1,754	1,666
<b>Total</b>	<b>5,405</b>	<b>5,135</b>	<b>4,878</b>	<b>4,634</b>	<b>4,402</b>

Another means of financing capital expenditure was through capital receipts resulting from the sale of assets. Receipts from the sale of Housing Revenue Account (HRA) assets could only be spent in the HRA and could not be used to finance General Fund capital schemes. As at 31 March, 2017 the forecast balance of useable capital receipts totaled £6.085M of which £1.327M was ring-fenced for Social Services and £1.299M was ring-fenced for Education. No further general capital receipts or ring-fenced Social Services capital receipts were anticipated between 2017/18 and 2021/22. A further £9.114M ring-fenced Education capital receipts for the School Investment Programme was estimated to be generated between 2017/18 and 2021/22. It should be noted, however, that projected future capital receipts were not guaranteed and failure to achieve the projected level of capital receipts could impact the affordability of the current 21st Century Schools Band B proposals.

HRA capital receipts arose from the sale of dwellings under the Right To Buy Act, HRA land and other HRA assets. In the case of HRA receipts, regulations set out that receipts since 1 April, 2004 could only be used to fund HRA capital expenditure or to repay HRA debt. As at 31 March, 2017 the forecast balance of useable HRA capital receipts was nil as any receipts received in a year were used to fund expenditure incurred in that same year. No further HRA receipts had been assumed.

If the schemes shown in Appendix 1 attached to the report were approved, the effect on General Fund useable capital receipts would be as shown in the following table.

<b>Capital Receipts</b>	<b>General</b>	<b>Ringfenced Social Services</b>	<b>Ringfenced Education</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Anticipated Balance as at 1 April, 2017</b>	<b>3,459</b>	<b>1,327</b>	<b>1,299</b>
Anticipated Requirements – 2017/18	(2,583)	0	0
Anticipated Receipts – 2017/18	0	0	0
<b>Balance as at 31 March, 2018</b>	<b>877</b>	<b>1,327</b>	<b>1,299</b>
Anticipated Requirements – 2018/19	(100)	(1,327)	0
Anticipated Receipts – 2018/19	0	0	0
<b>Balance as at 31 March, 2019</b>	<b>776</b>	<b>0</b>	<b>1,299</b>
Anticipated Requirements – 2019/20	(127)	0	(2,617)
Anticipated Receipts – 2019/20	0	0	4,557
<b>Balance as at 31 March, 2020</b>	<b>649</b>	<b>0</b>	<b>3,239</b>
Anticipated Requirements – 2020/21	(313)	0	(7,796)
Anticipated Receipts – 2020/21	0	0	4,557
<b>Balance as at 31 March, 2021</b>	<b>336</b>	<b>0</b>	<b>0</b>
Anticipated Requirements – 2021/22	(100)	0	0
Anticipated Receipts – 2021/22	0	0	0
<b>Balance as at 31 March, 2022</b>	<b>236</b>	<b>0</b>	<b>0</b>
Anticipated Requirements – 2022/23	0	0	0
Anticipated Receipts – 2022/23	0	0	0
<b>Balance as at 31 March, 2023</b>	<b>236</b>	<b>0</b>	<b>0</b>

The Education Capital Programme utilised general capital receipts in addition to capital receipts ring-fenced for Education.

Capital expenditure could also be funded by revenue contributions or the utilisation of existing reserves. A reserve was a sum of money that had been set aside by the Council for a specific purpose, they were voluntary and could be made when the Council determined. Advances could be made from a reserve for the purchase of assets, which were then repayable over the life of the asset and the reserve was constantly replenished e.g. Vehicle Renewals Fund. Alternatively schemes could be funded from reserves with no repayment, however, once spent that source of funding was lost.

One such reserve was the Project Fund which existed to finance capital and revenue projects. The estimated balance of the Fund as at 31 March, 2017 was £4.293M. A balance of £2M would be retained as a balance on this fund. The following table showed the projected position of the fund over the next five years.

<b>Project Fund</b>	<b>£'000</b>
<b>Anticipated Balance as at 1 April, 2017</b>	<b>4,293</b>
Anticipated Requirements – 2017/18	(2,054)
Anticipated Receipts – 2017/18	0
<b>Balance as at 31 March, 2018</b>	<b>2,239</b>
Anticipated Requirements – 2018/19	(22)
Anticipated Receipts – 2018/19	0
<b>Balance as at 31 March, 2019</b>	<b>2,217</b>
Anticipated Requirements – 2019/20	(62)
Anticipated Receipts – 2019/20	0
<b>Balance as at 31 March, 2020</b>	<b>2,155</b>
Anticipated Requirements – 2020/21	(150)
Anticipated Receipts – 2020/21	0
<b>Balance as at 31 March, 2021</b>	<b>2,005</b>
Anticipated Requirements – 2021/22	0
Anticipated Receipts – 2021/22	0
<b>Balance as at 31 March, 2022</b>	<b>2,005</b>

In a similar vein, the Council had an IT Fund estimated at £3.493M as at the end of 2016/17. The Council relied heavily on technology to deliver its services and the Fund allowed investment in this infrastructure and also enabled the Council to exploit

opportunities to reduce the cost of services. This was in accordance with a report from the Wales Audit Office in December 2012 entitled 'Use of Technology to Support Improvement and Efficiency in Local Government'. Best practice highlighted in the report recommended that 'A corporate technology development fund was used to fund all developments with commitment that efficiencies replenish funds'.

Other means of generating income to fund capital projects was through monies forthcoming under S106 planning obligations.

Outside of the above, the Council was heavily dependent on specific grant funding to supplement its own resources if certain capital schemes were to be progressed. Generally, this came via Welsh Government, although contributions from other public sector organisations or associated bodies were also forthcoming. It was estimated that over the next 5 years, the level of specific grant funding for General Fund Capital Schemes was approximately £67.804M which was around £43M more than the level of General Capital Funding for the same period (£24.454M). The £67.804M grant funding was made up of £0.205 Band A 21st Century Schools grant, £31.2M Band B 21st Century Schools grant, £3.338M Flood Defence and Structures grants, £13.85M Major Repairs Allowance grant and £19.211M Five Mile Lane Improvement grant. Many of these schemes required a match funding contribution to be made by the Council to the cost of the scheme.

When considering options for capital financing, the ability of the Council to finance the repayment of any loans it raised for the funding of capital schemes must be considered. Part 1 of the Local Government Act 2003 required local authorities to have regard to the Prudential Code, which had been developed by CIPFA (the Chartered Institute of Public Finance and Accountancy) as a professional code of practice. In setting the capital programme, the Council had to ensure that the key objectives of the Prudential Code were complied with.

The Council must ensure that its capital investment plans:

- Were affordable;
- All external borrowing and other long term liabilities were within a prudent and sustainable level; and
- The consequent treasury management decisions for Prudential Borrowing (also referred to as Unsupported Borrowing) were taken in accordance with good professional practice.

The Code recognised that in making capital investment decisions the Council had to have regard to option appraisal, asset management planning and strategic planning.

However, given the expected severity of cuts in future revenue resources, the potential for servicing debt not funded by Welsh Government as part of General Capital Funding or already provided for (e.g. Prudential Borrowing for the Schools Investment Programme and Housing Improvement Programme) was extremely limited as this would need to be funded through the revenue budget.

The projected amount of prudential borrowing utilised at 31 March, 2017 was £95.053M which was made up of £6.690M for Highway Improvements under the Local Borrowing Initiative, £7.444M for 21st Century Schools Programme, £16.626M Housing Improvement Programme, £63.156M Housing Subsidy Buyout and the Local Government Borrowing Initiative for 21st Century Schools £1.137M. After allowing for repayments the balance was expected to be £90.968M at 31 March, 2017.

The table below set out the Council's Prudential Borrowing over the next 5 years: -

### Prudential Borrowing

Scheme	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000
21st Century Schools Local Borrowing Initiative	1,500	0	0	0	0	1,500
21st Century Schools Band B	0	0	0	2,000	0	2,000
Housing Improvement Programme	13,269	5,430	4,149	639	212	23,699
<b>Total</b>	<b>14,769</b>	<b>5,430</b>	<b>4,149</b>	<b>2,639</b>	<b>212</b>	<b>27,199</b>

Total new Prudential Borrowing over the next 5 years was estimated at £27.199M of which £23.699M related to the Housing Improvement Programme.

Future Prudential Borrowing for School Investment Programme Band B schemes totaled £2M in 2021/22.

At the end of the Capital Programme period (31 March, 2022) the outstanding prudential borrowing taking into account repayments was expected to be £13.564M General Fund and £91.8M HRA.

## Amendments to the 2016/17 Capital Programme

Reprofiling was required across some significant schemes in the Capital Programme as set out below;

Romilly Primary School - The Council received approval of the award of funding for this scheme in December and the funding for the scheme now needed to be reprofiled as follows;

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Original Profile	0	1,200	0
Revised Profile	40	1,124	36

Barry Comp Internal and External Refurbishment Works - There was a significant underspend against the original schedule of works as a result of the items being determined to be unsuitable for the school and also some of the works being delivered below the initial cost estimate. The current underspend offered the opportunity for additional works to be carried out at the school or for other priority schemes to be progressed across the wider School estate. The proposed use for this underspend would be subject to a further report.

Modular Building Resiting - It was requested that £82K be carried forward to 2017/18 and £1K to 2018/19. Of this £20K would be utilised as per the Cabinet report of 31 October, 2016 for adaptations at Fairfield Primary School to enable Nursery provision to be established at the school. The balance of £62K in 2017/18 and £1K in 2018/19 would be utilised to complete the resiting works.

St Josephs Nursery and Early Intervention Base (EIB) - The Council had secured S106 funding of £801K from local housing developments. In addition Capital Receipts of £230K would be utilised for a projected total scheme cost of £1.031M that would be used to enhance facilities at St Joseph's RC primary school. The funding would be used to;

- Facilitate internal alterations to the school learning environment and thus increasing school capacity;
- Establish a new nursery unit; and
- Locate an Early Intervention Base (EIB) at the school

The Early Intervention Base would operate as a satellite of Ysgol Y Deri special school and therefore staff would be employed by Ysgol Y Deri who would be responsible for their management. Pupils attending the Early Intervention Base would be either on roll at Ysgol Y Deri or their home school and not St Joseph's.

Vehicle Replacement Programme - Following a delay in purchasing a number of new vehicles pending the outcome of the Reshaping Services review of Visible Services, it was requested that £2.095M be carried forward to 2017/18. The Vehicle Replacement Programme had been reprofiled throughout the programme as set out in paragraph 46 to the report.

Coldbrook Flood Risk Management - As reported to Cabinet on 23 January, 2017 the scheme had encountered some delays and additional costs. The Cabinet report requested that the Capital Programme sum was increased to £3.801M in 2016/17 and £0.670M in 2017/18 subject to WG approval of the 85% grant funding required. Delegated Authority was also granted to increase the contract sum beyond this amount. As it was now anticipated that this Delegated Authority would be requested, it was proposed to increase the capital programme in line with the maximum contract sum as set out in the 23 January, 2017 report. The revised profile of the scheme would be £4.820M in 2016/17 and £1.412M in 2017/18. This would be funded from £5.298M WG Grant funding, £66K from capital receipts and £868K from reserves.

SPACE Project and Civic Office Rewire and Network Rewire Schemes - New fire barriers were required to the second and third floors above the suspended ceilings which could not be determined until the ceilings were removed. These additional works had resulted in an extension to the programme for the SPACE and network rewiring projects and the scheme budgets had been reprofiled as shown below;

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Original Estimates	2,929	125	0
Revised Estimates	1,400	1,600	54

Court Road Depot - As options for the site was still being explored it was proposed that the current sum of £300K be carried forward to 2017/18 to enable the rationalisation of Council accommodation to proceed as required.

## Proposed Capital Programme 2017/18 to 2021/22

Following consideration of all of the above, the proposed 5-year Capital Programme 2017/18 to 2021/22 was attached at Appendix 1 to the report.

Since the Initial Capital Programme Proposals were prepared, a small number of amendments were received and were outlined below.

Several schemes had been included in Appendix 1 attached to the report which would be funded from S106 monies. These included schemes to enhance Fferm Goch Public Open space, improve sustainable transport and ongoing enhancements for the local community in respect of the Penarth Heights development. Schemes to expand Rhws Primary education, to implement Nursery and Early Intervention provision at St Josephs and the Mixed Sex and Welsh Medium Band B schemes also had significant contributions from S106 as a result of local developments in the respective areas.

As part of the transport review the use of vehicles by the Council had been extensively reviewed, which had meant that the purchase of new vehicles under the scheme had been delayed. In addition, an amendment to the level of expenditure in the Capital Programme was required, to reflect the continuing need to replace vehicles across the Council. The proposed revised expenditure was set out in the table below and differed from the Initial Capital Programme Proposals which were reported to Cabinet in November 2016:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's	£000's
Original Expenditure	1,140	1,140	1,140	1,140	1,128
Revised Expenditure	3,235	1,756	1,250	901	922

Vehicles could be funded from the Vehicle Renewals Fund, alternatively the vehicles could be leased or borrowed for using prudential borrowing. The level of and financing of this expenditure would be reviewed during 2017/18.

Slippage requested through Capital Monitoring reports at Cabinet on 23 January, 2017 and 6 February, 2017 had been included in Appendix 1 attached to the report.

As part of the Initial Revenue Proposals report presented to Cabinet on 14 November, 2016 it was projected that the outturn for Policy for 2016/17 would be a favourable variance of £4m. Cabinet resolved "That the sum of £4 million be set

aside to the General Fund and consideration be given for that allocation to be used to offset the shortfall in the revenue budget and/or used for capital schemes, the details of which will be considered by the budget working group before the final revenue proposals are presented to Cabinet and Council for approval".

Options for the funding had been considered by the Budget Working Group. £1M would be transferred into the Visible Services fund and used to carry out additional road and pavement resurfacing works over the next 2 years as shown in Appendix 1 attached to the report.

