

CABINET

Minutes of a meeting held on 19th November, 2012.

Present: Councillor N. Moore (Chairman); Councillor S.C. Egan (Vice-Chairman); Councillors Ms. B.E. Brooks, L. Burnett, R.F. Curtis, C.P.J. Elmore and G. John.

Also present: Councillor(s), B Penrose, N Hodges, C Franks, V Hartrey, K Hatton, K Mahoney.

C1898 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 5th November, 2012 be approved as a correct record.

C1899 DECLARATIONS OF INTEREST –

No declarations were received:

C1900 SECTION 180 VOLUNTARY SECTOR FUNDING PROPOSALS 2012 / 2013 FOR THE HOMELESSNESS SERVICE (REF) -

The Scrutiny Committee (Housing and Public Protection) on 7th November, 2012 considered the above report of the Director of Visible Services and Housing.

Since 2005/2006 the Council had provided Section 180 funding for three voluntary sector organisations, namely the Tabernacle Home Access Project for accommodation finding and bond services, £5,000; Llamau – JIGSO project – advice and assistance to single people aged 16 or over who were homeless / threatened with homelessness including a bond service, landlord and tenant support and general housing advice, £12,000; and Llamau – Furniture grants to homeless people who could not fund the purchase of furniture, £6,000. These organisations, including the Council, provided advice and services to homeless people within the Vale of Glamorgan.

Officers were currently assessing the various options to increase the Council's homelessness prevention focus, aimed at reducing the numbers of clients facing homelessness, reducing the use of inappropriate temporary accommodation and increasing the supply of good quality temporary accommodation. As part of the assessment of options, included looking at whether services currently being outsourced (such as the ones currently provided by the above organisations) could be brought back in-house with no adverse affect on the service combined with a cost saving to the Council.

It was also noted that a previous report to Cabinet on 18th November 2009 (Min. No. C685 refers) introduced the need for a review of the current funding

arrangements and advised of a plan to carry out this as a matter of urgency. This review however was delayed to allow a reconfiguration of Children's Services and to allow joint working between the various teams to be implemented, the reconfiguration had now been completed and joint working was underway via the One Stop Shop approach based in Llamau's offices in Holton Road, Barry. This service provided support to young people assessed as being "in need", provided better joint working between the teams and ensured that the Council met its statutory duties under both Leaving Care and Homelessness legislation in light of recent case law updates.

It was also further noted that any allocation of the funds would reflect the objectives identified in the Council's Housing Strategy Action Plan under Strategic Aim 3: "To eradicate homelessness and ensure the public have accessible, high quality advice and information on housing matters".

Accordingly, and in light of the above, it was

RECOMMENDED –

- (1) T H A T the contents of the report be endorsed.
- (2) T H A T Cabinet be requested to approve and authorise the Director of Visible Services and Housing to pay the Section 180 funding allocation to the following organisations:
 - Tabernacle Home Access in the amount of £5,000
 - Llamau's JIGSO project in the amount of £12,000
 - Llamau's furniture project in the amount of £6,000.

Reasons for recommendations

- (1) In acknowledgement of action taken to date by officers.
- (2) To seek Cabinet's approval and enable the funding allocations to be made available to develop key services to assist the Council in complying with its statutory homelessness duty.

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Cabinet, having considered the recommendation of the Scrutiny Committee (Housing and Public Protection)

RESOLVED –

T H A T the Director of Visible Services and Housing be authorised to pay the Section 180 funding allocation to the following organisations:

- Tabernacle Home Access in the amount of £5,000
- Llamau's JIGSO project in the amount of £12,000

- Llamau's furniture project in the amount of £6,000.

Reason for Decision

To enable the funding allocations to be made available to develop key services to assist the Council in complying with its statutory homelessness duty.

C1901 VALE OF GLAMORGAN LOCAL ACCESS FORUM

The following minutes of the meeting held on 12th September, 2012 at the Community College, Old Hall, Cowbridge were submitted.

Present: Mr. F. Coleman (Chairman); Mrs. V.M. Hartrey, Mr. R. Pittard, Mr. R. Simpson, Mr. G. Thomas, Mr. R. Traherne and Councillor E. Williams.

Also present: Ms. T. Cottnam, Mr. G. Teague, Mrs. S. Thomas and Mrs. K. Bowen (VoGC).

Prior to the meeting several of the above had undertaken a visit to a scheme that had been completed under RDP/ROWIP funding which upgraded the link from the secondary school to Town Hall car park in Cowbridge.

(a) Apologies for Absence -

These were received from Mr. M. Dunn (Deputy-Chairman), Mr. J. J. Herbert, Ms. C. Lucas, Ms. E. Nash, Mr. H. S. McMillan, Mr. C. Short and Mr. B. Guy (Operational Manager - Vale of Glamorgan Council).

(b) Introduction of Councillor E. Williams

The Chairman welcomed Councillor E. Williams (Vale of Glamorgan Council representative) to his first meeting of the Forum. Councillor Williams introduced himself and informed Members that he was a keen walker, he had been involved with a number of e-trails projects, was a member of a Ramblers Association and expressed his pleasure as being appointed a member of the Forum.

(b) Minutes -

AGREED - T H A T the minutes of the meeting held on 16th May, 2012 be accepted as a correct record subject to it being noted that the location of meetings be inserted in the first sentence of future minutes.

(c) Glastir Targeted Element - Permissive Access -

Gwyn Teague advised that at the meeting of 28th July 2010 the LAF had considered mapping detailing permissive access under the Tir-Gofal scheme

which was due to be replaced with the Glastir scheme. The Welsh Government had requested the forums views on:-

- which of the existing permissive paths would be considered valuable and should be continued within the Glastir scheme.
- Potential strategic routes that did not currently exist and which could be established under new permissive access in Glastir.

At that time Welsh Government were advised that the forum felt that all existing access should be retained with no additional routes suggested. The LAF had now been requested to comment on further maps which were attached to the report. It being noted that these maps contained no permissive routes in the Vale of Glamorgan.

In considering the report Councillor Traherne referred to the fact that he was aware that a significant number of farmers had not signed up to the scheme for economic reasons. It was noted that the Minister had recently stated that European Union had accepted the Glastir Scheme but the Chairman recalled that the LAF had supported the Tir Gofal schemes. It was subsequently

AGREED - T H A T Gwyn Teague be requested to continue to advise Welsh Government that the Forum felt that all existing access should be retained.

(d) Definitive Map Modification and Public Path Orders - Updates –

The schedule was presented for Members information.

AGREED – that the contents of the schedule be noted.

(e) ROWIP Update -

Gwyn Teague advised that 90% of the quality assurance of definitive statements had been completed with the aim for full completion by the end of the month. Promoted routes had been digitised and forwarded for uploading to the web. A new biodiversity Ecology assistant had also been appointed and consideration was being given to the possibility of linking biodiversity to the Rural Development Plan project at Wenvoe.

With regard to the Rural Development Plan match funding, 5 projects had been submitted for consideration and had subsequently been approved by the RDP panel at its September meeting. These projects related to

- formalising and improving an informal link between Twyn yr Odyn and Wenvoe
- improving the surface of a bridleway that links Welsh St. Donats and Pendoylan
- creating, diverting and improving links to the coast
- dedicating and improving links from Llangan to Colwinston
- creating a footpath to link St. Mary Church with the Herberts.

AGREED - T H A T it be noted that the five projects had been successful and the partnership working commended.

(f) Maintenance Priorities -

At the last meeting of the Forum the results of a conditions survey data had been reported, it being noted that there were approximately 1500 unresolved issues. In order to consider ways of dealing with the backlog Gwyn Teague advised that maintenance priority schedules were being used as a guide by a number of local authorities and that there were two main approaches to developing a prioritisation schedule. The first would categorise typical issues against a priority level, the second would attempt to weigh relevant criteria and return a priority value for each issue based on a formula. Examples of schedules that currently existed were detailed within the report.

In considering the examples, although some Members were of the view that formulas were not the best approach it was agreed that a guide was essential in order to deal with the issue. The example of low, medium and high priorities was accepted to be a more suitable process with it being subsequently

AGREED - T H A T Mr. Teague be recommended to present a further report to the forum on a suitable process to be developed.