Under the Local Development Plan, site provision must be made for Gypsy Travellers. Further work would need to be undertaken as to the final requirements and £1M would be set aside in a fund for a Gypsy/Traveller site scheme. It was also proposed that £500K was placed in the Council Building Fund to generally finance schemes included in the proposed capital programme and £500K was transferred into the Visible Services fund to be used to finance future capital expenditure.

### **Delivering Well Being**

The Capital Programme was set having regard to the Council's corporate priorities, which were included in the Corporate Plan through the 4 well-being outcomes which were: -

- An Inclusive and Safe Vale
- An Environmentally Responsible and Prosperous Vale
- An Aspirational and Culturally Vibrant Vale
- An Active and Healthy Vale

These outcomes demonstrated the Council's commitment to the Well-being of Future Generations Act which aimed to improve the social, economic, environmental and cultural well-being of Wales and ensured that the needs of the present were met without compromising the ability of future generations to meet their own need.

Examples were as follows:-

- Continued investment in housing through the Housing Improvement Programme to achieve the Welsh Housing Quality Standard and with further expenditure planned for new build and environment and regeneration programmes;
- Investing in the introduction of LED street lighting would bring environmental benefits;

- Further investment in schools through the School Investment Programme with Band A substantially complete and future development under Band B anticipated to commence in 2019/20;
- Additional funding being provided in 2018/19 and 2021/22 for Disabled Facilities grants; and
- Investment in the Leisure Centres to encourage more use and activity.

In developing the Corporate Plan, the Council had reflected on the way it worked and had stated 5 principles it would follow. These budget proposals reflected this new approach to working. The 5 ways of working were:

Looking to the long term - The capital proposals were a means of planning for the future and took a strategic approach to ensure services were sustainable and that future need and demand for services was understood;

Taking an integrated approach - The capital proposals highlighted and encouraged ways of working with partners as it utilised funding received from various sources to deliver schemes such Welsh Government and S106 funding;

Involving the population in decisions – As part of the budget proposal process there had been engagement with residents, customers and partners;

Working in a collaborative way – The capital proposals recognised that more could be achieved and better services could be provided by collaboration and it encouraged this as a way of working in the future which included providing funding to work with local communities; and

Understanding the root cause of issues and preventing them – The capital budget setting process was proactive and allowed an understanding of the financial position so that issues could be tackled at the source.

### **Financial Strategy**

In previous Capital proposals a number of pressures had been identified that would need to be subject to on-going review and management as follows;

<b>Capital Budget Pressure</b>	<b>Mitigating Action Taken</b>
The possibility of increased demands upon flooding, coastal protection and the environment generally (including an accelerated deterioration of the highways infrastructure).	Recurring sums had been set aside to fund annual works for flood and coastal protection. Recurring sums had also been set aside for resurfacing. An additional sum of £1M was to be set aside from the projected 2016/17 underspend into the Visible Services Reserve to assist with the pressures in these areas.
The general shortfall of funding available to address the Council's asset renewal requirements.	Rationalisation of accommodation should assist with this pressure as it would minimise the number of properties with Asset Renewal requirements. In light of this pressure the asset renewal budget for schools had increased to £823K in 2017/18 and £1M in 2018/19. In the 2016/17 to 2020/21 Capital proposals a recurrent £100K for Social Services asset renewal was allocated. Any underspends against these budgets should be reported and would be ringfenced for future asset renewal requirements against the service's assets.
The Council's ambitions for further regeneration and how they could be realised.	Regeneration was a central theme of the capital programme. The Council had committed to a recurring sum for Regeneration of £300K and had prioritised regeneration schemes as part of the 2017/18 bids.
The continued expansion over time of the Schools Investment Programme.	Band B Schemes for the School Investment Strategy had been included in the Capital Programme. Welsh Government had confirmed that Band B would commence in 2019/20. It was estimated that the cost of Band B would be in the region of £63.3M and it was assumed that the Welsh Government grant intervention rate would be 50%.
Funding of Renewal Areas to address housing, social and environmental problems in the light of reduced grant availability.	The WG renewal area grant came to an end in March 2017. The Council had allocated in the capital programme a sum of £150K, £300K and £300K in 2017/18, 2018/19 and 2019/20 respectively to Housing Regeneration and this could be used as match funding for any potential future sources of WG funding.

## School Investment Programme

The 21st Century Schools Programme was the Welsh Government's funding initiative for investment in schools. The first tranche of schemes under the Band A funding was submitted prior to November 2011. Band A schemes ran between 2013/14 and 2018/19. Band B schemes were expected to commence in 2019/20.

The schemes included under the Band A submission for construction, between 2013/14 and 2018/19, were Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield, Colcot, Romilly Primary and Llantwit Learning Community.

The Band A Programme was progressing well. Penarth Learning Community, Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield were complete and occupied. The Llantwit Learning Community scheme was substantially complete and the school was due to be occupied in February 2017. The Colcot Primary scheme was underway with further works due to take place over the Summer holidays. The Romilly Primary Scheme received approval in December 2016 and was currently in the design phase with the majority of works expected to take place in 2017/18.

The following table showed the planned spend on the Education Capital Programme from 2017/18 to 2021/22 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme. Gross Expenditure totaled £77.379M.

<b>By Scheme</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Llantwit Major Learning Community	1,240	29	-	-	-	<b>1,269</b>
Colcot Primary	375	-	-	-	-	<b>375</b>
Band B Preparatory Works Changing Rooms etc.	250	500	-	-	-	<b>750</b>
Band B Schemes Welsh Medium	150	100	5,650	10,500	2,600	<b>19,000</b>
Band B Schemes Co Ed	350	150	12,900	24,000	6,000	<b>43,400</b>
Band A Romilly Primary	1,124	36	-	-	-	<b>1,160</b>
Eagleswell Demolition	100					<b>100</b>
Eagleswell Marketing & Disposal	39	-	-	-	-	<b>39</b>
St Cyres Lower School Marketing & Disposal	48	-	-	-	-	<b>48</b>
St Josephs Nursery and EIB	1,031	-	-	-	-	<b>1,031</b>
Schools Asset Renewal/Other	810	601	600	600	600	<b>3,211</b>
Additional Schools Asset Renewal	223	400	-	-	-	<b>623</b>
Education Asset Renewal -	50	50	-	-	-	<b>100</b>

contingency						
Victorian Schools	2,000	-	-	-	-	<b>2,000</b>
Rhose Primary New School	1,500	1,762	-	-	-	<b>3,262</b>
Gwenfo Primary Expansion	11	-	-	-	-	<b>11</b>
Schools IT Loans	200	200	200	200	200	<b>1,000</b>
<b>Total</b>	<b>9,501</b>	<b>3,828</b>	<b>19,350</b>	<b>35,300</b>	<b>9,400</b>	<b>77,379</b>

The total allocation for Victorian Schools in 2017/18 was £2M to support ongoing works across 21 Victorian Schools to address the existing issues with lath and plaster and masonry deterioration. These works were expected to be completed during 2017/18.

There was an asset renewal budget of £0.823M in 2017/18 and £1M in 2018/19. From 2019/20 the asset renewal budget had to reduce to the original £600K allocation due to increasing constraints on resources and the 21st Century Schools Band B Programme. Education in consultation with Property Services, allocated the budget in year to various schemes including rolling programmes of boiler and toilet renewal.

Band B Schemes were expected to commence in 2019/20 and in December 2016 the Council submitted aspirations for a number of schemes to Welsh Government in addition to the Mixed Sex Barry Secondary and Welsh Medium Barry schemes that the Council had committed to. Based on latest indications, it had been assumed that 50% funding would be available from Welsh Government to fund the schemes. However, there was no guarantee that the funding would be available from Welsh Government or what form it would take. An intervention rate in excess of 50% would increase the Council's capacity to deliver Band B schemes. The delivery of Band B schemes was contingent on the realisation of the projected level of capital receipts, the receipt of projected S106 sums and an intervention rate of at least 50%.

Indicative strategic projects for the Council under Band B funding would seek to address the following:

- Expanding primary sector capacity and addressing the condition of school buildings in various areas across the Vale; and
- Rationalisation of school buildings currently situated on split sites.

The total cost for Mixed Sex Barry Secondary Schools and Welsh Medium Band B schemes was projected to be in the region of £63.3M and of this totalled £0.5M, £0.25M, £18.55M, £34.5M and £8.6M had been included in Appendix 1 for 2017/18,

2018/19, 2019/20, 2020/21 and 2021/22 respectively. The final £0.9M for the Band B schemes was profiled in 2022/23.

The Education Capital programme was anticipated to be funded as follows;

<b>By Funding Source</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
General Capital Funding	2,743	2,055	2,448	2,204	1,972	<b>11,422</b>
Capital Receipts	1,643	1	2,644	8,009	0	<b>12,297</b>
Other Reserves and Revenue Contribution	64	0	2,166	1,539	0	<b>3,769</b>
School Investment Reserve	1,352	192	2,242	2,075	2,928	<b>8,789</b>
IT Fund	200	200	200	200	200	<b>1,000</b>
Prudential Borrowing	1,500	0	0	2,000	0	<b>3,500</b>
<b>Total Internal Funding</b>	<b>7,502</b>	<b>2,448</b>	<b>9,700</b>	<b>16,027</b>	<b>5,100</b>	<b>40,777</b>
S106 Agreements	1,812	1,362	0	2,023	0	<b>5,197</b>
Welsh Government Grant	187	18	9,650	17,250	4,300	<b>31,405</b>
<b>Total Funding</b>	<b>9,501</b>	<b>3,828</b>	<b>19,350</b>	<b>35,300</b>	<b>9,400</b>	<b>77,379</b>

## **Housing Improvement Programme**

The Welsh Government required all local authorities who retained their housing stock to submit an acceptable Housing Business Plan annually that incorporated a detailed financial forecast in the form of a 30 year financial model. The Business Plan was the primary tool for a local authority's housing landlord service and included all assets within the Council's Housing Revenue Account (HRA).

It was anticipated that the draft Housing Business Plan would be reported to Cabinet during March 2017, once the latest guidance had been received from Welsh Government and the Plan would also need to be approved by Council. The Plan would form the basis of the Major Repairs Allowance (MRA) grant application, which was a pivotal financing component for the Housing Improvement Programme (to meet the Welsh Housing Quality Standard (WHQS)).

The MRA for 2017/18 had not yet been announced by the Welsh Government but the assumed budget in Appendix 1 attached to the report remained at £2.770M per annum as received in 2016/17.

The Final Capital Programme Proposals reflected the level of works required to meet and maintain WHQS. It was expected that WHQS would be attained by the end of

2017 calendar year, with on-going work required to maintain the standard based on component lifecycles. In addition, the proposed Housing Improvement Programme included new build and regeneration work between years 2017/2018 and 2021/2022.

The budget for the Housing Improvement Programme was shown in Appendix 1 attached to the report and the sources of funding were detailed in the table below.

<b>Original Funding</b>	<b>2017/18 £'000's</b>	<b>2018/19 £'000's</b>	<b>2019/20 £'000's</b>	<b>2020/21 £'000's</b>	<b>2021/22 £'000's</b>
Housing Reserves	3,532	4,192	4,451	4,844	5,412
MRA Grant	2,770	2,770	2,770	2,770	2,770
Unsupported Borrowing	13,269	5,430	4,149	639	212
<b>Total Budget</b>	<b>19,571</b>	<b>12,392</b>	<b>11,370</b>	<b>8,253</b>	<b>8,394</b>

### **Other Schemes**

A sum of £1.350M per annum in 2017/18 and 2018/19 and £800K in 2019/20, 2021/21 and 2021/22 was included to address high priority Visible Services assets and infrastructure improvements.

Flood Risk Management funding of £100K per annum was provided in addition to recurring coastal protection funding of £110K per annum. Increased matchfunding had been made available to ensure that the Coldbrook Flood Risk Management was able to be completed during 2017/18. The Llanmaes and Boverton schemes which were included in the Capital Programme would also enhance flood protection in the area. Given the complexity associated with Flood Risk Management schemes it was proposed that £150K be ringfenced in the Visible Services Reserves for potential additional match funding for these schemes.

A sum of £339K (including slippage from 2016/17) in 2017/18 and £300K from 2018/19-2021/22 had been allocated in relation to the Barry Regeneration Partnership. As well as being used for preparatory work (e.g. site investigations), this could also be applied as match funding to lever additional sources of grant funding. In addition to this £155K had been allocated to a regeneration scheme at Nells Point former toilet block.

Funding for Disabled Facilities Grants of £5.350M had been provided in total over the 5 years.

After presenting this item, the Leader noted the significant usage of Capital Receipts. In agreement with her colleague, the Cabinet Member for Regeneration and Education stated that she was particularly pleased to see an ambitious programme in School investment. She noted that this report alone identified over £77m of school investments across a mix of old and new developments, which were detailed in paragraph 64 of the report. The Cabinet Member further commented that cumulatively, this would mean a total investment of £150m in schools over 10 years. Additionally, the Cabinet Member for Regeneration and Education highlighted paragraph 53 of the report, which stated that “In developing the Corporate Plan, the Council has reflected on the way it works and has stated 5 principles it will follow. These budget proposals reflect this new approach to working.” and she highlighted the recent Community Mapping work that had taken place at St. Athan, Wenvoe and Rhoose as an example of the Council leading the way in working with residents to help prioritise community investment.

This was a matter for Executive and Council decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

**That the following be recommended to Council:**

- (1) T H A T the final budget proposals for the Capital Programme for the years 2017/18 to 2021/22 as set out in Appendix 1 attached to the report be approved.
- (2) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, be granted delegated authority to make additions, deletions or transfers to or from the 2017/18 to 2021/22 Housing Improvement Programme as appropriate.
- (3) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, be granted delegated authority to make additions, deletions or transfers to or from the 2017/18 to 2021/22 Asset Renewal budgets as appropriate.
- (4) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, be granted delegated authority

to make additions, deletions or transfers to or from the 2017/18 Victorian Schools budget as appropriate.

- (5) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, be granted delegated authority to make additions, deletions or transfers to S106 funded schemes subject to Member consultation as required under the existing process.
- (6) T H A T the following changes to the 2016/17 and 2017/18 to 2021/22 Capital Programme be approved:
- Romilly Primary School: That the budget for this scheme be reprofiled as set out in paragraph 35 of the report.
  - Modular Building Resiting: The carry forward of £20K to 2017/18 to fund Fairfield Nursery Adaptations and £62K to 2017/18 and a further £1K to 2018/19 fund the Modular Building Resiting scheme.
  - St Josephs Nursery and Early Intervention Base (EIB): The capital programme in 2017/18 be increased by £1,031K for the scheme to establish Nursery Provision and to locate an Early Intervention Base at the school. The scheme would be funded from £801K Section 106 contributions and £230K capital receipts.
  - Vehicle Replacement Programme: That the budget for this scheme be reprofiled as set out in paragraphs 39 and 46 of the report.
  - Coldbrook Flood Risk Management: That the budget for this scheme be increased to £4.820M in 2016/17 and £1.412M in 2017/18 in line with the approved Contract sums, this would be funded from £5.298M Welsh Government Grant funding, £66K from capital receipts and £868K from reserves.
  - SPACE Project and Civic Office Rewire and Network Rewire Schemes: That the budget for this scheme be reprofiled as set out in paragraph 41 of the report.
  - Court Road Depot: That £300K be carried forward to 2017/18 for this scheme.

### Reasons for decisions

- (1) To set and approve future capital programmes to 2021/22.
- (2) To enable the Housing Capital budget to be managed effectively.
- (3) To enable the Asset Renewal budgets to be managed effectively.

- (4) To enable the Victorian Schools budget to be managed effectively.
- (5) To enable S106 schemes to be managed effectively.
- (6) To amend the 2016/17 and future years Capital Programme and to seek approval from Cabinet and Council.

**C3469 FINAL PROPOSALS FOR THE REVENUE BUDGET 2017/18 (L)  
(SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was asked to consider the final proposals for the Revenue Budget 2017/18, before making their final recommendations to Council.

The Council was required under statute to fix the level of Council Tax for 2017/18 by 11 March, 2017. The final decision on the budget could not be delegated and must be made at the meeting of Council scheduled to be held on 1 March, 2017.

The proposed budget for 2017/18 had been set in line with the current financial strategy and a summary of the overall position was attached at Appendix C to the report.

Asset rentals were accounting adjustments reflecting charges to services for the use of assets. They did not constitute “real” expenditure and were reversed out and replaced by the cost of capital within Policy. Similarly IAS 19 changes were technical accounting adjustments to the costs of pension contributions, which were reversed out in Policy. Neither of these adjustments were therefore a part of the total expenditure of the Council.

Recharges/Transfers related to movements in charges between internal Council Services and the transfer of functions. Overall there was a neutral impact on the budget.

Budget Adjustments related to the £320k reduction in the use of the Social Services Fund in 2017/18.

Inflation (excluding schools) totalled £1.637m of which £844k related to general price increases and a 1% allowance for pay awards amounts to £793k.

The Budget Working Group (BWG) had reviewed and updated the cost pressures. Those which could not be mitigated or reduced were included within the Net Growth

figure of £5.192m. The breakdown of this sum was shown at Appendix D attached to the report.

The savings had also been reviewed by the BWG. It would not be possible to implement some of the larger Reshaping Services savings in full during 2017/18 as they would require further time to be implemented and therefore the targets of some of the savings had been reprofiled over the 3 year period. For 2017/18 proposed savings total £4.017m and details were included at Appendix E attached to the report.

As part of the Initial Revenue Proposals report presented to Cabinet on 14 November, 2016 it was projected that the outturn for Policy for 2016/17 would be a favourable variance of £4m. Cabinet resolved "That the sum of £4 million be set aside to the General Fund and consideration be given for that allocation to be used to offset the shortfall in the revenue budget and/or used for capital schemes, the details of which would be considered by the budget working group before the final revenue proposals were presented to Cabinet and Council for approval".

Options for the funding had been considered by the BWG. In light of the results of the consultation, £1m would be transferred into the Visible Services fund and used to carry out additional road and pavement resurfacing works over the next 2 years. The consultation exercise also demonstrated the value placed on Visible Services by residents and therefore £500k would be transferred into the Visible Services fund to support capital projects. Under the Local Development Plan, site provision had to be made for Gypsy Travellers. Further work would need to be undertaken as to the final requirements however it was proposed that £1m would be set aside in a fund for a Gypsy/Traveller site scheme. It was also proposed that £500k would be placed in the Council Building Fund to generally finance schemes included in the proposed capital programme. Further details of the schemes were contained in the Final Capital Programme Proposals 2017/18 report. There was pressure on the Education recoupment income budget and while the base budget would be increased in 2017/18 this would not be by the full cost pressure requested. However, it was proposed that £200k be transferred into the Schools Placements reserve to cover any potential shortfall while further Reshaping work and assessment was undertaken.

During the year it had been reported that the planning fee income budget was unlikely to meet its target. This was considered to be due to uncertainty in the construction market as a result of the referendum for the United Kingdom's exit from the European Union and a cost pressure was submitted by the department. It was very difficult to forecast the level of Planning fee income in the near future and

therefore in order to cover a possible shortfall, £100k had been transferred into a Planning Fee reserve.

As already stated, it would not be possible to implement some of the larger Reshaping Services savings in full during 2017/18 as they would require further time to be implemented and therefore the targets of some of the savings had been reprofiled. This would result in a shortfall in the revenue budget for 2017/18. As recommended by Cabinet at the initial budget proposal stage, part of the 2016/17 projected underspend would be set aside to the General Fund to be used to offset a shortfall in 2017/18. A sum of £700k would be held in the General Fund and would be used to fund the revenue budget in 2017/18.

## Services

### Learning and Skills

	Schools	Strategy, Culture, Comm Learning & Resources	Achievement for All	School Improvement	Strategy & Reg	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Budget 2016/17						99,359
Recharges/Tfrs						(496)
Changes in Asset Rentals/IAS 19						168
Inflation						175
Restructure	81,684	12,135	3,982	1,162	243	99,206
Net Growth	831	19	473	0	0	1,323
Savings	(78)	(357)	(165)	(40)	0	(640)
<b>Budget 2017/18</b>	<b>82,437</b>	<b>11,797</b>	<b>4,290</b>	<b>1,122</b>	<b>243</b>	<b>99,889</b>

WG no longer required Councils to provide a Minimum Funding Commitment for school funding, which had been equivalent to 1% above the change in the Assembly's block grant funding allocation from the UK Government.

A breakdown of the net growth was attached as Appendix D of the report. Even though the Education SSA had decreased by £696k from 2016/17, additional funding had been allocated to the service. The BWG had decided to fund the one off additional pay cost pressures for schools on the same basis as the rest of the Council i.e. full funding for the increase in non-teaching staff employers superannuation contributions and 50% of the Apprenticeship Levy. £689k had also been provided to contribute towards other cost pressures.

During the year it had been reported that there had been pressure on the inter authority recoupment budget and the out of county placements budget with projected overspends of £793k and £268k respectively. Part of the overspend was being offset by some budget underspends within the Directorate and as part of the 2015/16 closing report, £500k was set aside in a Schools Placements reserve which would be fully utilised during 2016/17. The BWG acknowledged the pressures in the area and had allocated recurring funding of £450k and had transferred £200k into the Schools Placements reserve. The BWG requested that further work should be undertaken in the area through the Reshaping Service programme to mitigate the position.

A breakdown of the savings target was shown in Appendix E as attached to the report. Reshaping savings targets were included in 2017/18 to be achieved from the Additional Needs and the Strategy and Resources services. Work was ongoing, not only to achieve this saving, but to reduce the pressure in the services. It was acknowledged by the BWG that further time was needed to implement changes and therefore the savings targets had been reprofiled over a 2 year period.

It was suggested that the Schools Budget Forum be consulted before any final decision was made on the split of the funding between Central Education and the Schools. It was recommended that delegated authority be given to the Interim Director of Learning & Skills to determine the split in the light of that consultation. It was also planned that as part of the 2017/18 budget setting process the budget for Catering Services would be delegated to Schools.

After the changes above the Education budget would be substantially above the Indicator Based Assessment (IBA).

## Social Services

	Children & Young People	Adult Services	Business Mgmt. & Innovation	YOS	Total
	£'000	£'000	£'000	£'000	£'000
Budget 2016/17	14,858	39,906	295	696	55,755
Recharges/Tfr	(4)	4	(68)	(6)	(74)
Adjustments	115	205	0	0	320
Inflation	133	529	30	11	703
Net Growth	19	1,606	10	0	1,635
Savings	0	(335)	0	0	(335)
Changes in Asset Rentals/IAS 19	3	(5)	0	0	(2)
<b>Budget 2017/18</b>	<b>15,124</b>	<b>41,910</b>	<b>267</b>	<b>701</b>	<b>58,002</b>

The latest projected outturn for Social Services in the current financial year indicated an overspend of £600k. There remained continuing pressures on the service, particularly in relation to the cost of adult care packages which could outturn this year up to £1m over budget and the full year effect of this year's commitments would further increase the figure. This overspend related mainly to domiciliary care packages provided for frail elderly clients.

A breakdown of the net growth was shown in Appendix D attached to the report. Having regard to the current financial pressures and the results of the budget consultation, where concerns were raised by the Social Care and Health Scrutiny Committee and residents over the support for older people, the BWG acknowledged that there were significant issues in the area. Not only was there an increase in the population, but clients were increasingly frail with complex needs. There was a 'knock on' effect from pressures within Health and work was being undertaken to ensure integration between the two services.

However, this was an ongoing process. There were also pressures on the service from changes in legislation such as the Social Services and Well-being (Wales) Act 2014 which came into force on 1 April, 2016. Fees paid to residential and domiciliary providers during 2016/17 were increased by above the level of inflation to allow for the introduction of the National Living Wage. Providers had also requested an above inflation increase in 2017/18, due to the continuing impact of the National Living Wage. However, the Social Services SSA for 2017/18 had decreased by £262k from

2016/17. The BWG had taken all these factors into account and it was proposed that an additional £1.25m should be included in the budget for Adult Services. In addition, it had been announced by WG that the maximum weekly charge for non-residential care was due to increase from £60 to £70 per week and this should generate up to £250k of additional income for the service.

The Council for the past 3 years had received Delivering Transformation Grant from WG. The grant had been used to implement the introduction of the Social Services and Well-being (Wales) Act 2014. This funding would be transferred into the RSG in 2017/18 to enable the continuation of work required to fully implement the Act. Previously the Council had worked in collaboration with Cardiff Council to implement the changes required, with the Vale of Glamorgan Council acting as host authority and receiving grant funding for both authorities. It was proposed that the collaborative working between the authorities continued in 2017/18 with the Vale of Glamorgan Council continuing to act as the host.

The Intermediate Care Fund (ICF) grant would continue to be provided to Health by WG and the Service would work with Health to ensure the monies were spent in the most cost effective way.

On 5 January, 2017 the Minister for Social Services and Public Health announced an additional £10m funding for Social Care. The new investment was to form part of a three-way agreement to be established between the Welsh Government, local government and social care employers to work together to create a more stable social care workforce. The funding was to help to meet the extra costs associated with the introduction of the National Living Wage. How this funding would be transferred to local authorities was not yet known, however, if it was allocated on the basis of the Older Persons Residential and Domiciliary Care SSA formula then the Council could receive around £370k.

A breakdown of the savings target was shown in Appendix E attached to the report. There had previously been a saving included of £270k to be achieved from a review of the way in which domiciliary care was procured, however, the BWG understood the pressure on this service and while the service needed to continue to review and implement alternative ways of working and managing demand, the saving had been removed.

During 2012/13, the Social Services Budget Programme was established which outlined a series of savings for future years and provided the required funding for the managed reduction of the budget, via the setting up of the Social Service Fund. The following table showed the continued use of the Social Services Fund.

<b>Financial Year</b>	<b>Use of Fund</b>
	<b>£'000</b>
2017/18	650
2018/19	330
<b>TOTAL</b>	<b>980</b>

The Director of Social Services would continue to review the Social Services Budget Plan and take the necessary action to achieve the level of savings required in accordance with the above timeframe. It was also essential that tight control over expenditure was achieved.

### **Environment and Housing**

	<b>Visible</b>	<b>Transport</b>	<b>Building</b>	<b>Regulatory</b>	<b>Council Fund Housing</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£000</b>
Budget 2016/17	20,068	4,834	0	2,056	744	27,702
Recharges/Tfr	338	(20)	(9)	84	182	575
Adjustments	0	0	0	0	0	0
Inflation	265	46	9	19	10	349
Net Growth	308	3	0	8	190	509
Savings	(819)	(22)	0	0	0	(841)
Changes in Asset Rentals/IAS 19	(246)	0	0	(1)	0	(247)
<b>Budget 2017/18</b>	<b>19,914</b>	<b>4,841</b>	<b>0</b>	<b>2,166</b>	<b>1,126</b>	<b>28,047</b>

A breakdown of the net growth was shown in Appendix D attached to the report. As part of the consultation process, residents commented on the Waste Collection service and, therefore, the BWG thought it appropriate to support some of the increased costs and pressures on the Waste Collection and Recycling services.

A breakdown of the savings target was shown in Appendix E attached to the report. A Reshaping Services savings target of £1.9m had been included for 2017/18. A report also on the agenda outlined proposals for the way in which part of this saving

would be achieved, however, it would not be possible to implement the full level of this saving during 2017/18. The saving target had therefore been reprofiled over 2 years.