(g) Wales Coast Path Update and Vale of Glamorgan Council Response to Questions on Future Management -

The Vale of Glamorgan Coastal Access Officer Tricia Cottnam presented the Forum with an overview of progress from April 2011 to March 2012 and referred to the opening of the coastal path on 5th May, 2012.

In her introduction she advised that it had been a satisfying year for work on the Vale section of the Wales Coast Path. Although there were sections that needed further improvement the path had been opened on 5th May having had great publicity during and after the official opening which included a great news feature by Sian Lloyd the broadcaster and a short interview with Tricia which could be accessed via the website (<http://www.bbc.co.uk/news/uk-17937192>).

Ms Cottnam also referred to the ceramic discs that had been purchased at the end of the financial year which would be installed along pedestrianised areas in Cold Knap, Barry Island, Barry Waterfront and Penarth. It was noted that a coastal access meeting was due to be held in Cardiff shortly where aspects of the coastal path would be shown.

The response by the Vale of Glamorgan Council in relation to the WCP Future Management, had been appended to the report with it being noted that the response had been completed by Gwyn Teague in consultation with the Chairman as there had been no time to consult with the Forum itself.

During discussion reference was made to Active Travel, it being noted that the Transport Consortia was currently looking at the cycling element for paths. Mention was made of a group that had been set up to consider this element further. Gwyn Teague advised that he was not aware of such a group but would look into the matter and report to a future meeting of the Forum.

Having considered the response it was

AGREED - T H A T the response be endorsed.

(h) Draft Annual Report 2011/12 -

The draft Annual Report for the Local Access Forum was submitted for approval.

Councillor Williams, as a new member, advised that the Annual Report had been extremely useful as an introduction to the work of the Forum but agreed with members that a more shortened version containing bullet points and pictures would probably be more pleasing to the eye and more inclined to be read.

It was also suggested that consideration be given to including a before and after section to include details of the work that had been undertaken throughout the year e.g. the renewal of stiles and maintenance of footpaths.

AGREED - T H A T the Vale of Glamorgan Local Access Forum Annual Report 2011/12 be endorsed and that future versions be streamlined and further consideration given to content that would be more user friendly.

(i) Announcement -

The Chairman, in thanking the members for attending the first meeting since the Local Government Elections took the opportunity to advise members of a book that the Deputy Chairman had recently published on walking in the South Wales Valleys which took into account 32 walks in the area. He took the opportunity to congratulate Mr. Dunn on his publication noting that it had also been featured in the Penarth Times.

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RESOLVED - T H A T the minutes be noted.

C1902 VALE OF GLAMORGAN LOCAL DEVELOPMENT PLAN 2011 TO 2026: WAY FORWARD AND REVISED DELIVERY AGREEMENT (RIPT) (SCRUTINY – ECONOMY AND ENVIRONMENT) -

The purpose of the report was to consider options available to the Council in producing a sound and sustainable Local Development Plan (LDP) for the Vale of Glamorgan.

Work on producing the LDP for the Vale of Glamorgan had been underway for the last 6 years and had passed through several stages. The first stage was to prepare a Delivery Agreement, made up of a timetable for the production of the Plan and a Community Involvement Scheme. The second stage in producing a LDP was to prepare a Vision and in January 2007 the Council agreed to adopt the Vision contained within the Vale of Glamorgan's Community Strategy (2003-13). Between December 2006 and January 2007, all those with an interest in the LDP were invited to submit 'candidate sites' for potential inclusion in the LDP and these candidate sites had since been included in a register.

Stage 3 of the process involved developing and consulting on a Draft Preferred Strategy for the LDP, this was subject to a statutory 6 week public consultation during early 2008 and the Strategy was endorsed as the basis for preparing the Deposit LDP during early 2009.

The Council was at Stage 4 of the LDP process, having produced a Deposit LDP and consulted on the same between 20th February and 2nd April 2012, following the presentation of reports to Cabinet, Planning Committee, Economy and Environment Scrutiny Committee and Council during January 2012.

The report set out the various options open to the Council in producing a LDP. Having reviewed the situation and having regard to legislation, there was three possible options in terms of progressing a LDP for the Vale of Glamorgan. These were:

Option 1 – Continue with the current Deposit LDP.

National Policy indicates that Local Planning Authorities can make changes to the Deposit LDP following the public consultation on it and the Alternative Sites consultation (the next stage). However, these changes should not impact on the overall LDP Strategy and the advice is that such changes should go forward with the submitted Plan for examination rather than supplant it. The Council must explain why any changes are put forward and what new evidence there is for each change since the agreement of the Deposit Plan in early 2012. The introduction of changes should be subject to the same process of publicity as the Deposit LDP to allow interested parties to comment on those changes. The Council would need to carefully consider the impact of the changes on the soundness of the LDP, taking account of its overall consistency and its Strategy as well as of the Sustainability Appraisal. It was highly relevant therefore that the ability exist to make changes to the

Plan, to add sites, delete sites, add new policies or change the wording of policies, provided that the changes do not result in a change to the Strategy. Whilst the Deposit Plan included policies and allocations that supported this Strategy, specific allocations and site specific policies could be looked at and where necessary be reviewed, provided the overall Strategy did not change. The guidance on LDPs recommended that any changes at this stage were evidenced by sound reasons for making those changes.

Option 2 –Start the entire process again, including a reconsideration of strategic options.

Section 66 of the Planning and Compulsory Purchase Act 2004 allowed the Council to withdraw the LDP at any time before it was submitted to Welsh Government and the Planning Inspectorate for independent examination. After the Plan was withdrawn, Regulation 26 of the Town and Country Planning (Local Development Plan (Wales) Regulations 2005 required the Council to advertise this fact and remove all documents made available for inspection.

Option 3 – Cease work on the Deposit LDP as approved in January 2012 and commence work on a replacement Deposit Local Development Plan.

As a result of discussions with Welsh Government, it had been confirmed that it was possible to produce a replacement Deposit Local Development Plan and consult on it. The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 did not cover this option of issuing a second Deposit LDP as the regulations were written on the assumption or understanding that the LDP continued to progress to the next stage in the process (see Option 1) unless the LDP was withdrawn (see Option 2)'.

The LDP's Preferred Strategy as put forward as a Draft in 2007 and consulted upon during early 2008 was sound and provided the basis from which to develop an Adopted LDP for the Council. It was clear that the legislation regards the Deposit Plan as a very important stage in the process and something that should flow from the earlier work of generating strategic options and selecting a Preferred Strategy. However, an analysis of the representations to the Deposit Plan had led to serious concerns as to whether the approach to implementing the strategy was sound.

The Welsh Government had expressed concerns and reservations about certain aspects of the Plan (letter attached at Appendix A to the report). One of these was in respect of Minerals and was regarded by them as making the Plan potentially unsound (a category A objection). The Welsh Government also had concerns relating to infrastructure and the need for the LDP to secure the necessary infrastructure to support growth. This was a concern that had also been raised in a significant number of representations, and was a concern that had been acknowledged. These concerns would need to be fully explored.

In addition, the Welsh Government had raised other concerns that needed to be considered, including reference to the spatial distribution of housing, deliverability of growth and employment as well as some site specific issues relating to certain allocations. It was essential that the Council secured the necessary infrastructure to facilitate the development proposed in the Local Development Plan. There was, as a consequence, a concern that the Deposit LDP as approved in January 2012 did not include sufficient detail on the level of infrastructure required to support growth. Representations indicated that there needed to be far more reference to the need to deliver transport improvements, across all modes to adequately mitigate new development as well as dealing with the issue of congestion in the eastern Vale of Glamorgan.

It was noteworthy, that leading on from the above, the Welsh Government in their representations referred to the fact that: "it was imperative that the Council secured the infrastructure necessary to deliver the development proposed in the Local Development Plan." The representations also referred to the fact that the Plan should include further explanation as to how the Community Infrastructure Levy (CIL) would relate to the LDP and vice versa. The need to progress work on a CIL was also reported to this Cabinet. Further information on how a consideration of the options available to the Council in producing a sustainable LDP impact on the Council's ability to progress a Community Infrastructure Levy was set out in paragraph 32 to the report.

The changes to be made to the Deposit Plan as a result of the representations received and the recommendations of the Welsh Government went beyond what was considered the process allowed the Council to do at this stage.