### **Managing Director & Resources**

	<b>Resources</b>	<b>Regen</b>	<b>Develop Mgt</b>	<b>Private Hsing</b>	<b>General Policy</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£000</b>
Budget 2016/17	920	2,172	958	11,262	16,660	31,972
Recharges/Tfr	1,296	(101)	(9)	(428)	(763)	(5)
Adjustments	0	0	0	0	0	0
Inflation	227	20	16	107	40	410
Net Growth	59	8	5	62	91	225
Savings	(1,769)	0	(2)	0	(430)	(2,201)
Changes in Asset Rentals/IAS 19	(5)	(8)	0	0	94	81
<b>Budget 2017/18</b>	<b>728</b>	<b>2,091</b>	<b>968</b>	<b>11,003</b>	<b>15,692</b>	<b>30,482</b>

A breakdown of the net growth was shown in Appendix D attached to the report. The implementation of the Cardiff Capital Region City Deal was beginning to progress. A sum of £50k had been included in the 2017/18 budget to contribute towards regional working in this area. A budget of £60k had been included for staff costs as part of the Renewal Area budget, which was required to support the capital bid which had been included as part of the final capital programme proposals.

A breakdown of the savings target was shown in Appendix E attached to the report. Included as part of the Tranche 2 Reshaping Services programme was £1.4m which was to be achieved from the Corporate Workstream in 2017/18. The implementation of this review had already commenced however a full saving would not be achieved in 2017/18 and therefore the saving had been reprofiled over the next 2 years.

### **Delivering Well Being**

In setting the revenue budget, the Council needed to consider its corporate priorities as set out in the Corporate Plan 2016-2020 through the 4 well-being outcomes which were shown below with examples of how the Council was providing support through the 2017/18 revenue budget.

- An Inclusive and Safe Vale - Funding had been allocated to support the continuation of the Renewal Area which improved the quality of housing;
- An Environmentally Responsible and Prosperous Vale - Funding had been allocated for the commencement of the Cardiff Capital Region City Deal which would maximise opportunities for economic development and job creation and through the provision of additional funding for waste recycling;
- An Aspirational and Culturally Vibrant Vale – Funding had been provided for schools; and
- An Active and Health Vale – Funding had been provided to support Social Services and collaborative work will continue with Health as part of the ICF grant funding.

These outcomes demonstrated the Council's commitment to the Well-being of Future Generations Act which aimed to improve the social, economic, environmental and cultural well-being of Wales and ensured that the needs of the present were met without compromising the ability of future generations to meet their own need. Even with reductions in funding, where practical, the Council would strive to maintain services which contributed to this agenda.

In developing the Corporate Plan, the Council had reflected on the way it worked and had stated 5 principles it would follow. These budget proposals reflected the new approach to working. The 5 ways of working were:-

- Looking to the long term - The budget proposals were a means of planning for the future and took a strategic approach to ensure services were sustainable and that future need and demand for services was understood.
- Taking an integrated approach - The budget proposals highlighted and encouraged ways of working with partners.
- Involving the population in decisions – As part of the budget proposal process there had been engagement with residents, customers and partners.
- Working in a collaborative way – The budget proposals recognised that more could be achieved and better services could be provided by collaboration and it encouraged this as a way of working in the future.
- Understanding the root cause of issues and preventing them – The budget process was proactive and allowed an understanding of the financial position so that issues could be tackled at the source.

## **Financial Strategy for 2018/19 to 2019/20**

The 2014/15 final budget proposals were informed by a budget review exercise that included the reappraisal of the Council's financial strategy. Consequently, separate strategies were put in place for Education & Schools, Social Services and all Other Services.

The BWG had continued to have regard to the continued appropriateness of these strategies given the significant level of savings that now had to be found, the relative size of the Education & Schools and Social Services budgets as a proportion of the Council's net budget requirement and the pressures on the services.

Education & Schools increases should at least match the overall percentage change in the Council's budget as amended for adjustments to the council tax reduction scheme (CTRS) and the council tax base. The Council would continue to strive to ensure that the budget for Education would be the same proportion of the Council's total budget as the Education SSA was to the total SSA where it was feasible to do so. This would be dependent on future settlements.

The BWG considered that the principles applied above to Education & Schools also continued to apply to Social Services. It was proposed that the financial strategy for all Other Services remained in place. This would require services to manage downwards or meet the bulk of their cost pressures through additional savings. For the purpose of these projections, it had been assumed that the financial strategies set out in the report for Education & Schools and Social Services would continue to be applied.

WG had not provided the Council with indicative settlement figures for 2018/19 onwards. The MTFP was based upon a cash reduction of 3% in both 2018/19 and 2019/20. Each 1% change in AEF affected the Council by approximately £1.5m. It was assumed that the same levels of reduction were used for these projections.

Pay and price inflation (excluding schools) was estimated at £3.323m over the two years based upon a 1% per annum uplift for both areas. This assumption would be reviewed again when the next iteration of the MTFP was produced.

In November 2014, Cabinet agreed to commence a Reshaping Services strategy and change programme. This programme was the Council's proactive response to central government's austerity drive that had created a period of unprecedented financial pressure in the public sector. The savings targets set as part of this

programme were large and challenging, and required substantial input for their achievement. As detailed by service area above, some of the targets had been reprofiled over a number of years to ensure their successful and considered implementation.

Cabinet as part of the initial budget setting process for 2016/17 agreed to the commencement of Tranche 3 of its Reshaping Services programme. As part of the work recently completed with Price Waterhouse Cooper, areas of savings for 2018/19 onwards had been identified. They were currently not allocated to individual services but identified for the Council as a whole. Appendix F attached to the report included the proposed savings for 2018/19 and 2019/20, including the Tranche 3 Reshaping Services programme.

Cost pressures for future years had been considered and assessed by the BWG and totalled £4.616m for 2018/19 and 2019/20. Details were attached at Appendix G to the report. This included a possible level of funding for schools which was estimated at £986k over the 2 years and potential pressures on Social Services as a result of increased demographic growth and further increases in the National Living Wage. Any further cost pressures would need to be managed down or mitigated by Services in order to avoid further savings targets being required. An allocation had been included for Housing as recognition of the possible reduction in transition grant funding and in order to support homelessness prevention services.

Previously there were no plans to use the Council Fund reserve in future years after 2016/17, however, this budget proposal recommended the use of £700k to support the 2017/18 budget on a one off basis, leaving a balance of £8.572m in the fund as at 31 March, 2018. However, there was considerable uncertainty on the effects of Britain's exit from the Europe Union and there was a distinct possibility that inflation would increase in the coming years. Coupled with that, the Reshaping Services savings may not be achieved in the short term. That being the case, it had to be assumed that the Council Fund could be used to support the budget in the coming years, while at the same time, being mindful that the Section 151 Officer required a balance of £7m to be maintained as a minimum balance for this particular fund.

Assuming a council tax increase in each of the two years of 2% and adjustments for 'one-off' items flowing from the 2017/18 budget, the table below showed the projected shortfall for the period. It was emphasised that these projections were based upon information available at the current time and they would be subject to change e.g. changes in AEF. The projection was also based upon the assumed achievement of a high level of savings. The position would be reassessed as part of the MTFP and future year budget setting processes, to identify if these savings were

not achieved or were not implemented in the year required, or additional cost pressures were not mitigated.

<b>Financial Projections to 2019/20</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Assumed Decrease in AEF (3% and 3%)	4,487	4,352	8,839
Cost Pressures (inc Schools)	2,642	1,974	4,616
1% Pay and 1% Price Inflation (excl. schools)	1,653	1,670	3,323
Net Savings Targets	(5,226)	(2,270)	(7,496)
Assumed 2% Gross Council Tax Increase	(1,323)	(1,350)	(2,673)
Adjustment for 'One Off' Items *	320	330	650
<b>(Surplus)/Shortfall in Savings Required</b>	<b>2,553</b>	<b>4,706</b>	<b>7,259</b>

## Reserves

Reserves were a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. Funds no longer required may be transferred to the Council Fund and then set aside for other purposes or used to reduce council tax.

The Council had always taken a prudent approach with regard to Specific Reserves and used them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other Reserves had been established to fund Council priorities, e.g. Visible Services and in particular the Capital Programme, e.g. School Investment Reserve, Project Fund, Building Fund. This was important as the Council had limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums had also been set aside to assist in budget management. The Housing Revenue Account Reserve was ring-fenced to Housing and the majority would be used to fund improvements to the Council's housing stock.

The Council benefited from a reasonable level of reserves, however, they were not inexhaustible and had taken years of careful financial management to develop to their current position. After several years of real term reductions in funding and with the continuation of austerity measured into the foreseeable future, there was reducing contingency in the normal operational council budgets and the management and use of reserves would become increasingly important to be able to continue to provide services and to mitigate risks, while still trying to deliver corporate priorities.

The level of reserves had to be considered in the context of the financial risk facing the Council over the coming years.

One of the main risks to the Council's financial planning was the uncertainty as to the level of funding to be received from WG in future years. No indication had been provided by WG after 2017/18. Projections had been based on the assumed cash reduction in AEF of 3% in both 2018/19 and 2019/20. Each 1% change in AEF affected the Council by approximately £1.5m.

Projecting forward on this basis, there was a gap in funding in the coming years that would need to be identified. Savings of £18.772m needed to be achieved over the next 3 years, of which £11.513m had been identified. This figure was extremely challenging and there was significant pressure on services to deliver these existing savings in full and on time. There was a risk of non-achievement of these savings and the ability to identify and implement further savings given the already high level of savings previously delivered by services. Reserves had been set up where possible to facilitate this process e.g. Early Retirement Fund, Reshaping Services Fund.

There were risks in the budget and the most significant of these were set out in the report. Social Services care packages budget was currently overspending. Even though additional funding had been proposed for 2017/18, further action would need to be undertaken by the Director of Social Services to achieve a balanced budget. The budget recovery plan for Social Services required an estimated £980k from the Social Services Fund to cover revenue expenditure over the next 2 years to give the Service time to plan and implement remedial action, in order to bring their expenditure within their base budget.

Pay and price inflation was a further risk. From 2017/18 onwards, provision had been made in the budget at a rate of 1% for each element. The Consumer Price Index had been gradually increasing and for the 12 months to December 2016 it rose by 1.6%. Services would need to manage spending as costs rises about the 1% included in their budgets.

Details of all specific grants had not yet been finalised and there was a risk that should grants be cut and it was not possible to reduce expenditure correspondingly, the Council could overspend. This risk was mitigated by the fact that Services had in place "exit" plans for any specific grant ceasing and were usually aware of likely developments in the level of grant. In the first place each Service would be expected to fund any shortfall from its revenue budget. There were however some reserves held to cover future grant reductions but these could only be seen as a contingency

in the short term e.g. Adult Community Learning and Youth Offending reserves. The payment of redundancy costs, when a grant ceased, was not normally allowed as eligible expenditure to be set against the grant and therefore it was for the Council to set aside funds to cover this eventuality. A Grant Exit Strategy reserve was being held under the Social Services heading to fund such costs if they arose and in the main related to the Flying Start grant.

Legislative changes provided a major risk to the Council. The impact of the introduction of the Social Services and Well-being (Wales) Act 2014 was continuing to be assessed and the Social Services Legislative Changes reserve could be used to mitigate issues in the short term. Any increase in the National Living Wage would put further pressure on staffing budgets. There was uncertainty for future recycling costs as a result of Article 11 of the Revised Framework Directive which were yet to be confirmed. In addition, the impact of changes to welfare reforms were at present not clear and a reserve was held for this purpose. With the introduction of the new Housing (Wales) Act in April 2016 Welsh Government secured transitional funding for all local authorities to help mitigate the potential significant challenges of the Act and the number of additional statutory duties within the Act. As the funding was transitional and was likely to reduce in the future, the authority needed to ensure that it could fund its new duties from within its future resources.

There were risks associated with climate change, in particular energy costs and the Council held an Energy Fund to implement energy saving initiatives. The effect of adverse weather conditions increased the cost of running and maintaining the Council's infrastructure and provision needed to continue to be set aside to fund works over and above that held in the normal operational revenue budget, as covered for instance by the Bad Weather reserve.

Whilst covered by a separate report on the agenda, it was important to point out that a large proportion of the reserves were held for capital expenditure as well as for revenue purposes. There was a large commitment required for the future development of local schools and for the risks in maintaining aging premises. Also, the Council relied heavily on its IT infrastructure and the Wales Audit Office had recommended that a corporate technology development fund should be held.

The Council also held funds to enable it to fulfil its priorities set out in the Corporate Plan through the 4 well-being outcomes. The Council had to demonstrate its commitment to the Well-being of Future Generations Act and ensure that the needs of the present were met without compromising the ability of future generations to meet their own need, thus ensuring that funding was available in the long term through sound financial planning.

As part of the usual Budget process, an examination of the level of reserves was undertaken to ascertain their adequacy and strategy for use. The reserves were examined with a view to their level (i.e. whether the amount held in the fund was sufficient to requirements) and purpose (i.e. whether the need to hold the fund was still relevant).

The requirement for each specific reserve had also been considered in light of the Council's priorities and it had been deemed necessary to move funding from lower priority areas to higher priority areas.

The Regulatory Improvements reserve was set up several years ago and covered the previous Public Protection service which included Private Housing. Part of this reserve related to Private Housing and therefore the allocation of £284k now needed to be transferred to a separately identifiable reserve for that service. Also the reserve currently included the repayment to the Council of its proportion of the underspend achieved by the Shared Regulatory Service in 2016/17 which was £142k. It was proposed that the Regulatory Improvements reserve was set at the level of the repayment from the Shared Regulatory Service and that the remaining balance be transferred into the Visible Services fund.

The estimated level of the Council Fund Reserve at 1 April, 2017 was £9.272m, with £700k being used to fund the revenue budget in 2017/18. This left a balance as at 31 March, 2018 of £8.572m.

The Section 151 Officer's view was that the minimum level for the Council Fund Reserve was £7m. This was considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure could be substantial and several instances could occur in a year. Whilst there was no set requirement for the minimum level for the Council Fund Reserve, some commentators used 5% of the net budget as a guide. For the Vale of Glamorgan this was currently about £10.8m. However, in view of the prudent approach the Council took with regard to Specific Reserves, £7m was considered a reasonable minimum.

The Schools Balances were unspent budgets delegated to individual schools. It was projected that the aggregate nursery, primary and secondary balances would be £705k in surplus at 31 March, 2017.

Attached at Appendix H to the report was a schedule showing the reserves and the anticipated balances at 31 March, 2017, 2018, 2019 and 2020. The Appendix set out

the title of the reserve together with its purpose. A summary of the position was set out below:

<b>Summary of Estimated Reserves Projected to 2019/20</b>	<b>Est. Bal. 31/3/2017</b>	<b>Net Movement</b>	<b>Est. Bal. 31/3/2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Reserves	9,272	(700)	8,572
Specific Reserves :			
- Insurance Fund	1,743	0	1,743
- Capital Reserves	26,483	(14,851)	11,632
- Other Specific Reserves	23,566	(11,071)	12,495
<b>Total Council Fund Reserves(excl. Schools)</b>	<b>61,064</b>	<b>(26,622)</b>	<b>34,442</b>

It was projected that there would be a large fall (44%) in the level of reserves over the 3 year period as substantial calls on funds were made. However, these were still deemed to be adequate as known risks were largely covered and the Council Fund Reserve was at a reasonable level, not expected to fall below £7m.

At the meeting, the Leader highlighted paragraphs 14 and 93 of the report. These stated that confirmed reductions in funding from Welsh Government of £1.786m equated to a 2.8% change in Council Tax, or £31.14 for Band D properties. The Leader stated that any rise in Council Tax had to strike a balance between financial pressures facing Council taxpayers and the growing pressure on services, particularly in light of reduced funding from Central Government being received by the Welsh Assembly. Finally, the Leader noted that the average Council Tax set by Councils in Wales for 2016/17 at Band D was £1,127, whilst the Vale of Glamorgan's was £1,111.23, and other Local Authorities were planning much higher rises in Council Tax this year.

This was a matter for Executive and Council decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

**That the following be recommended to Council:**

- (1) T H A T the budget for 2017/18 be fixed at £215.72 million including a provision of £200k for discretionary rate relief to rural shops and post offices and charitable organisations.
- (2) T H A T the budgets for 2017/18 as set out in Appendix C as attached to the report and the totals as set out below be approved:

	<b>£'000</b>
Schools	82,437
Strategy, Culture, Community Learning & Resources	11,797
Strategy and Regulation	243
Achievement for All	4,290
School Improvement	1,122
Children & Young People	15,124
Adult Services	41,910
Business Management & Innovation	267
Youth Offending Service	701
Visible Services	19,914
Transportation	4,841
Building Services	0
Regulatory Services	2,166
Council Fund Housing	1,126
Resource	728
Regeneration	2,091
Development Management	968
Private Housing	11,003
General Policy	15,692
Council Fund Reserve	(700)
<b>Grand Total</b>	<b>215,720</b>

- (3) T H A T the recommendations regarding Net Growth for 2017/18 as set out in Appendix D attached to the report and Savings for 2017/18 as set out in Appendix E attached to the report be approved.
- (4) T H A T the Council Tax for 2017/18 be set for its own purposes (excluding Police and town and community council precepts) at the following levels:

<b>Band</b>	<b>Council Tax £</b>
A	761.58
B	888.51
C	1,015.44
D	1,142.37
E	1,396.23
F	1,650.09
G	1,903.95
H	2,284.74
I	2,665.53

- (5) T H A T the proposed draft report on Education Budget and Indicator Based Assessment (IBA) attached at Appendix A to the report be endorsed and the Interim Director of Learning and Skills make arrangements for it to be forwarded to the School Budget Forum.

**That the following be approved by Cabinet:**

- (6) T H A T the initial savings targets for 2018/19 and 2019/20 as set out in Appendix F attached to the report be approved.
- (7) T H A T delegated authority be granted to the Interim Director of Learning and Skills to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum.
- (8) T H A T the Director of Social Services continue to review the Social Services Budget Plan and take the necessary actions in order to manage future service demand.
- (9) T H A T the Vale of Glamorgan Council continue to act as host and works in collaboration with Cardiff Council in efficiently utilising the Delivering Transformation funding transferred into the Revenue Support Grant in 2017/18.
- (10) T H A T the reclassification of reserves as set out at Appendix H attached to the report be approved.

Reasons for decisions

- (1) To set the 2017/18 budget in line with statutory requirements.
- (2) To allocate budgets to services.
- (3) To reduce risk to services and balance the budget.
- (4) To set Council Tax levels for 2017/18.
- (5) So that the report could be presented to the Schools Budget Forum.
- (6) To set minimum targets for achieving savings.
- (7) To set out delegated authority in relation to the allocation of the Education and Schools budget.
- (8) To ensure that the Social Services Budget Plan was achieved and future demand was managed.
- (9) To allow collaborative working between the Vale of Glamorgan Council and Cardiff Council.
- (10) To ensure that reserves were both adequate in purpose and level.

**C3470 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2017/18 (L) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Cabinet was asked to set the Housing Revenue Account (HRA) budget for the financial year 2017/18 and to set the rents and service charges for the forthcoming rent year beginning on 3 April, 2017.

Each local housing authority was required under Section 74, of the 1989 Local Government and Housing Act to keep a Housing Revenue Account. Section 76 of the Act required local authorities to set a budget for their Housing Revenue Account (HRA) on an annual basis. The budget had to be such that the Housing Revenue Account was not in deficit at the year end.

During the course of the year, local authorities had to review their HRA expenditure and income and if, on the basis of the information available the account was heading for a deficit, they had to take steps that were reasonably practical to prevent the

deficit. A local authority was not prohibited from being in deficit but would need to demonstrate that the deficit had arisen through exceptional circumstances and that it had revised its original proposals so far as reasonably practical to avoid the deficit. Such a deficit had to be carried forward and made good the following year.

Each local authority should endeavour to have a working balance on the HRA, for any exceptional circumstances that may arise.

The basis of rent increase was set by the WG Policy for Social Housing Rents. The policy set a target rent band for each authority. In order to comply with the rent policy, social landlords had to ensure their average weekly rent for their general needs and sheltered housing was within their target rent bands. Landlords also had to ensure a tenant's rent was not increased by more than (CPI +1.5%) plus £2.00 per week.

The 2017/18 rent bands for each local authority were issued by Welsh Government (WG) on 20 December, 2016 and the agreed increase was CPI (as at September 2016) 1% plus 1.5% + £2.00, i.e. 2.5% + £2.00 as laid out in the new rent policy.

The initial HRA budget proposals were considered by Cabinet on 14 November, 2016 (minute C3364 refers). They were subsequently referred to the Homes and Safe Communities Scrutiny Committee on 7 December, 2016, who noted the proposals as did Corporate Performance and Resources Scrutiny Committee on 13 December, 2016.

### **Base Budget 2017/18**

The Budget Strategy for 2017/18 outlined that, in order to establish a baseline, services should prepare revenue budgets for next year based on the cost of providing the current level of service and approved policy decisions. This meant that the cost of price increases and pay awards should be included.

Due to the nature of the HRA in that it was ring fenced and any growth had to be funded from the balance, no cost pressures had been formally identified.

It was anticipated that the 2017/18 draft 30-year Housing Business Plan would be reported to Cabinet during March 2017, once the latest guidance had been received from Welsh Government. The Plan would also require Council approval.

The proposed 2017/18 budget was set out at Appendix 1 attached to the report and was identified over the following areas.

- Supervision & Management (General) - This budget head related to the general management of the Council's housing stock, for work carried out within the Housing service, and for various issues relating to the Council tenancies excluding the repairs and maintenance function.
- Supervision & Management (Special) - This budget related to the running expenses and the cost of staff employed directly within the Housing service, in relation to functions such as sheltered housing schemes, running the hostel and temporary accommodation.
- Repairs and Maintenance - This budget related to the revenue repairs and maintenance service for the Council Housing Stock.
- Capital Financing Costs - Costs associated with financing debt.
- Rents, Rates, Taxes and Other Charges - This budget head related to items such as expenditure on Council Tax at long void properties, legal expenses, surveying costs, compensation and insurance.
- Increase in Provision for Bad Debts - This budget identified the amount by which the current level of provision should be increased by in year.
- Capital Expenditure from Revenue Account (CERA) - This budget related to a contribution made from the Housing Revenue Account to fund capital expenditure.
- Dwelling Rents - This was the net rent due to the Council for all properties whether General Needs, OAP designated, Sheltered Complexes, Hostel or Temporary Accommodation.
- Non Dwelling Rents - This represented the net rental income due to the Council for HRA owned garages.
- Interest - This budget related to interest receivable on the average HRA Reserve Balance.
- Charges for Services and Facilities - This budget identified amounts due to the Council by tenants and leaseholders and some private individuals for services and facilities provided by the HRA.

In summary the change in the budget was itemised as follows:-

2016/17 Original Budget	Inflation / Pay Award	Committed Growth / (Savings)	Rent Increase	Increase/ (Decrease) in CERA	2017/18 Proposed Budget
£000	£000	£000	£000	£000	£000
(22)	136	(232)	(621)	608	(131)

Inflation included an allowance of 1% pay awards in 2017/18. 1% increase in pay amounts to approximately £26k.

The net saving of £232k was due to a number of factors;

- A decrease in Capital Financing charges of £28k in relation to unsupported borrowing being taken out in 2017/18 to fund the Housing Improvement Programme.
- An increase in staff costs for increments and staff changes of £79k.
- A reduction of £290k in central recharges.
- A reduction in the cost for Council Tax at void properties of £67k.
- An increase in the revenue repairs costs of £185k.
- Various other minor savings of £111k.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £608k had been assumed. The amount of revenue contribution required was dictated by available revenue balances and the value of the Housing Improvement Programme. Adjusting the level of CERA by this amount would leave a minimum HRA Reserve of £831k as at 31 March, 2018 which was in line with the draft Housing Business Plan. The minimum level of the HRA Reserve had been re-assessed from the £600k included in the previous plan. The revised level was equivalent to approximately 5% of revenue and capital expenditure, excluding any new build development costs. 5% was a generally accepted percentage used for assessing levels of reserves to be held.

### **Proposed Increases in Rents**

The rent policy set a target rent band for each landlord and landlords were required to operate with average weekly rent levels that fell within the scope of those bands. The target rent band provided a low end figure, a mid-point and a high end figure for each landlord. The average weekly rent level for each social landlord was compared to the target rent band. In addition, the maximum amount a social landlord could increase an individual tenant's weekly rent was CPI +1.5% plus £2.00 (i.e. 2.5% plus £2.00). If the Vale of Glamorgan applied a 2.5% plus a maximum of £2.00 per week rent increase to Council House Rents then the average weekly rent would fall within the target rent band. The additional increase would be applied across the stock based on the local rent policy currently in place.

It was usual practice that the Vale of Glamorgan only increased rent by an amount specified via Department for Work and Pensions (DWP) to prevent a breach of the Housing Benefit Rent Rebate Limitations. Breach of the limitation would mean that

the HRA would be liable for a proportion of the additional increase. The current rent for the Vale of Glamorgan was within the draft limit issued by Welsh Government.

It was proposed that rents were increased within the limit of 2.5% plus the maximum of £2.00 and had been set in line with our existing rent policy, which took into account the number of bedrooms, type and size of property along with location, whilst still ensuring that the current draft Housing Business Plan commitments was achieved. The rent increase per property type was detailed below:-

Type	Present Target Rent for 2016/17  (Based on 50 Chargeable Weeks)	Proposed Average Rent Incr (+)/ Decr (-)  (Based on 50 Chargeable Weeks)	Proposed Average Target Rent for 2017/18  (Based on 50 Chargeable Weeks)
Bungalow	£91.41 per week	+£3.20 per week	£94.61 per week
Flat	£79.84 per week	+£2.79 per week	£82.63 per week
House	£99.47 per week	+£3.47 per week	£102.94 per week
Maisonette	£87.24 per week	+£3.05 per week	£90.29 per week
<b>TOTAL</b>	<b>£91.21 per week</b>	<b>+£3.19 per week</b>	<b>£94.40 per week</b>

### Proposed Increases in Other Charges

Garage Rents - The rent of freestanding garages was currently £7.32 per week. It was proposed that rent for all garages be increased by 3.5% to £7.58 per week. The percentage increase was broadly in line with the rent increase.

Ty lolo Hostel - The current charge for persons accommodated was £163.50 per week. It was proposed that the weekly rent charge be increased by a maximum of 2.5% + £2.00 to £169.59 per week. As rooms at the hostel were classified as HRA dwellings, the rents charged were also subject to Housing Benefit Rent Rebate

Limitations, which meant that hostel rents should be in line with the WG recommended rent increase.

Evans Street, Barry - This property, owned by the Council, was let to Llamau Housing Trust and comprised of six units of accommodation. The current weekly charge was £540.39. It was proposed that the charge be increased by a maximum of 2.5% + £2.00, in line with the recommended increase for the Hostel. The weekly charge would therefore be £555.90 per week.

Temporary Accommodation - The average current weekly charge including additional management, utility and service charge costs was £161.76. It was proposed that the rent element be increased by a maximum of 2.5% + £2.00 in line with the WG recommended guideline increase. The total charge would therefore be £167.80 per week.

Sheltered Housing Guest Suites - It was proposed that the charges for guest room facilities be increased by 3.5% to £12.70 per person per night for double occupancy and £18.15 for single occupancy.

Vale Community Alarm Service (VCAS) - This was a charge which formed part of the inclusive rent, but was separately identifiable. No increase was proposed on VCAS charges and a review of the charging structure currently in place would be undertaken during 2017/18.

The charges in the following paragraphs were based on the agreed Service Charge Policy which stated that charges would be based on the best estimated cost of providing the service in the forthcoming year, using prior year's information and any known contract costs:-

Heating - The cost of providing heating to sheltered properties had decreased. It was proposed that the charge be decreased from £7.97 per week to £6.41 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Warden Management & Support Charge - The proposed charge for the Warden Management element was £4.06 per week, and the proposed charge for the Warden Support element was £5.63 per week.