Given the concerns expressed on the Deposit LDP as approved in January 2012, it was considered that any changes required would go well beyond what could reasonably be considered to be 'focussed' or 'minimal'. Even if the Council was to produce "Focussed Changes" there would be no guarantee that the changes would be accepted by an Inspector because they would be submitted with the Deposit Plan for his/her consideration at examination. It would be up to the Inspector to decide whether to incorporate the Changes into the Final Adopted LDP and not the Council. It was considered that this was a significant key risk of such an approach.

The LDP is a very important statutory document that will determine the location of various land uses for the next 15 years. As a consequence it was imperative that the final Adopted LDP contained the right mix of development for the Vale of Glamorgan and that it was fully supported by the necessary infrastructure.

Various options had been considered and taking everything into account it was considered that the production of a replacement Deposit Plan (option 3) was the only option that would allow the delivery of appropriate development and associated infrastructure for the area. Accordingly, it was proposed that the Council commenced immediately on the production of a replacement Deposit Plan that would address and reflect the concerns of consultees as

well as attempting to rectify the concerns raised by the Welsh Government on the Deposit LDP. A revised Delivery Agreement had been produced to reflect this position setting out a new timetable for the production of the replacement Deposit LDP and this was attached as Appendix B to the report.

It was possible that the Welsh Government might not approve the changes to the LDP Delivery Agreement and could decide to request that the Council continued with the Deposit Plan as it currently stood themselves. Should this occur Cabinet would be advised accordingly.

The Cabinet Member for Regeneration, Innovation, Planning and Transportation, Councillor Lis Burnett, clarified the following before going on to discuss the report:

The Appendices as mentioned in the report were the wrong way round and Appendix A should have been B and vice versa.

An amended version of the LDP timetable to that appended to the report was also circulated.

Councillor Burnett also tabled an additional late item, a letter from the Welsh Government that was received that morning

Councillor Burnett stated that after in depth consideration of all options available, the report recommended a way forward to produce a sustainable alternative Deposit Local Development Plan.

Councillor Burnett emphasised that this was an important statutory document which determined the location of various land uses until 2026. As such it was essential that the final Adopted LDP contained the right mix of development for the Vale of Glamorgan that was fully supported by the necessary infrastructure.

Normally, the next stage of the LDP process would be to consult on the "Alternative" development sites which had been submitted as part of the Deposit Plan statutory consultation process. However, whilst the LDP's Preferred Strategy of 2007 was sound, the representations to the Deposit Plan had led to a significant number of representations questioning the approach to implementing that strategy, which were acknowledged.

In particular, concerns related to the need for the necessary infrastructure to support growth.

Another significant issue that needed to be addressed in the LDP was that of Air Quality within the Vale of Glamorgan. (A later report at this meeting proposed the declaration of an Air Quality Management Area for part of Windsor Road, Penarth).

While minor changes could be made to the existing plan, given the way the regulations within which LDP's were produced, it was likely that in order to

address the concerns expressed in the representations, the changes required would go well beyond what would be possible under the legislation. In addition, there would be no guarantee that changes would be accepted as it would be up to an independent Inspector to decide whether to incorporate the changes into the Final Adopted LDP and not the Council. This was considered to be a significant key risk.

Alternatively, the option of starting the entire process again, including a reconsideration of preferred options was considered. However, as the Preferred Strategy was considered sound, to come up with a different strategy would be a costly and a high-risk decision which would mean justifying why a current strategy that focused on national planning policy, sustainable transport, the location of regeneration opportunities and proximity to services was not appropriate.

A further concern with such an approach was that it would result in a substantial delay adopting a LDP and would lead to potential difficulties when assessing new planning applications and defending decisions at appeal. It was also a possibility that the Welsh Government could take over the completion of the LDP and impose that Plan on the Council. This again was a significant risk.

As a result of discussions with Welsh Government officials, it had been confirmed that it was possible to produce a replacement Deposit Local Development Plan and consult on it. On balance, this option was considered to be the most appropriate and reasonable for the Vale of Glamorgan. It meant that, subject to Council approval, work on the Deposit LDP, would not be progressed and that work would start on a replacement Deposit LDP.

Subject to the agreement of the revised timetable by the Welsh Government, it was anticipated that the replacement Deposit LDP would be published for statutory consultation in Autumn 2013.

One of the issues raised during consultation held in February to April, 2012 was the complexity of the process, and future consultation would be as accessible as possible and ensure the widest possible engagement. A series of update sessions would also be held in advance of carrying out the formal consultation exercise on the replacement Deposit LDP and details of these would be made available as work on a replacement plan progressed.

The report would be referred to the Economy and Environment Scrutiny on the 4th December and the Planning Committee on the 20th December before being reported back to Cabinet on the 7th January and presented to Council on the 23rd January 2013.

The Leader stated the report was balanced and gave options. He noted that the letter from the Welsh Government, circulated at the meeting, described "focused changes" as an opportunity to make subtle changes to the plan. His

view was that the changes requested would be more significant than subtle would imply

Councillors Elmore, John and Brooks, expressed their support for this decision and that it was the best possible way forward.

This was a matter for decision by Council.

RESOLVED –

Subject to the comments from Economy and Environment Scrutiny Committee and the Planning Committee with a report back to Cabinet on 7th January, 2013:

- (1) T H A T Cabinet approve the report and make recommendations to a special Council meeting on the 23rd January 2013 as set out in (2) to (6) below.
- (2) T H A T on balance and further to the consideration of all three options as detailed in this report, the Deposit LDP as approved by Council on 25th January, 2012 and published for public consultation is not progressed and that work commences on a replacement Deposit LDP.
- (3) T H A T a further report is presented to Cabinet in due course in respect of the replacement Deposit LDP.
- (4) T H A T the amendments to the LDP timetable contained within the Council's Delivery Agreement (June 2011) as proposed in the report be approved.
- (5) T H A T approval be sought from the Welsh Government to formally amend the LDP timetable contained within the Council's current Delivery Agreement (June 2011).
- (6) T H A T those individuals and organisations previously consulted on the drafting of the LDP Delivery Agreement be advised of the revisions to that Agreement.

Reasons for decisions.

- (1&2) To enable the preparation of a replacement Deposit LDP which addresses the concerns raised by the Welsh Government and offers the opportunity for the Council to fully consider and respond to the representations made to the current Deposit Plan, as approved in January 2012.
- (3) To enable Cabinet to consider and endorse a replacement Deposit LDP for public consultation purposes.

- (4) To comply with Regulation 9 of the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005.
- (5) To comply with Regulation 9 of the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005.
- (6) To advise stakeholders and organisations previously consulted on the Delivery Agreement of the proposed revisions to the LDP timetable.

**C1903 COMMUNITY INFRASTRUCTURE LEVY (CIL) (RIPT)
(SCRUTINY – ECONOMY AND ENVIRONMENT) -**

The purpose of the report was to inform Cabinet about the ongoing preparation of a Community Infrastructure Levy (CIL) for the Vale of Glamorgan and to advise on the establishment of working procedures across the Council's relevant service areas to facilitate the progression of the preparation of a CIL.

On the 6th April, 2010 the Community Infrastructure Levy Regulations 2010 came into force, that changed the way in which planning obligations could be sought through Section 106 Agreements. CIL was a new charging system that would be applied to most forms of development to fund infrastructure improvements such as transport, open space, public art and education to serve new developments that support the development of the authority area in accordance with the Local Development Plan (LDP).

On 21st February, 2011 Cabinet resolved (Minute No C1230) to commence work on preparing a Community Infrastructure Levy for the Vale of Glamorgan.

The work was being undertaken in tandem with the preparation of the Local Development Plan (LDP) and it was envisaged that the LDP and CIL Inquiries could run concurrently. At present it is anticipated this would be during 2014.

One of the first tasks was to identify what 'infrastructure' the Council would like to use CIL to fund. The CIL Regulations defined 'Infrastructure' for the purpose of CIL as including:

- Roads and other transport facilities;
- Flood defences;
- Schools and other educational facilities;
- Medical facilities;
- Sporting and recreational facilities; and
- Open spaces.

CIL would differ from Section 106 funding since it could be pooled to deliver an infrastructure project that did not necessarily directly relate to the development from which it was sourced.