Lift Maintenance - The cost of lift maintenance had increased, due to an increase in the number of emergency call-outs. It was proposed that the charge be increased from £0.83 per week to £0.92 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Door Entry & Intercom - The cost of providing maintenance on the door entry systems had decreased. It was proposed that the charge be decreased from £1.18 per week to £0.75 per week based on the actual costs incurred in the 12 months prior to the budgeting period. The cost of providing the Intercom systems had also decreased from £0.98 per week to £0.73 per week.

Sewerage Treatment Plants - The charge to owners of all purchased and private dwellings connected to Council owned and maintained treatment plants was currently £318.45 per annum, based on the average charge payable if the properties were connected to the main sewerage system. It was proposed that the dwellings continued to be charged at a similar sewerage rates to the Water Schedule 2017/18 issued by Dwr Cymru Welsh Water. The Welsh Water Schedule was not available at the time of writing.

Cesspool Emptying - The current charge of £6.23 per week was based on an equivalent rate to those properties connected to the main sewerage system. It was proposed therefore that the dwellings would continue to be charged t aa rate equivalent to the Water Schedule 2017/18 issued by Dwr Cymru Welsh Water. Whilst the schedule was not available at the time of writing, the 2017/18 equivalent charge could be in the region of £6.35 per week.

Cabinet's final budget proposals would be considered by Council at its meeting to be held on 1 March, 2017.

This was a matter for Council decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T The final HRA budget proposals for 2017/18 as outlined below be recommended to Council :-

	<b>Proposed Budget 2017/18 £'000</b>
<b>Expenditure</b>	
Supervision & Management	4,967

Repairs and Maintenance	4,043
Capital Financing Costs	5,278
Rent, Rates & Taxes & Other Charges	227
Increase in Bad Debt Provision	1,104
Capital Expenditure from Revenue Account (CERA)	3,539
	<b>19,158</b>
<b>Income</b>	
Dwelling Rents	(18,487)
Non Dwelling Rents	(187)
Interest	(4)
Charges for Services and Facilities	(611)
	<b>(19,289)</b>
<b>(Surplus)/Deficit for the Year</b>	<b>(131)</b>
<b>Working Balance Brought Forward</b>	<b>(700)</b>
<b>Working Balance Carried Forward</b>	<b>(831)</b>

- (2) T H A T rent increase of 2.5% plus up to a maximum of £2.00 be approved and recommended to Council, as set out in paragraphs 16-18 of the report.
- (3) T H A T the increase suggested for other services be approved and recommended to Council, as set out in paragraphs 19-31 of the report.
- (4) T H A T The following charges for 2017/18 financial year be recommended to Council:-

<b>50 Week Basis</b>	<b>Current Charges</b>	<b>Proposed Charges</b>
Heating	£7.97 per week	£6.41 per week
Warden Support Charge	£5.63 per week	£5.63 per week
Warden Management Charge	£4.94 per week	£4.06 per week

VCAS:		
- Piper	£4.34 per week	£4.34 per week
- Communicall	£4.92 per week	£4.92 per week
Grounds Maintenance	£1.32 per week	£1.33 per week
Cleaning of communal areas	£1.89 per week	£2.02 per week
Lighting of communal areas	£0.96 per week	£0.87 per week
Laundry Facilities	£0.29 per week	£0.38 per week
Window Cleaning	£0.33 per week	£0.32 per week
Lift Maintenance	£0.83 per week	£0.92 per week
Door Entry	£1.18 per week	£0.75 per week
Intercom	£0.98 per week	£0.73 per week
CCTV	£0.88 per week	£0.84 per week
Sewerage Treatment Plants	£318.45 per annum	Based on the Rateable Value (RV) from the Welsh Water Schedule 2017/18
Cesspool Emptying	£6.23 per week	Based on the Rateable Value (RV) from the Welsh Water Schedule 2017/18

- (5) T H A T all changes to rents and service charges be implemented from 3 April, 2017 and that increase notices be sent to tenants 28 days in advance of the new charges coming into effect.

Reasons for decisions

- (1) As required by statute.

- (2) In order that new rent levels were set within the specified Welsh Government (WG) guidelines.
- (3) In order that charges were approved for the coming year.
- (4) In order that charges were approved for the coming year.
- (5) In order to meet the deadline to notify tenants of the new charges as required by Statute.

**C3471 WALES AUDIT OFFICE CORPORATE ASSESSMENT REPORT 2016 INCORPORATING THE ANNUAL IMPROVEMENT REPORT 2015/16: PROGRESS AGAINST PROPOSALS FOR IMPROVEMENT (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was informed of the progress in implementing the proposals for improvement as included by the Wales Audit Office (WAO) in their Corporate Assessment.

The Implementation Plan was attached at Appendix A to the report, and referred to the progress made since September 2016 against the five Proposals for Improvement.

**Performance Management** - Two Proposals for Improvement related to Performance Management as detailed in the Implementation Plan attached at Appendix A to the report. A considerable amount of work had been implemented over the last 12 months in relation to the Council's Performance Management Framework.

**The Corporate Plan** - was monitored on a quarterly basis by an overarching Corporate Health report presented to the Corporate Performance and Resources Scrutiny Committee.

**Finance** - A Proposal for Improvement related to the need to include detailed savings reports as part of the wider budget monitoring process and that there should be an identification of these savings proposals that related to Reshaping Services. As a result, more detail was now included in budget monitoring reports and the same reports identified the progress made against Reshaping Services savings.

**ICT** - A Proposal for Improvement related to the need to progress a vision and objectives for the service. This work had progressed and a draft strategy was attached at Appendix B to the report.

**Asset Management** - A Proposal for Improvement required the acceleration of the gathering of buildings and compliance data and thereafter rolling out compliance training. This work had been monitored by the Corporate Management Team and required completion (Implementation Plan) by March 2017. Progress was being made in recording compliance data in relation to the Council's housing stock and the situation had also been monitored by the Council's Head of Audit Services.

In addition, the Proposals for Improvement relating to Financial Resilience had also been updated to reflect the current position.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the content of the report and the progress being made against the Proposals for Improvement as outlined in the Implementation Plan attached at Appendix A to the report be noted.
- (2) T H A T the current position with reference to the Draft ICT Strategy be noted and the work undertaken to produce the Draft ICT Strategy having regard to ongoing progress on a Digital Strategy be endorsed.
- (3) T H A T a copy of the report be referred to Audit Committee for consideration.

Reasons for decisions

- (1) To note progress against the Proposals for Improvement.
- (2) To note and endorse the position with regards to the Draft ICT Strategy.
- (3) To ensure that Audit Committee considers the report.

**C3472 CORPORATE ASSET MANAGEMENT PLAN YEARLY UPDATE 2016/17 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was provided with the annual update of performance against the Corporate Asset Management Plan (CAMP) 2015-2018 Action Plan and a summary of the implications for the CAMP as a result of the new Corporate Plan 2016-2020.

The overall aim of the CAMP was to set out the strategic framework for realising the Property Strategy 2015-18 and property mission statement. The CAMP contained a number of Actions under the Asset Management Action Plan, and against which targets were set with completion dates throughout the term of the 2015-18 CAMP. The Action Plan required annual updates to be provided to Cabinet on the yearly review of performance against the CAMP 2015-18 Action Plan. As a result, a number of Actions were being reviewed as outlined in Appendix A attached to the report.

Since the CAMP was originally published, the Council had adopted a new Corporate Plan. Consideration had been given to the way in which the CAMP supported the delivery of the Corporate Plan. Attached at Appendix B to the report was a summary of the implications for the CAMP as a result of the introduction of the new Corporate Plan 2016-2020.

In response to a review of the CAMP, a new Acquisition protocol had been developed in a drive to effectively manage and improve the Council's use of property and the ever increasing need for a more co-ordinated approach to asset management across the Council's portfolio. It aimed to address the requirements of the Well-being of Future Generations (Wales) Act 2015 also. The new Acquisition protocol was attached at Appendix C to the report and a Property Requirement request form was attached at Appendix D to the report.

After the report had been presented, the Section 151 Officer stated that this was a positive report highlighting that progress was being made against the Corporate Asset Management Plan.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the contents of the annual update of performance against the Corporate Asset Management Plan 2015-2018 Action Plan (attached at Appendix A to the report) be noted.
- (2) T H A T the implications for the Corporate Asset Management Plan as a result of the new Well-being Outcomes and Objectives of the Corporate Plan 2016-2020 (detailed in Appendix B attached to the report) be noted.
- (3) T H A T the new Acquisition Protocol (attached at Appendix C to the report) and Property requirement request form (attached at Appendix D to the report) be adopted.

#### Reasons for decisions

- (1-3) To satisfy Section 5, Objective 1 of the Corporate Asset Management Plan Asset Management Action Plan, to update Cabinet on a yearly basis.

#### **C3473 WELSH LANGUAGE TRANSLATION – EXTENSION OF CURRENT ARRANGEMENTS (L) (SCRUTINY COMMITTEE - CORPORATE PERFORMANCE AND RESOURCES) -**

Approval was sought for the extension of the existing Welsh language translation service provided for the Vale of Glamorgan Council by Cardiff Council.

Cabinet at its meeting of 11 April, 2016 resolved to enter into a one-year agreement with Cardiff Council to provide a Welsh language translation service (the service had previously been delivered in house). That service was regulated by a Service Level Agreement between the two Councils, with the arrangement due to expire on 31 March, 2017. The arrangement was an interim measure, with the Council's contract standing orders requiring the service to be subject to tender going forward.

At the time of the commencement of the agreement it was not known what the volume of the material needing to be translated was. One consequence of implementing the Welsh language standards had been to increase substantially the material that was required to be translated. On the basis of 6 months' data it was likely that the number of words to be translated annually was in the order of 1.66 million, which equated to approximately £133,000 in translation costs. Over the length of a potential contract this exceeded the European contract threshold for services and would entail the Council undertaking a formal procurement exercise, with the statutory timescales needing to be observed.

It was noted that the Council would normally use a relevant National Procurement Service (NPS) framework. However, the current NPS Welsh language translation framework was not suitable for the Council's needs. The Council wished to appoint one provider for the range of possible written translation services required over a period of time. This was not possible under the existing NPS structure as all individual defined written jobs had to be quoted for and larger projects had to be mini tendered.

The report therefore proposed, based upon the previous volume and value and having regard to the potential process efficiencies, to run a fully compliant EU procurement process. For that reason it was not possible to introduce new arrangements in time for April 2017, which was the timetable Cabinet previously set. Cabinet was accordingly requested to extend the current arrangements with Cardiff Council, who were prepared to continue to provide the service until August 2017 at the current cost.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

**RESOLVED – T H A T** the current one-year agreement with Cardiff Council for a translation service, due to expire at the end of March 2017, is extended until the end of August 2017 pending a formal procurement process in respect of the service.

Reason for decision

To ensure that the Council was able to continue to benefit from a comprehensive translation service while the tender exercise was being conducted.

**C3474 USE OF THE MANAGING DIRECTOR'S EMERGENCY POWERS (L)  
(SCRUTINY COMMITTEE – ALL) -**

Cabinet was notified of the exercising of Emergency Powers by the Managing Director since the last report in September 2016.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED – T H A T the exercising of the Managing Director's Emergency Powers as indicated below be noted:

**(a) ENABLE Funding**

Authority to accept funding from the Welsh Government for the amount of £148,549 to deliver adaptations in relation to ENABLE - Support for independent living.

(Scrutiny Committee - Homes and Safe Communities)

**(b) Contract Sum Awarded to FCC Environmental in Respect of the Management of the Council's Household Waste Recycling Centres**

Authority to amend the commencement contract price to £1,181,469 (tendered sum) plus an additional £34,658 per annum (every year) for the duration of the contract plus any contract price increases included in the contract document.

(Scrutiny Committee - Environment and Regeneration)

**(c) Approval to Award the Fire Door Repair and Replacement Framework Contract to Advanced Fire Technologies Ltd and Fire Rite UK**

As above.

(Scrutiny Committee - Homes and Safe Communities)

**(d) Temporary Amendment to Chief Officer Delegations**

Granted authority to the Head of Strategy, Community Learning and Resources or the Head of Achievement for All (both in consultation with the Managing Director) to carry out, where necessary, the delegated functions of the Director of Learning and Skills (as set out in the Council's Constitution) together with any ad hoc delegations given to the Director of Learning and Skills by Cabinet or Council.

(N.B. The use of Emergency Powers was also reported to Council on 28 September, 2016.)

(Scrutiny Committees - Corporate Performance and Resources and Learning and Culture)

**(e) The Management of the Council's Household Waste Recycling Centres (HWRCs)**

Authority to extend the term of the contract recently awarded to FCC Environmental to manage and operate the Council's two HWRCs at Barry and Llandow from 1 April, 2016 to 31 March, 2019 to the revised date of 1 April, 2016 to 30 June, 2019.

(Scrutiny Committee - Environment and Regeneration)

**(f) Welsh Government's Vibrant and Viable Places (VVP) Pipeline Funding for the Year 2016/17, in Respect of the Settlement of Barry**

Authority to allow the Council's response to be submitted by the Welsh Government deadline of 14 September, 2016 in respect of an update position in relation to the previously submitted tranche of schemes and any additional emerging priorities for the Council.

(Scrutiny Committee - Environment and Regeneration)

**(g) Welsh Government's Town Centre Repayable Funding Scheme for 2016**

Authority to allow the Council's application in respect of the above Scheme to be submitted before the Welsh Government's deadline on 9 September, 2016.

(Scrutiny Committee - Environment and Regeneration)

**(h) The Knap Lifeguard Building**

Authority to submit a grant application to the Big Lottery Fund Coastal Communities Fund for the above building.

(Scrutiny Committee - Environment and Regeneration)

**(i) Legal Agreement with the Landowner to Allow Construction of the Proposed Cross Common Road Realignment and Dedicated as an Adopted Highway on Completion**

Authority to award the construction works direct to the Council's in-house Highways Construction Team and to enter into an appropriate and formal Legal Agreement with the land owner at the earliest opportunity so as to ensure that the construction works commenced and the capital budget was committed at an appropriate time as indicted above due to time considerations.

(Scrutiny Committee - Environment and Regeneration)

**(j) St. Brides Primary School Expansion**

Authority to increase the budget in respect of the above and to increase the budget in the 2016/17 Education Capital Programme to £510,000.

(Scrutiny Committee - Learning and Culture)

**(k) Rail Annual Pass for M. Harris to the value of £1,040.60**

Authority to allow the value of the annual rail pass in respect of the above individual to be increased to £1,040.60.

(Scrutiny Committee - Environment and Regeneration)

**(l) Procurement of Oracle Hardware**

Authority to release the Purchase Order in advance of the contract being signed to avoid an increase in the cost associated with the supply of Oracle Hardware (Cabinet Minutes C3316 and C3322 refer).

(Scrutiny Committee - Corporate Performance and Resources)

**(m) Castleland Renewal Area Capital Funding for the Year 2016/17**

Authority to enable a virement of £73,085 to be made from the Castleland Renewal Area Capital Fund 2016/17 to the Tackling Poverty 2016/17 Fund.

(Scrutiny Committee - Homes and Safe Communities)

**(n) Approval of Contact for a New Library Management System for Libraries**

Authority to award a contract for the provision of the above system to Sirsi Dynix in the value of £5,878.79 per year until 2021.

(Scrutiny Committee - Learning and Culture)

Reason for decision

To note the use of the exercising of Emergency Powers by the Managing Director since the last report in September 2016.

**C3475 RESHAPING SERVICES – CATERING PROJECT (RE) (SCRUTINY COMMITTEES - LEARNING AND CULTURE AND CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was provided with an update regarding the Reshaping Services Catering project and its approval was sought to refer the proposals contained in the report to the Scrutiny Committees (Learning & Culture and Corporate Performance and Resources) for their consideration before reaching a final determination.

The Reshaping Services strategy provided a framework for the Council to work within for the next three to five years. The programme was the Council's proactive response to central government's austerity drive that had created a period of unprecedented financial pressure in the public sector. The Council's budget had been under pressure for a number of years with £35million in savings identified between 2010/11 and 2015/16. Further substantial savings had been identified as being necessary in future years. Failure to deliver the required level of savings would not be an option for the Council. According to many analysts the period of austerity was likely to continue for councils and the public sector. It was clear that the scale of

the challenges to come meant that “business as usual”, however well managed, would not be enough.

The Catering Service had been identified as a ‘Tranche one’ service review project, with savings of £300k required in the 2016/17 financial year. There was also an additional £47k of savings prescribed in the Final Proposals for the Revenue Budget 2015/16.

A project team had been established to identify the most sustainable model for the future delivery of the Catering Service. The report set out the results of the business case development work that had followed the principles of the Cabinet Office’s Five Case Business Case Model which was recognised as good practice in this area and which provided a framework within which to fully evaluate proposals.

The scope of the project included the following services:

- School Meals: primary, secondary and special schools
- Administration and Monitoring of Free School Breakfast provision in primary schools
- Staff Catering: vending provision
- Administration of the School Milk Grant

A series of specific project objectives had been developed based on the Reshaping Services strategy’s objectives as follows:

- To identify and implement the most suitable service delivery model for the Catering Service.
- To create an efficient service that was able to adapt to future financial challenges.
- To maximise opportunities to increase uptake and promote healthy school meals.

A wide variety of alternative delivery models for the service were identified during the baseline assessment process in 2014 and Cabinet in approving the programme, required the project to evaluate the range of options. These options were:

- Option 0: Do Nothing: This option was used to compare any potential changes against the existing service model.
- Option 1: Internal Service Transformation: This would be achieved through a reconfiguration of the current structure and processes to ensure the service was efficient to meet future financial demands.

- Option 2: Collaboration: Collaboration would involve working with a public sector partner to deliver a shared catering service. This would most likely be delivered with a neighbouring authority such as Cardiff Council or Bridgend Country Borough Council.
- Option 3: Outsourcing: Outsourcing to the private sector would involve contracting an external provider for the required services.
- Option 4: Arms-length Company: This involved the creation of a separate legal entity that was either wholly or partly owned by the local authority. This model would be achieved through the creation of a co-operative/mutual or a local authority trading company. This option would be based on a local authority trading company with a cooperative (i.e. inclusive of stakeholder views) ethos.

An options appraisal had been carried out by the project team to identify the strategic fit, value for money and service impact of the various delivery models. The options appraisal had been informed by information gathered from training with Grant Thornton, (Chartered Institute of Public Finance and Accountancy and Association for Public Service Excellence), learning visits (to Plymouth's local authority trading company (CATERed) and Sandwell's mutual (SIPS Education), soft market testing (meetings with suppliers) and formal discussions with other authorities. The full options appraisal was included in Appendix A attached to the report.

Based on the High level Options Appraisal the Arm's Length Company and the Internal Service Transformation were the highest scoring models. In line with best practice, full business plans had therefore been developed for both models to enable a detailed assessment to be made as to which model was the most appropriate model for the future sustainability of the service. The Business Plan for the Internal Service Transformation was attached at Appendix B to the report and the Business Plan for the Arm's Length Company (Local Authority Trading Company) was attached at Appendix C to the report.

Appendix D attached to the report provided a full analysis of the potential savings that could be achieved with the implementation of both models. The aim of both models was to operate the service and fully recover its costs. This would result in the removal of the Council subsidy of the service. The maximum potential saving associated with both models was £228,664. The local authority trading company model was able to achieve this by 2020/21 and the internal transformation would achieve the full savings one year later.

When considering the two models to determine which was most appropriate for the catering service, the impacts on key stakeholders had been explored and details

were contained in the Business Plans. An equality impact assessment had been completed for the preferred option and was attached at Appendix E to the report.

Based on the evaluation above and the information contained in the Business Plans, the local authority trading company was considered to be the most appropriate model to meet the objectives of the project, which were:

- To identify and implement the most suitable service delivery model for the Catering Service
- To create an efficient service that was able to adapt to future financial challenges
- To capture opportunities to increase uptake and promote healthy school meals

This selection was due to the following:

- The ability to achieve full cost recovery by 2020/21, generating a total cumulative revenue saving to the Council of £228,664;
- Offered the potential to achieve significant surpluses that could be invested into the service and school kitchen. This would ensure the future sustainability of the service;
- Offered the ability to trade with external organisations to generate additional surpluses to invest in the service and school kitchens. Based on anticipated turnover in 2017/18, the Teckal exemption would allow the company to generate an additional income up to a maximum of £860,365, which could be reinvested in the service;
- A strong impetus to drive cultural change throughout the service to provide a more commercial approach;
- A change in relationship between the service and the Headteachers, resulting in greater involvement in the day to day running of the service;
- Provided a separate identity from the Council which, based on other examples, was likely to result in increased uptake of school meals;
- Greater procurement flexibility would allow the service to adapt to the needs of customers. This could include providing locally sourced food for example;
- Provided an opportunity for the Council to develop knowledge, skills and experience of greater commerciality that could be applied to other services as appropriate in the future.

The Business Plan set out the activities that would be undertaken by the service/company over a five year period. It was proposed that the local authority

trading company would be created in year three of the business plan following two years of internalised service delivery.

Members were aware that staff and trade unions had been engaged throughout the formation of the project. The report proposed that should Cabinet endorse the project, staff and trade unions would be formally engaged during the timescale for consideration by Scrutiny Committees. The views of all stakeholders would then be reported back to Cabinet to inform any final determination. As described in the Consultation section of the report, Unison had helpfully provided a series of comments/questions to date and these along with responses were attached at Appendix F and G to the report respectively.

At the meeting, the Cabinet Member for Regeneration and Education commented that this report detailed a very in depth piece of work that had been ongoing for 18 months.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the contents of the report, providing an update on the Reshaping Services Catering project which is a tranche one service review within the overall Reshaping Services Programme, be noted.
- (2) T H A T the proposals to create a Local Authority Trading Company as outlined in the report be approved as a basis for referral to Scrutiny Committee (Learning & Culture) and Scrutiny Committee (Corporate Performance & Resources) for consideration and continuing consultation with trade unions and staff before reaching a final determination.
- (3) T H A T subject to resolution two above, the implementation plan involving the creation of a Local Authority Trading Company in year three of the business plan as described in Appendix B of the report be approved.
- (4) T H A T subject to resolutions two and three above, delegated authority be granted to the Director of Learning & Skills, in consultation with the Leader, Cabinet Member for Regeneration and Education and Managing Director to:

- Undertake the necessary consultation and engagement activity as described in the report; and
  - Respond as appropriate to the engagement and consultation; and
  - Report back to Cabinet any material changes to the proposals resulting from the consultation process; and
  - Progress the implementation of the proposals following conclusion of all necessary consultation and engagement activity.
- (5) T H A T Cabinet receive a future report detailing the progress made after the first year of the business plan including progress against the actions taken, any changes that are required to the underpinning assumptions, and setting out proposals relating to the governance of the company.

#### Reasons for decisions

- (1) To provide Members with an update on the development of proposals for the Catering Service (which was a tranche one service review project within the Reshaping Services Programme).
- (2) To enable the views of the Scrutiny Committees to be sought and involved in Cabinet's consideration in reaching a final determination and following this consideration, to authorise the creation of a Local Authority Trading Company for the service.
- (3) To enable the effective management of the project, including the creation of a Local Authority Trading Company in year three of the business plan following a period of preparatory work.
- (4) To ensure the process of required consultation and engagement work with Trade Unions, staff and other stakeholders was undertaken efficiently and effectively in line with Council policies and procedures.
- (5) To enable Cabinet to consider the progress being made and to enable the company to be established, including the development of the Articles of Association and Company Board.

**C3476 FEES AND CHARGES AT COUNTRYSIDE SERVICE SITES (RE)  
(SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Approval was sought to proposed changes to charges levied at Cosmeston Lakes Country Park & Medieval Village, Porthkerry Country Park and the Glamorgan Heritage Coast Centre.

Existing admissions and other charges were normally reviewed annually for Countryside Service sites.

The Charging Schedule for Cosmeston Lakes Country Park attached at Appendix A to the report showed proposed changes to charges. In some cases charges remained unchanged, in others they increased by around the rate of inflation or a little more, reflecting take up of services and cost of delivery. The Charging Schedule for Cosmeston Medieval Village attached at Appendix B to the report showed that the majority of prices had remained the same; however there were proposals to alter service delivery and offer additional buildings for hire to optimise income generating opportunities. The Charging Schedule for Porthkerry Country Park attached at Appendix C to the report showed proposed charges for Porthkerry showing that the majority of prices had remained the same and were similar to Cosmeston. The Glamorgan Heritage Coast project proposed charges were set out in Appendix D attached to the report, and were largely unchanged.

Saving targets for the Countryside Service included the generation of additional income and the proposals sought to raise income from users of services which required resources to maintain and/or deliver, in a fair and balanced way, whilst also maintaining viable competitive services and attracting visitors and tourists as appropriate.

After presenting the report, the Cabinet Member for Regeneration and Education noted that the lake at Cosmeston was an important overwintering site for a number of wildfowl. To ensure that disturbance was kept to a minimum during this sensitive period the report proposed that all activities that involved the launching of water craft would now cease between 1st of December and the 28th of February, allowing wildfowl to utilise the site without disturbance.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

## RESOLVED –

- (1) T H A T the charges detailed in Appendices A, B, C and D attached to the report be approved for implementation in April 2017.
- (2) T H A T these charges be the maximum, with the Operational Manager for Regeneration granted delegated authority to vary the charges for promotional purposes.

Reasons for decisions

- (1) To reflect costs, opportunities and market conditions and secure income to support the costs of running Countryside facilities.
- (2) To allow prices to be used as a marketing tool.

**C3477 PROPOSED EVENTS PROGRAMME FOR 2017 – 2018 (RE)  
(SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Approval was sought for the proposed programme of events and sources of funding for the financial year 2017 - 2018, as set out in Appendix A attached to the report.

Every year the Council organised and supported a diverse programme of events across the Vale of Glamorgan. These events were important in boosting the local economy and increasing the tourism offered within the Vale of Glamorgan, while also improving the quality of life for residents. The events also extended the season and boosted the night time economy within Barry and Penarth, and provided links between the town centres and local attractions such as Barry Island and Penarth Esplanade.

2016 was a very successful year for Council led events in the Vale of Glamorgan. Attendance and recognition of these events had increased year on year plus many were becoming a staple part of the South Wales annual event Calendar. On site research at Vale of Glamorgan events during 2016 showed that visitors were coming from areas outside the Vale of Glamorgan and Wales, specifically to attend Council events.

Last year the Council also supported a number of events, delivered by external groups in the Vale, with funding, advice and/or the loan of event equipment.

The proposed events programme and sources of funding for 2017 - 2018 was attached at Appendix A to the report.

At the meeting, the Cabinet Member for Regeneration and Education commented that the report only detailed events that were financially supported by the Tourism department, as other departments hosted many other successful events throughout the Vale of Glamorgan. Finally, the Cabinet Member highlighted GlastonBarry as a successful event that was initially supported by the Council and was now independently providing an economic boost to the area.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the proposed events and associated costs for the financial year 2017 - 2018, set out in Appendix A attached to the report, be approved.
- (2) T H A T delegated authority be granted to the Head of Regeneration and Planning, in consultation with the Cabinet Member for Regeneration and Education, to award uncommitted funding from the Events Service Grant Budget, to additional new events which support the local economy.
- (3) T H A T opportunities for sponsorship/income raising be explored to support the Council's calendar of events, and the Head of Regeneration and Planning be granted delegated powers to agree sponsorship arrangements in consultation with the Cabinet Member for Regeneration and Education.

Reasons for decisions

- (1) To approve expenditure for the events programme.
- (2) To support innovative events and economic development within the Vale of Glamorgan.
- (3) To reduce costs, realise savings and strengthen the programme.