The Director of Development Services was in the process of bringing together relevant service areas in a Strategic CIL Working Group which would ensure the necessary inputs into the process to help establish the CIL. The purpose of the proposed CIL Working Group was to drive forward delivery of the CIL process and ensure cooperation from the relevant service areas involved.

This was a matter for Executive decision.

RESOLVED –

- (1) T H A T the report be endorsed and referred to the Economy and Environment Scrutiny Committee for consideration and the Planning Committee for information.
- (2) T H A T progress on the preparation of a CIL be noted and endorsed.

Reasons for decisions.

- (1) In order that the views of the Economy and Environment Scrutiny Committee are taken into account by Cabinet.
- (2) The report is for noting.

C1904 PRECEPT PAYMENT DATES 2013-14 (L) (SCRUTINY – CORPORATE RESOURCES) -

The Council, as billing authority, was required to notify Precepting Authorities by 31 December, 2012 of the proposed precept payment dates for 2013-14. It was proposed that arrangements for Precepting Authorities be the same as in the current financial year.

This was a matter for Executive decision.

RESOLVED –

- (1) T H A T payment due to the South Wales Police Authority be paid in 12 equal instalments on the last working day of each month.
- (2) T H A T payment due to Town and Community Councils be paid in 3 equal instalments on the last working days of April, August and December 2013.

Reason for Decisions.

- (1-2) The dates were determined to optimise the Council's cash flow in line with the regulations. The Council is required to determine its precept payment dates each year and inform the authorities concerned in line with the regulations.

C1905 INVITATION TO JOIN THE NATIONAL PROCUREMENT SERVICE (L) (SCRUTINY – CORPORATE RESOURCES) -

Approval was sought to join the National Procurement Service for an initial 5-year period in order to benefit from a co-ordinated approach to procurement in areas of common and repetitive spend throughout Wales.

The proposal to set up a National Procurement Service first emanated from one of the work streams set up by the Welsh Government through the Efficiency and Innovation Board.

The public sector spends one third of its budget on external goods and services - some £4.3 billion per year. At least 20-30% of these purchases were common across organisations and bought year-on-year. The 2010 review 'Buying Smarter in Tougher Times' recommended that contracts for this spend should be set up on a 'Once for Wales' basis, a step change that was fully endorsed by the recent McClelland Review on the overall effectiveness of Welsh public sector procurement.

The National Procurement Service model had delivered significant benefits to other devolved Governments within the UK. It was a proven approach to maximising procurement benefits and was a model used in the majority of global private sector businesses. It was now proposed to establish a NPS to carry out common and repetitive spend once for Wales.

Appendix 1 to the report set out the Business Case Executive Summary for the establishment of a Welsh National Procurement service (NPS). The main features of the proposal were:

- It would form a strategic vehicle for procuring common goods and services for Wales, taking into account the needs of all sectors;
- to be a central delivery model with its own governance structure with appropriate representation from all sectors (expressions of interest to host the service were currently being sought).
- To focus on 3 key aspects of the procurement process - developing common specifications, tendering and contract management.
- It would be structured on a category management basis and would seek to leverage the procurement scale, influence demand management and implement best practice approaches.
- It would have the capability to procure as yet unknown new or innovative solutions in support of public service reform.
- It would enable a co-ordinated approach to procurement which seeks to develop the SME (small and medium enterprises) community within Wales.

The benefits to the collaboration would include cashable savings for the acquisition of goods and services estimated at 75 million over 5 years.

The Business Case was predicated upon the NPS being funded directly by Welsh Government until it reached a point of maturity (currently estimated at

year 3 of operation in 2017/18). Thereafter, it was proposed that the funding switched to a self-funding rebate model where suppliers on contract would mark up their prices by an agreed percentage to cover the host organisation's operating costs.

The Council's annual expenditure on supplies and services was in the region of £90 million, of which approximately 24% fell within the category groups covered by the NPS in terms of common and repetitive spend. The Council was also a member of the Welsh Purchasing Consortium (WPC). Continuation of the Council's participation in the WPC would be dependent upon the range of WPC administered contracts that fell under the NPS remit.

Organisations would be expected to sign up to using the NPS for an initial period of 5 years. In signing up, organisations would be expected to embrace an agreed management information approach and fully commit to using the contracts that were created by the Service.

Councillor Curtis highlighted his concerns that the report did not mention any sustainability and climate change implications and he further commented that how and where the Council procured its goods and services would have a major effect on both sustainability and climate change issues.

This was a matter for Executive decision.

RESOLVED –

- (1) T H A T the invitation to join the National Procurement Service for an initial period of 5 years be accepted.
- (2) T H A T the Council recognises the importance of procuring its goods and services from sustainable sources where ever possible

Reasons for decision

- (1) In order that the Council may benefit from a co-ordinated approach towards procurement across the Welsh public sector in areas of common and repetitive spend.
- (2) To support and recognise the importance of sustainability and climate change issues

**C1906 COUNCIL TAX UNOCCUPIED DWELLINGS: 2013-14 (L)
(SCRUTINY – CORPORATE RESOURCES) -**

Regulations prescribed two classes of unoccupied and furnished dwellings for which Welsh Local Authorities had discretion to consider discounts allowable of between 10% and 50% -

- Class A related to dwellings with a restriction on occupancy by law which prohibited their use for a period of at least 28 consecutive days in any 12 month period;
- Class B related to dwellings that had no such restriction on occupancy.

The Regulations also prescribed one class of unoccupied and unfurnished dwelling where the discretion allowed discounts up to a maximum of 50%.

- Class C related to long term (more than 6 months) unoccupied and substantially unfurnished dwellings.

It was proposed that the Council's current policy to allow 50% discount on unoccupied dwellings (classes A, B and C). was to continue during the financial year 2013-14.

This was a matter for Executive decision.

RESOLVED –

T H A T the 50% discount for 2013-14 in respect of class A, B and C dwellings be approved.

Reason for decision.

The Council was required to determine its policy on discount on unoccupied dwellings each year.

C1907 3 NEW BARN HOLDINGS, FLEMINGSTON (L) (SCRUTINY – CORPORATE RESOURCES) -

Approval was sought to declare the property at 3 New Barn Holdings, Flemingston as surplus to the Councils requirements and that the Managing Director be authorised to instruct property agents to dispose of the property.

The Council owned the above property by virtue of its registered freehold interest. The Councils Asset Manager had consulted the Corporate Asset Management Group and its external partners on the Local Service Board in order to ascertain whether there was use for the property within the Council or LSB. The outcome of this was that there was no such requirement. It was therefore recommended that the property was surplus to the Council's requirements and that agents would be appointed to place it on the market for sale.

It was expected that the disposal of the property would generate a capital receipt and that timely disposal would assist in the reduction of the Councils energy costs.

The Council had a Statutory and Fiduciary duty pursuant to S123 of the Local Government Act 1972 to secure best consideration for property disposals.

Councillor John referred to a mistake at paragraph 13 in the report that read “the Ward Member has been consulted on the report and are supportive of the lease being granted”. This should have read that the Ward Member had been consulted on the report and was supportive of the property being disposed of.

This was a matter for Executive decision.

RESOLVED –

- (1) T H A T the property known as 3 New Barn Holdings, Flemingston be declared as surplus to Council’s requirements.
- (2) T H A T the Managing Director be authorised to instruct property agents to dispose of the property on the terms and conditions agreed with the Managing Director in consultation with the Leader and Head of Legal Services.
- (3) T H A T the Head of Legal Services be authorised to prepare, complete and execute the required legal documentation.

Reasons for decisions

- (1) To ensure the property had been declared as surplus to Councils requirements prior to disposal.
- (2) To ensure the Council obtained best value for the property in accordance with its Statutory and Fiduciary obligations.
- (3) To legally formalise the disposal of the property.

C1908 AIR QUALITY REVIEW AND ASSESSMENT (L) (SCRUTINY – ECONOMY AND ENVIRONMENT) -

Cabinet received the Detailed Assessment Updating & Screening Assessment Report (USA) of air quality in the Vale of Glamorgan 2011 and approval was sought to consult with the residents, the public, stakeholders and statutory consultees on the declaration of an Air Quality Management Area for a designated area of Windsor Road, Penarth.

Air pollution remained a serious public health issue and its contribution to ill health and mortality was significant across the UK. The Council had a statutory obligation under the Environment Act 1995 to review and assess air quality within its area against objectives for a number of key pollutants within the Air Quality Standards (Wales) Regulation 2010.

The Council must consider air quality within its boundary and publish its findings annually. An Updating & Screening Assessment report was required every 3 years, with Progress Reports required for each subsequent year.

At locations where air quality failed or was unlikely to meet the prescribed objectives, the Council must declare Air Quality Management Areas (AQMAs). The Council must then develop and implement an Action Plan to address the situation within 12 months. When considering the declaration of an AQMA, the Council was required to undertake consultation with the public, statutory consultees and stakeholders.

The Executive Summary of the Updating and Screening Assessment (USA) report was attached as Appendix 1 and concluded that the majority of the Vale's air quality was compliant with the objectives but recommended that there be continued monitoring to assess the impact of on-going development, traffic flows and new sources of pollution.

The USA report also identified and recommended further actions to monitor or address air quality to include:

- A recommendation to declare an Air Quality Management Area (AQMA) for a section of Windsor Road, Penarth.
- Further monitoring for Particulate Matter (PM10) at Windsor Rd, Penarth using more sophisticated equipment as potential exceedence of the relevant objective was identified.
- Further monitoring and assessment of air quality in Holton Road, Barry, where the public may be exposed to traffic pollution for more than one hour due to e.g. out door dining.
- Further monitoring and assessment of air quality in Cogan within 12 months of the declaration of an AQMA along Windsor Road Penarth.

Steps had already been taken to address recommendations 2 – 4 above, including increased monitoring of air quality at Holton Road, Barry, Cogan and Windsor Road, Penarth.

With regard to recommendation 1 above, data collected over a number of years suggested that along Windsor Road and Cogan Junction, emissions of Nitrogen Dioxide (NO₂) were at, or close to, the relevant Annual Average concentration objective of 40ug/m³. A map, summarising the model of Nitrogen Dioxide levels was presented at Appendix 2 and the full detailed assessment was available in the Member's room.

The Detailed Assessment identified that the annual average mean for the Nitrogen Dioxide objective (40ug/m³) was likely to be exceeded at a small number of relevant locations. These were indicated as red dots on the map in Appendix 2. The Detailed Assessment recommended these properties be included in an AQMA. Some properties were also identified where the

40ug/ms objective was at risk where concentrations were at least 36ug/ms and were included on the map by amber dots. The Detailed Assessment also recommended these properties be included in an AQMA.

It was recommended that the properties marked in red and amber were included within the proposed AQMA. The proposed area was shown in Appendix 3.

Under Part IV of the Environment Act 1995, the Council had a statutory duty to consult residents, statutory consultees and other stakeholders before declaring, varying or revoking an AQMA. Approval was sought to carry out consultation on a proposed Air Quality Management Area for Windsor Road over a 10 week period starting on the 2nd January 2013. During this period residents living in and surrounding the proposed area would be contacted and provided with information on the nature of an Air Quality Management Area and why it was being considered. To assist in disseminating this information a drop-in session would be arranged in the local area to enable residents to speak directly to Council officers about the proposal.

In addition, known stakeholders and interested parties would be contacted and invited to comment. Officers would also promote the consultation through the Council's website, social media and local press inviting comment on the proposal. Comments received would be collated and considered before a recommendation on the way forward be made to Cabinet in the Spring 2013. The Pollution Control team had an existing budget to complete a programme of air quality monitoring across the Vale. Additional NO₂ diffusion tube and particulate monitoring would be required but the costs would be met from existing budgets. The consultation could be met from existing budgets and resources.

This was a matter for Executive decision.

RESOLVED –

- (1) T H A T the content, conclusions and recommendations of the Detailed Assessment Updating & Screening Assessment (USA) of air quality in the Vale of Glamorgan 2011 be approved.
- (2) T H A T the Council consults with the residents, the public, stakeholders and statutory consultees on the declaration on Air Quality Management Area for a designated area of Windsor Road, Penarth.
- (3) T H A T the report be referred to the Scrutiny Committees for Housing and Public Protection and Economy and Environment as part of the consultation exercise.
- (4) T H A T the outcome of the consultation be submitted to Scrutiny Committees for Housing and Public Protection and Economy and Environment for consideration, before being brought back to Cabinet in the spring of 2013.

Reasons for decisions

- (1) To approve the findings of the Detailed Assessment and Updating & Screening Assessment of Air Quality in the Vale of Glamorgan 2011.
- (2) To agree consultation on the proposed declaration of an Air Quality Management Area for a designated area of Windsor Road, Penarth.
- (3) In order that the views of the Scrutiny Committee Housing and Public Protection are sought as part of the consultation process.
- (4) To ensure the Housing and Public Protection and Economy and Environment Scrutiny Committees have an opportunity to review any comments received as part of the consultation process.

C1909 CORPORATE PLAN (L) (SCRUTINY – ALL) -

The Corporate Plan set out how the Council would deliver the aims of the Community Strategy and provided a focus for the Council's approach to corporate governance and community leadership. The Council's Medium Term Financial Plan outlined how the Corporate Plan was to be funded. Consequently, it was vital that these plans were aligned and reflected the priorities of the Vale.

A review of the Corporate Plan began in August and was being undertaken in parallel with the budget review. This process would ensure that the Corporate Plan accurately conveyed the Council's priorities and that budget proposals were developed in line with an up to date Corporate Plan.

In order to develop the priorities and objectives in the draft plan, workshops were held with Cabinet Members and officers. Following these workshops, the Corporate Management Team produced a draft plan for consultation ensuring that it was aligned to the Community Strategy 2011-21, Improvement Objectives, the Outcome Agreement and reflected the results of the Public Opinion Survey 2011/12.

The Corporate Plan provided a foundation for the annual Service Plans and the annual Improvement Objectives. The Plan was structured around eight priority outcomes that were carried forward into Service Plans to ensure consistency and focus. For every objective in the Corporate Plan there would be at least one action in one Service Plan

In terms of monitoring the plan, all Scrutiny Committees received regular reports on progress in delivering Service Plans and performance indicators and this would continue.

The Council would be consulting with residents on both the draft Corporate Plan and the budget review process. As both of these would focus on similar

issues, a combined consultation was being planned. A brief summary of the Corporate Plan would be compiled and presented to residents, and also be available on the Council's web site, e-news and social media accounts.

In addition the Corporate Consultation Officer would be available to visit local consultative forums – such as the Older People's Forum – to facilitate an open discussion.

The Leader commented that this plan was now simpler to read in plain language and that it would be aligned not only to the community strategy but also closely aligned with the budget review that was also taking place.

The Corporate Plan would need to be approved by Full Council.

RESOLVED

- (1) T H A T the draft plan and timetable and proposals for consultation be approved.
- (2) T H A T the report be referred to all relevant Scrutiny Committees for their comments.

Reasons for Decisions.

- (1) To ensure the Council had an effective and up to date Corporate Plan which reflected the work being undertaken across the Council to improve the quality of life in the Vale of Glamorgan.
- (2) To allow for Scrutiny of the proposals.

C1910 INITIAL CAPITAL PROGRAMME PROPOSALS 2013/14 (L) (SCRUTINY – CORPORATE RESOURCES) -

Approval for the revised capital programme for 2012/13 and the initial capital proposals for 2013/14 was sought so that they could be submitted to Scrutiny Committee's for consultation.

The following information was provided with regard to the 2013/14 Capital Programme.

Director of Housing and Visible Services:

- Sub-standard bridges - an allocation of £250K was included in the 2012/13 Capital Programme, along with further allocations each year thereafter, currently to 2016/17, to cover safety issues with the Authority's various sub-standard bridges. Officers had advised that there was no call on this year's allocation but that it would be needed as part of the Council's 86% contribution to Network Rail's proposed safety works to Ewenny bridge, anticipated during 2013/14, which

could reach £1M. As there was only £500K in the 2013/14 budget currently, the slippage of this year's £250K into 2013/14 would bring the budget to £750K so a further £250K was required from the 2014/15 budget. It was requested that Cabinet and Council approve the re-profiling of this budget to reflect the need for £1M for Ewenny Bridge in 2013/14.