**C3478 THE CARDIFF AND THE VALE OF GLAMORGAN POPULATION NEEDS ASSESSMENT (HSCH) (SCRUTINY COMMITTEE – HEALTHY LIVING AND SOCIAL CARE) -**

Approval was sought to submit the Cardiff and the Vale of Glamorgan Population Needs Assessment to full Council for approval.

The Social Services and Well-being (Wales) Act 2014 required local authorities and the Local Health Board within each region to jointly prepare and publish before April 2017 an assessment of the care and support needs of their population, including carers who needed support. A report of the assessment for the Vale of Glamorgan and Cardiff region was attached at Appendix 1 to the report.

The local authorities and the Local Health Board were required formally to approve the population assessment report. This needed to be done by the Board of the Local Health Board and, in the case of the local authority, by the full Council on submission by the Executive so that the information contained within the report was considered at the most senior levels within these organisations.

The purpose of the population needs assessment was to ensure that local authorities and Local Health Boards jointly produced a clear and specific evidence base in relation to care and support needs and carers' needs to underpin the delivery of their statutory functions and inform planning and operational decisions. This would ensure services were planned and developed in an efficient and effective way by public sector partners, in order to promote the well-being of people with care and support needs.

The report included information on the methods used to undertake the assessment, as well as information on care and support needs, assets, and prevention needs under each topic area. Specific findings for each topic were given in the relevant chapter and summarised in the Executive Summary.

A number of overarching care and support needs emerged which were identified in more than one topic area. These were presented in section B13 of the report and included:

- The need to reduce persistent health inequalities in our populations.
- Easy access to information about support and services available.
- Timely access to mental health services, including diagnosis and counselling.
- Timely access to other services and information.
- The impact of social isolation.

- Building healthy relationships, including emotional, mental and sexual health.
- Practical life skills, including financial skills (for all ages).
- Support for young and adult carers, including respite.
- Enabling smoother transitions from child to adult services.
- Maintaining and increasing provision and sustainability of community services and support.
- Healthy lifestyles including tobacco use, alcohol, diet and physical activity.
- Transport to aid with access to services.
- Healthy environment and accessible built environment.

This was a matter for Executive and Council decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the content and findings of the population needs assessment be noted and approved.
- (2) T H A T the Cardiff and the Vale of Glamorgan Population Needs Assessment be submitted to full Council for approval.

Reasons for decisions

- (1) To ensure oversight of a key planning document for social care and well-being services and agree future priorities.
- (2) To secure approval by the full Council as required by the statutory framework for producing the assessment.

**C3479 PROVIDING ADVOCACY SERVICES TO CHILDREN IN NEED OF CARE AND SUPPORT AND LOOKED AFTER CHILDREN AND YOUNG PEOPLE (HSCH) (SCRUTINY COMMITTEE – HEALTHY LIVING AND SOCIAL CARE) -**

Authority was sought to work in partnership with Cardiff County Council to develop a Regional Children’s Advocacy Service by means of joint commissioning and a shared contract, with the Vale of Glamorgan acting as the lead commissioner.

The Council had a statutory responsibility to provide advocacy services to children and Young People. The Social Services Directorate in the Vale of Glamorgan

purchased advocacy services for Children In Need, Looked After children and young people and young people leaving care from NYAS (National Youth Advocacy Service). NYAS was a UK charity providing information, advice, advocacy and legal representation to children, young people and vulnerable adults. There was no provision for universal advocacy for children and young people within the Vale of Glamorgan.

On behalf of Welsh Government, a strategic review was undertaken of the evidence in relation to statutory independent professional advocacy services (SIPAS) for children and young people in 2014. Following this review, Ministers invited local government (via ADSS Cymru) to bring forward a model for securing a national approach for looked after children and specified groups of children in need. Local authorities indicated broad support for developing a national approach, with agreement on the overall principles that had been adopted.

The Vale of Glamorgan Council was going to undertake the role of lead commissioner on the project. The Council's project management methodology would be used to support the project throughout its various stages and the tender process would be managed by a project group which included representation from the Children's Services Divisions in both the Vale of Glamorgan Council and Cardiff City Council.

It was the intention of the Vale of Glamorgan Council and Cardiff City Council to undertake a procurement exercise to identify a suitable provider for both Issue-Based Advocacy and the Active Offer advocacy. Currently, however, funding was available from Council resources only for Issue-Based Advocacy. As stated in the report, the Welsh Government was committed to funding the Active Offer service in full. Potential providers would be made aware of this during the procurement process.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

**RESOLVED – T H A T** delegated authority be granted to the Director of Social Services, in consultation with the Cabinet Member for Housing and Social Care & Health to:

- Agree a partnership arrangement with Cardiff City Council to start tendering procedures for the services outlined in the report, with the Vale of Glamorgan Council being the lead commissioner; and
- Following completion of the tender process, to award the contract(s) for the service for an initial period of 3 years with an option to extend for up to a further 2 years; and
- Delegate Authority to the Head of Legal Services in the Vale of Glamorgan Council to execute a contract(s) with the successful bidder(s).

#### Reason for decision

To ensure that the Council:

- Met the requirements of the Code of Practice on the exercise of Social Services functions in relation to Advocacy under Part 10 and related parts of the Social Services and Well-being (Wales) Act 2014 in a cost effective way that met the needs of relevant children and young people.
- Met the requirements of its Financial Regulations and Contract Standing Orders.

#### **C3480 ST PAUL'S CHURCH, PENARTH (VLRS) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Authority was sought to dispose of the property know as St Paul's Church by way of a 999 year lease and Cabinet was apprised of an ongoing leaseholder selection process involving the Vale of Glamorgan's four local Registered Social Landlord's (United Welsh, Newydd, Hafod and Wales and West).

St Paul's Church was a derelict and vacant property located on Arcot Street Penarth, the freehold interest of which rested with the Vale of Glamorgan Council. The boundary of the site was identified on the plan attached at Appendix A to the report.

The project was being managed by a Project Board comprising of the Managing Director, the Leader, Cabinet Member for Visible, Leisure and Regulatory Services, Head of Regeneration and Planning (Project Sponsor) and the Head of Finance. The Board was supported by an officer Project Team coordinated by a Project Manager from the Project Management Unit.

After appointment by the Council, Savills marketed the property from the end of 2014 through to early 2015 as an opportunity for community / recreational uses or as a

mixed use scheme including community/ recreational uses and other appropriate uses, subject to the relevant planning processes.

As a result of the marketing exercise a community group called “St. Paul’s Shared Space CIC” came forward with a proposal to convert the property into a mixed use community venue. As reported to Cabinet at its meeting of 23 March, 2015 (Cabinet Minute C2709 refers) additional time was offered to the community group to provide further information, including completing a Business Case demonstrating their scheme was financially viable. However, by the Autumn of 2015 it was concluded that unfortunately the community group had not demonstrated to the satisfaction of the Council a viable business case.

Officers had held during late 2016 positive preliminary discussions with the Vale of Glamorgan's four local Registered Social Landlord (RSLs), (United Welsh Housing Association, Newydd, Hafod and Wales and West), to ascertain if they would be interested in bidding to purchase (by way of a 999 year lease at a peppercorn rental) the St Paul's Church property and site to facilitate the delivery of a mixed use development of affordable homes and community use subject to planning.

The four local RSLs had recently been formally invited to determine if they could deliver a viable mixed use scheme, and if so to put forward bids and outline development scheme concept proposals for the site. If one or more of the RSLs submitted a viable bid for a mixed use scheme it was hoped a Preferred RSL would be selected by the Board from this process during Spring 2017 or soon thereafter.

The Preferred RSL would be required to consult the community on their scheme concept proposal as part of the statutory planning process and to also consult the community on the opportunity for a community use within the scheme.

An RSL redevelopment would offer the opportunity to deliver a mixed use scheme subject to planning, that would:

- Create new affordable homes for north Penarth; and
- Establish a new community facility providing a community hub for the locality; The community facility was proposed to comprise approximately 300 Sq M of gross floorspace (i.e. an area of floor space similar in size to the floor space of the existing main hall within the church, which was approximately 315 Sq M), subject to the financial and technical viability of the successful scheme.
- Regenerate a derelict site either involving the retention and conversion of the church or by way of a new build scheme subject to viability.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T Delegated Authority be granted to the Managing Director (in consultation with the Leader, Cabinet Member for Visible, Leisure and Regulatory Services, Head of Regeneration and Planning, and the Head of Finance) to dispose of St Pauls Church property by way of a 999 year lease at a peppercorn rental the St Paul's Church property to one of the Vale of Glamorgan's four local Registered Social Landlords (RSLs) to deliver a mixed use development of affordable homes and community use subject to planning approval.
- (2) T H A T delegated authority be granted to the Head of Legal Services to prepare, execute and complete all legal documentation required to dispose of the land and property at St Paul's Church.
- (3) T H A T authority be granted to appoint consultant property surveyors and other consultants as may be required to assist with project delivery.

Reasons for decisions

- (1) To facilitate the disposal of the land and property at St Paul's Church to one of the Vale of Glamorgan's local RSLs.
- (2) To complete the legal documentation associated with project delivery.
- (3) To obtain authority to appoint consultants as may be required to achieve project delivery.

**C3481 RESHAPING SERVICES: NEW BUSINESS MODEL FOR VISIBLE SERVICES AND TRANSPORT (VLRS AND BSHT) (SCRUTINY COMMITTEES – HEALTHY LIVING AND SOCIAL CARE & ENVIRONMENT AND REGENERATION) -**

Cabinet was presented with a new business model for the Visible Services and Transport Division.

Cabinet approved the Reshaping Services Strategy in November 2014. The aim of the Strategy was to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges. Within the context of Visible Services and Transport, reshaping savings of £300k were required during the 2016/17 financial year, £525k in 2017/18 and £1.375m in 2018/19.

A review, led by the Director of Environment and Housing and the Head of Visible Services and Transport, sought to develop a new target operating model for service delivery that would enable the protection of services within the budget available, wherever possible. The process considered the opportunities, key risks and high level financial benefits to be achieved by each model, in addition to a series of service strategies and a recommended way forward for the Council. A copy of the executive summary of the Alternative Service Delivery Review report prepared by 'People Too' was attached at Appendix B to the report.

On consideration of the options appraisal, it was determined that the preferred operating model for the service would be based upon an internal transformation model, with a focus on the following:

- Internal operational change and improvements;
- Opportunity to utilise spare capacity created via the operational changes above in parallel to a reduction in agency and overtime spend;
- Consideration of collaboration with other public sector organisations to create economies of scale; and
- Development of trading opportunities but also consideration of the increase in capacity required and the costs, benefits and risk of doing so.

The proposed target operating model had been designed by the Visible Services and Transport project team and challenged and developed by the Director and Head of Service. In addition, a set of risks related to the design and adoption of the new model had been considered by the project team at a workshop facilitated by a risk specialist from the Council's Insurers.

A business plan to support the development and implementation of the new target operating model for the future delivery of these services was attached at Appendix C to the report. The target operating model set out how the Service would operate in the future, included an overview of the required process, service and employment structural changes necessary to deliver the project. The business plan outlined the implications, benefits and risks associated with delivering the target operating model.

The proposed model comprised four distinct areas:

- A “**Neighbourhood Services**” group would be created to enable a range of frontline services to be delivered by a multifunctional team supported by a single flexible and resilient management team. The group would consist of two neighbourhood groups: Operations and Healthy Living and Performance, each managed by an Operational Manager.
- A single “**Engineering**” group led by an Operational Manager which would provide traditional professional engineering services, including management of traffic and road safety, structures, drainage, flood risk and coastal engineering management. The Engineering functions were seen as possibilities for future collaboration as the national reform of local government proposals became clearer.
- A Passenger Transport and Policy team and a fleet management team would be developed through the creation of a formal **Integrated Transport Unit**. The Passenger Transport and Policy functions were seen as possibilities for future collaboration as the national reform of local government proposals become clearer. For the Fleet service, the opportunity for future income generation was also considered to offer significant potential.
- The final element of the proposed operating model was to create a freestanding **Construction and Development** group offering the opportunity for the Service to generate increased income through designing and constructing schemes for clients in addition to the traditional Highways construction works.

Further, the service delivery units were provided support by a Directorate Support team, led by a Business Support Manager, who reported directly to the Director of Environment and Housing Services. Activities required of the team would include reception and customer services support to the business receptions, in addition to performance management, business development and administrative support to the business units.

It was proposed that the model described above would deliver a total annual budget saving of £900k (with part year savings being delivered in 2017/18 and the remainder in 2018/19). An equality impact assessment was being undertaken in relation to the proposals. At this stage the report anticipated that there would be no adverse impact on protected groups. Once embedded and reviewed, a further phase of work would be undertaken in order to achieve the financial savings required in future years.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the proposals for changes to the Visible and Transport Division, as outlined in the report be endorsed and referred to Scrutiny Committee (Environment and Regeneration) and Scrutiny Committee (Healthy Living and Social Care) for their consideration.
- (2) T H A T subject to resolution one above, the proposed business model and implementation plan as described in the report be approved.
- (3) T H A T subject to resolutions one and two above, Delegates Authority be granted to the Director of Environment & Housing, in consultation with the Leader and Cabinet Members for Visible, Leisure and Regulatory Services, and Building Services, Highways and Transportation to:
  - Undertake the necessary consultation and engagement activity as described in the report, and
  - Respond as appropriate to such engagement and consultation, and
  - Report back to Cabinet any changes to the proposals resulting from the consultation process, and
  - Progress the implementation of proposals following the conclusion of all necessary consultation and engagement activity.
- (4) T H A T a future report be presented in due course outlining the proposals for further savings and any significant changes to the proposals contained in the Reshaping Services Business Model for Visible Services and Transport.

Reasons for decisions

- (1-2) To enable the proposals for changes to the delivery model for Visible Services and Transport to be progressed following consideration by Cabinet and the relevant Scrutiny Committees.
- (3) To ensure that the process for progressing the changes, as outlined in the report was undertaken as efficiently and effectively as possible in accordance with the Council's policies and procedures.
- (4) To ensure Cabinet received details of the proposals for further savings.