- B4265 Toucan Crossing - earlier this year, the Authority received the sum of £100,000 from the Ministry of Defence (MoD) for the construction of a new crossing over the B4265 to assist pedestrians and cyclists travelling between Boverton and West Gate, St Athan. The works were required under the terms of condition 18 of planning permission 2002/01244/CROWN for the new DARA integrated maintenance facility. The works were now complete but, in addition to the funding received from the MoD, a further £40K was required to complete the works. It was proposed that this be funded from the existing allocation for Highway Safety Schemes. As such, it was requested that Cabinet approve the inclusion of a £140K budget for the toucan crossing into the current capital programme, funded from £100K (as a result of the payment received by MoD to meet their obligations under the terms of the planning permission) and a £40K virement from the Highway Safety Schemes capital budget.
- An application for residential development at Andrew House, Llantwit Major was granted planning permission subject to a s106 agreement which required payment of £10,792 to improve sustainable transport facilities serving the development. It was proposed to use this contribution to establish a traffic calming scheme (speed cushions) on Durell Street to slow traffic and increase road safety for pedestrians and cyclists on a key route into the town centre. As such, it was requested that the sum be included in the current capital programme.

Director of Development Services

- Pont y Werin Cycleway - WG had recently awarded an increase in their existing Regional Transport Consortia Grant allocation of £25K in order to fund the completion of the Dingle Road element of the scheme which was already receiving grant funding for 2012/13. As detailed design was completed a more accurate forecast cost was identified and WG informed. It was requested that the existing Pont y Werin Improvement budget be increased to reflect this additional funding.
- A48 Bus Stop Improvements – Welsh Government (WG) had offered an additional grant of £25K to augment the current allocation of £25K on bus stop improvements along the A48 which had already been spent in full. It was requested that the existing budget be increased to reflect this additional funding.
- Railway Walk, Penarth - WG had also offered the Authority the sum of £15K pre-delivery funding to complete the detailed design stage of this

cycleway scheme. It was requested that the existing budget be increased to reflect this additional funding.

- Highways Making Better Use Study: Barry Docks Roundabout A4050 / A4231 - WG had offered a grant of £10K towards a study into possibilities of improving the roundabout at the junction of Port Road and the Barry Docks Link Road. Officers within our Highways Division would be preparing the study. Cabinet were requested to include a budget of £10,000 in the current capital programme.
- Greenlinks Minibus - under delegated authority, the Managing Director had approved the inclusion of a £42K budget in this year's capital programme to fund the purchase of a second minibus for the Authority's community transport initiative. The funding for the vehicle would come from an £18K South East Wales Transport Alliance (SEWTA) grant, a £16K allocation from the Authority's Local Transport Services Grant from the Welsh Government as well as a contribution from revenue budgets of £8K. This budget was included in Appendix A.
- St Paul's Church - Cabinet on February 29th 2012, (minute no. C1646), approved the inclusion of a £250K budget for remedial works at St Pauls Church, Penarth, in order to secure the building to allow occupation of the former St. Paul's Church in Penarth by Penarth Gymnastics Club and Penarth Boxing Club. The building had been closed since early 2011 when its condition was deemed dangerous. Since the budget approval however, it had become evident that £250K might not cover all works required to the building, increasing the budgetary requirement for the project. Funding for the works was to be taken from the s106 monies received for the Penarth Heights development. The scheme had been put on hold, pending further consultation with local residents and it was now highly unlikely that any expenditure could be achieved this year. As such, it was requested that the £250K budget be slipped forward into 2013/14 while the situation was being reviewed. Members would be informed of the outcome of the consultation exercise.
- Disabled Facility Grants - expenditure had been behind profile all year on this grants budget. Though numbers of grants in the system had not fallen noticeably, the average cost of each grant had reduced from previous years and some high value cancellations had been received. These factors combined to reduce the anticipated final spend on grants by some £200K and, as such, it was requested that the budget be reduced to £1M in order to reflect the maximum expenditure that could be achieved on this budget.
- Coronation Street Green Space Improvements - the Authority had recently accepted funding of up to £31,400 for improvements to the open space at Coronation Street, Barry. The funding was awarded from the Welsh Government's 'Tranquil, Greener and Cleaner Places Grant' and works had to be completed and claimed in full by the end of this

financial year or funding would be lost. The works would be project managed by the Council's Landscape Section and include additional seating, repainting railings and re-surfacing paths, new tree planting and native perennial and wildflower planting as well as additional path illumination to address safety concerns and new bollards along the boundary of the upper section with Coronation Street to avoid unauthorised vehicular access.

Cabinet had previously agreed that further information would be provided where schemes had a value of over £500K and showed a variance of 20% or more between actual spend and the profile. The following schemes met this criteria:-

- Penarth Pier Pavilion - the capital budget represented the Council's contribution to this Penarth Arts and Crafts (PACL) led scheme. PACL recently had to complete a further tender review to ensure their spending was within profile for their various grant funders and this meant they could not let the works contract until 21st September, 2012, a full month behind profile. The budget profile would be amended to reflect this delay but at this stage a full spend was still anticipated by year-end.
- Barry Island Footbridge - works were now on site on this replacement footbridge scheme and were proceeding well. There was an initial delay caused by the steel work sub-contractor but this had now been resolved and the profile would be amended to reflect this but it is anticipated that a full spend on this part-Department for Transport grant funded scheme would still be achieved well before the end of the financial year.
- Dyffryn Gardens Refurbishment and National Trust Contribution - both of these budgets were originally planned as September expenditure, to coincide with the anticipated transfer to the National Trust. Delays in this process had been incurred due to finalising the transfer agreement. A full spend of both budgets was nevertheless expected as it was now planned that the transfer would take place in January 2013.
- Leisure Centres Refurbishment - it was originally anticipated that refurbishment works would commence during August and a profiled spend of £661K was originally anticipated by the end of September., however, the Parkwood Partnership arrangement was not finalised until 1st August, several months behind the original profile. Though works had now commenced, the profile would be reviewed to reflect the August agreement date. At this stage a full spend was still anticipated by the end of March but Members would be informed should this no longer be possible.

The Welsh Government announced the provisional 2013/14 General Capital Funding, on 16th October 2012. The 2013/14 capital settlement represented a 10% cut in funding over the previous year's allocation.

Should the Westminster Government commence a further Spending Review in 2014/15, it was likely that further austerity measures could be introduced between 2015/16 and 2017/18 which could bring about further cuts which were significant in nature. As such, a 10% cut each year from 2015/16 to 2017/18 had also been assumed in Appendix B. As part of a Budget Review, covering the period 2013/14 to 2017/18, the Council would have to look to mitigate the deteriorating situation in so far as it was able by reappraising all schemes and looking to progress only those that were deemed to be a key corporate priority, whilst also seeking to gain assurance that such schemes were delivered on time and within budget.

Cabinet, on 13th February, 2008 approved that the Director of Resources, (formerly Finance, ICT and Property), in consultation with the Cabinet Member responsible for Finance, be given delegated authority to transfer supported borrowing between General Fund and the Housing Capital budgets as appropriate. The Authority requested a transfer of £280,000 for 2013/14 and this sum had also been assumed each year to 2017/18.

The Major Repairs Allowance (MRA), which was the grant that provided capital funding to the Housing Revenue Account (HRA), for 2013/14 had not yet been announced by the Welsh Government. Accordingly, Cabinet would be advised once the announcement was made. An assumption had been made in that the grant would continue at the current allocation of £2.8 million in 2013/14.

In addition to funding from the Welsh Government, the Council would finance part of the capital programme from its own resources, e.g. capital receipts and reserves.

Appendix B to the report outlined the proposed 2013/14 Capital Programme. The table below detailed the General Capital Funding and internal resources required to fund the proposed schemes.

Analysis of Net Funding Required for the Indicative 2013/14 Capital Programme

GENERAL FUND	£'000	£'000
Welsh Government Resources		
Supported Borrowing	3,180	
General Capital Grant	2,106	
		5,286
Council Resources		
Capital Receipts	5,120	
Reserves/Leasing	3,417	

	8,522
Net Capital Resources	13,823

HOUSING REVENUE ACCOUNT	£'000	£'000
Housing Reserves	13,402	
Housing Capital Receipts	392	
Supported Borrowing	280	

Net Capital Resources	14,074
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The indicative 2013/14 Capital Programme shown in Appendix B included allocations already approved by Council.

With regard to Capital Bids for 2013 / 14 an extremely high number of bids were received. As bids were evaluated by the Corporate Asset Management Group (CAMG), it was necessary to reduce the numbers of bids actually discussed by the Group in order to allow meaningful discussion for each bid. Departments were requested to rank their own bids in order of importance before submission and a maximum of the highest 20 bids from each Department were forwarded to the CAMG for evaluation.

The Budget Working Group had prioritised bids based upon the recommendations of the CAMG. The method of prioritisation used was as follows;

- A Health and Safety Legislation
- B Other Legislation / Statutory requirement
- Ci Economic Sense
- Cii Corporate Plan
- Ciii Sufficiency
- D Condition / Suitability

- E Welsh Government objectives
- F Low Priority

The evaluation of the bids by the CAMG resulted in a high number of priority A and B bids, Consequently, the bids would be further reviewed by the Budget Working Group in terms of their corporate priority and the risk they posed to the Council if they were not pursued.

Included in Appendix B was the sum of £350K for the second phase of the phase 2 expansion of Ysgol Dewi Sant, the Llantwit Major Welsh Medium School development. This was subject to a grant bid to the Welsh Government and a Business Justification Case had recently been submitted to WG to support a 50% grant bid for this £700K scheme.

Appendix C to the report listed the capital bids received that were unsuccessful, or not discussed by the CAMG. These had not been put forward for inclusion in the 2013/14 programme.

The next stage was for the estimates to be submitted to the Councils Scrutiny Committees for consultation. The Scrutiny Committee (Corporate Resources) was the lead Scrutiny Committee and would consider both the Initial Budget Proposals and the comments that other Scrutiny Committees had made. The responses of Scrutiny Committee must be made no later than the 18th December, 2012.

It was agreed that subject to the following recommendations, the decision on St Pauls Church to reduce the budget to nil and carry forward £250k into 2013/14 be deferred pending a further report to the next Cabinet meeting. This was due to on going discussions in regard to health and safety issues and the possibility of spending money on this building to avoid its further deterioration.

Part of the report was required to be referred to Council for approval as it followed the procedure laid down in the Constitution for the making of the budget.

RESOLVED –

- (1) T H A T the initial budget proposals for the 2013/14 and future Capital Programme be approved for consultation with Scrutiny Committees.
- (2) That the Council be recommended to make the following changes to the Capital Programme:
 - Sub-standard bridges - reduce the 2012/13 budget to nil and carry forward £250K into 2013/14 and bring £250K from the 2014/15 budget into 2013/14. This will require Council approval.
- (3) T H A T the following changes to the Capital Programme be approved;
 - B4265 Toucan Crossing - include a £140K budget (funded by a £100K contribution from the Ministry of Defence and a £40K virement from the Highway Safety Schemes capital budget).
 - Traffic Calming Measures, Durell Street, Llantwit Major - include a budget of £11K (funded from a s106 contribution)
 - Pont y Werin Cycleway - increase the budget by £25K (funded from WG grant)
 - A48 Bus Stop Improvements - increase the budget by £25K (funded from WG grant)
 - Railway Walk, Penarth - include a budget of £15K (funded from WG grant)
 - Highways Making Better Use Study: Barry Docks Roundabout A4050 / A4231 - include a budget of £10,000 (funded from WG grant)

- Disabled Facility Grants - reduce the budget to £1M.
- Coronation Street Green Space Improvements - include a budget of £31K (funded from WG grant).

Reasons for decisions.

- (1) To allow full consultation on the future capital programmes.
- (2) To amend the 2012/13 capital programme.
- (3) To amend the 2012/13 capital programme.

**C1911 INITIAL REVENUE BUDGET PROPOSALS 2013 / 14 (L)
(SCRUTINY – CORPORATE RESOURCES) -**

Cabinet approval for the amended budget for 2012/13 and the initial revenue budget proposals for 2013/14, was sought in order that they be submitted to Scrutiny Committees for consultation

The Council's budget was determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement was received from WG on the 16th October, 2012 (and the final settlement was likely in December / January).

Appendix '1' to the report set out the necessary adjustments to the original estimate for 2012/13, which were required to be made as follows (there was no overall effect on the net budget of the Council).

- Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - these were accounting adjustments largely outside the control of Services. They reflected charges for the use of capital assets, changes to inter-service recharges and functions and pensions adjustments to comply with accounting standards. The overall impact on the Council was nil.
- A virement (transfer) of £150k from Policy to Leisure to reflect additional costs (staff cost arrears of £55k and income in advance of £95k) made to Leisure Centres. These arose from a change in the timing of their charging to account as a result of the transfer to Parkwood Leisure.
- A virement of £30k from Policy to Leisure to fund the shortfall in the saving target which would not be achieved as a result of the delay in the transfer to the National Trust. Both virements were funded by savings within Policy.

The undermentioned table compared the amended original budget with the projected outturn for 2012/13.

Directorate/Service	2012/13	2012/13	Variance
	Amended Original Budget	Projected Outturn	(+)Favourable (-) Adverse
	£'000	£'000	£'000
Learning and Skills			
Education and Schools	90,967	90,967	0
Libraries	2,567	2,567	0
Lifelong Learning	195	195	0
Youth Service	1,137	1,137	0
Catering	1,015	1,015	0
Social Services			
Children and Young People	13,966	13,966	0
Adult Services	33,573	33,573	0
Business Management and Innovation	293	293	0
Youth Offending Service	652	652	0
Visible Services and Housing			
Environment and Visible Services	17,645	17,662	17
Parks and Grounds Maintenance	3,284	3,267	(17)
Building Services	0	0	0
General Fund Housing	1,020	1,020	0
Development			
Public Protection	2,416	2,416	0
Private Sector Housing	1,520	1,520	0
Planning and Transportation	5,044	4,985	(59)
Leisure	4,932	5,100	168
Economic Development	856	892	36

Managing Director			
Resources	119	119	0
Corporate and Customer Services	338	338	0
General Policy	22,017	21,767	(250)
Total	203,556	203,451	(105)
Met from General Reserve	(500)	(500)	0
Grand Total	203,056	202,951	(105)

Overall, the Education Budget was currently projected to balance as at the end of March 2013. However, this was after transferring £144k from Education Reserves. Any savings identified between now and the end of the year would be available to reduce the use of reserves, or to re-direct into the School Investment Strategy or other reserves. This was due to projected overspends against School Improvement £29k and Additional Learning Needs (ALN) £211k offset by a projected underspend against Strategic Planning and Performance of £96k. ALN was an extremely volatile budget and various options for offsetting any potential overspend were being investigated.

Catering - was anticipated to out turn on target, although the service was exposed to external pressures.

The year end projected outturn for Social Services was projected to outturn on target. There were variances in individual services that were set out below resulting in a net favourable variation of £49k. However this sum, if arose, would be used to reduce the use Social Services make of their fund.

The year end projected outturn for Children and Young Peoples Services - was an overspend of £260k. An underspend in the Social Services Business Management and Innovation Division would reduce the recharge to Children and Young Peoples Services and thus reduce the overspend. The service itself was actually projected to overspend by £302k. Children's placements could outturn £192k over budget, which was due to a recent increase in the number of residential placements following the breakdown of the children's existing placements with foster carers. There was also a projected overspend on the adoption budget of £76k. This was due to a family relocating to the Vale, who have a high cost post adoption support package. The Fifteen Plus LAC and Sections 17 budgets were experiencing increased pressure from several sources and was anticipated to overspend by £129k, mainly due to accommodation costs for young people aged 16 to 18. These overspends would be offset by underspends of £95k on team budgets that included staffing and travel costs. It should be noted that this budget was extremely volatile, with the potential cost of placing a child being several thousand pounds per month and any increase in the number of children becoming looked after by the Council or changes in children's circumstances over the coming months could significantly impact on the services.

The year end projected outturn for Adult Services was an underspend of £309k. An underspend in the Social Services Business Management and Innovation Division would reduce the recharge to Adult Services and therefore increase the underspend. The service itself was projected to outturn £219k under budget. The underspend was due to a projected increase in deferred income of £108k, with the remainder of the underspend relating to staffing budgets, partly due to the fact that the budget included a provision for a 1% pay award that would not be paid this year. The annual uplift for the care home fees had yet to be agreed and could impact on the final outturn. Talks were ongoing with the Welsh Government regarding the impact of the £50 cap for non-residential services.

The year end projected outturn for Business Management and Innovation was an underspend of £132k, however this would be recharged to other areas of Social Services showing a breakeven position under this heading. The reason for this underspend was mainly due to staff vacancies being held under the Protection and Policy heading pending a review of service provision.

The projected out turn for the Visible Services and Housing Directorate showed a net zero variance when compared to the amended original budget.

The year end projected outturn for Highways & Engineers would have a favourable variance of £15k. It was projected that the employees budget would be £88k overspent within the Highways & Engineers service. This was mainly due to an overspend on agency staff in Engineers. However, the majority of agency staff time was charged to capital schemes. Premises & Repairs budgets were projected to be overspent by £426k which was mainly attributable to the level of repairs required to the highways network as a consequence of previous severe winters. To offset this, the Income estimate had increased by £529k mainly due to the increased level of work done for capital schemes.

The year end projected outturn for Waste Management showed a favourable variance of £48k. Employee costs were projected to have a favourable variance of £123k due to vacant posts. The Supplies & Services budget had a projected overspend of £189k mainly due to payments made for the new litter enforcement service. However the majority of this expenditure was offset by increased income from fines. The revised income estimate had a favourable variance of £114k.

The year end projected outturn for Parks and Grounds Maintenance would have a favourable variance of £17k. Employee costs were projected to be £30k underspent due to vacant posts. Premises costs was projected to be £25k overspent, however this was largely due to repair of the Beachcliff Wall at Windsor Gardens. Transport costs were projected to be £47k overspent due to the high number of vehicles required during the summer season.

Supplies & Services budgets were estimated to be overspent by £55k. This was mainly due to increased levels of work done for other departments, which

was offset by additional income. The income estimate was projected as a favourable variance of £114k to the original budget.

Building Services was expected to out turn on target. Overall the recharge to Building Services clients for management costs had reduced by £19k.

The year end projected outturn for Planning and Transportation showed a favourable variance of £59k when compared to the amended original budget. This was because of savings on employee costs of £100k and internal recharges of £17k. There was also a net increase in Government grant and other grant income of £45k due to the inclusion of the current level of grant funding in the estimates. Internal recharge income had increased by £4k. This was offset by a £55k net reduction in contribution to funds due to a £31k reduction in the anticipated drawdown from the planning fees reserve and the need to make a revenue contribution to capital of £24k. There was an increase in Support charges of £26k in order to provide maternity cover. There was a net reduction in income of £21k. Supplies and Services had increased by £5k which reflected an increase of £64k grant expenditure now included in the estimates offset by savings of £59k found from within the division.

The year end projected outturn for Leisure showed an adverse variance of £168k when compared to the amended original budget. There was increased expenditure of £243k on supplies and services primarily due to the inclusion of anticipated expenditure not previously reflected in the estimates, mainly relating to corporate events and grants. Customer receipts had fallen £103k. There was an increase on third party of £4k and on internal recharge expenditure of £3k. This was offset by savings on employee costs of £104k. There was an increase in grant income of £81k that was not previously fully reflected in the accounts. There was an increase in contributions from reserves of £53k, an underspend on premises costs of £50k and savings on transport costs of £14k. Additional internal recharge income totals £13k.

In addition there was a further adverse variance of £130k in relation to the Leisure Centres. This was due to increased employee costs of £89k, reduced income of £56k, increased supplies and services costs of £34k, a net increase in premises and contributions to funds of £22k and increased transport costs of £4k this was offset by a saving of £75k relating to third party management payments. Part of the adverse variance within Leisure would be met from the savings from Planning and Transportation £59k.

The year end projected outturn for Economic Development showed an adverse variance of £36k when compared to the amended original budget. Within Economic Development there was a favourable variance of £4k. There was also a net increase in internal recharge income and expenditure of £31k and an increase on customer receipts of £25k. This was offset by increased expenditure on premises of £22k and on supplies and services of £6k having taken into account the increased use of reserves. There was also an increase of £24k on employee costs in relation to capital grant funded positions.

Community Enterprise Centre, Employment & Training Services and Communities First grant funding transferred from Lifelong Learning to Economic Development during the financial year. It showed a £40k adverse variance against the amended original budget. There was a projected staffing adverse variance (£28k) within Community Enterprise Centre following the withdrawal of the Community services provided within the Centre, this variance was to be funded from reserves and partial use of the Communities First Management fee. In addition, the Employment Training Service was projected to outturn with an adverse variance of £120k due to a shortfall in income receipts from the Work Programme contract resulting from lower than anticipated job outcomes to date, this variance will be partly offset by provisions and reserves of £80k set aside in previous years. A review was being conducted in this Service to improve performance.

It was anticipated that the Resources service would out turn on target but there was pressure on Council Tax court income and land charges receipts.

The estimated under spending from Policy of £250k had been generated from Member allowances savings £102k (after funding disabled parking bays), lower recharge in respect of Housing strategy £18k (after funding virement to Leisure) and financing charges £130k.

All other budgets were anticipated to out turn on target.

There was an estimated Council Tax surplus for 2012/13 in the sum of £1M. Depending on the final year's position this would be transferred to the Council Fund.

General Reserves as at 1st April, 2012 amounted to £7.993M.

Cabinet approved the Budget Strategy and the Interim Medium Term Financial Plan on the 9th July 2012. The objectives of the strategy were set out in the body of the report.

A summary of the overall base budget for 2013/14 was attached at Appendix 2 to the report. This had been arrived at by adjusting the 2012/13 budget for items such as inflation and unavoidable growth.

IAS 19 /Asset Rents - related to accounting items outside the control of Services. They reflected charges to Services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards. Budget transfers - budget adjustments to reflect mainly transfers of functions and responsibilities between services. Budget Adjustments – comprised of 3 main items. The estimated April 2012 pay award did not materialise and an adjustment of £569k had been made to remove the sum from Service budgets. The transfer of a sum of £745k into Services to fund the impact of job evaluation. An adjustment to reflect the fact that £303k of Social Services savings would be used to reduce their use of the Social Services fund in line with the approved strategy. Consequently, the amount of the Social Services fund to be used in 2013/14 to balance Social Services to its base budget was

estimated to be £2.241M. The net impact of the adjustments is £303k and reflects this last change which in effect offsets the total savings.

The total figure for inflation of £2.778M related to general price increases (£1.769M) and a 1% allowance for pay awards (£1.009M). Committed Growth totalled £12.164M of this £916k related to the Individual Schools Budget, £216k to landfill tax and £180k capital charges. It included £7.514M for the new Council Tax Support scheme which was the sum included in the WG settlement as a new responsibility and £3.338M for transfers into RSG as follows:

- Blue Badge Scheme – £16k
- Appetite for Life Grant – £103k
- School Counselling Grant - £201k
- School Breakfast Grant - £621k
- Local Government Borrowing Initiative - £304k
- Post 16 SEN in Mainstream - £38k
- Post 16 SEN School Out of County - £820k
- Learning Disabilities supported Housing - £1.235M

The total of the Committed Growth in the Individual School Budget (ISB) amounted to £916k. Together with a provision for pay awards and inflation of £675k, this constituted the minimum increase in ISB required by WG (2.08% increase)

The savings totalled £3.75M. This sum was made up of £120k saving arising from a reduction in members allowances, £165k additional saving arising from the senior management restructure, removal of one-off items included in the 2012/13 budget of £110k for local elections, £120k (Dyffryn) for Leisure and £60k (reduced rent for 2yrs) for Economic Development. The largest sum of £3.175M arises from the target for efficiency savings set in the 2012/13 budget.

The Final Revenue Budget proposals for 2012/13 included corporate savings targets for Services to 2014/15 of £6.125M.

Efficiency Savings Targets	2013/14	2014/15	TOTAL
	£000	£000	£000
Learning & Skills (excl. schools)	244	257	501
Social Services	1,847	1,342	3,189
Social Services Budget Plan	303	817	1,120

Visible Services & Housing	595	250	845
Development Services	148	103	251
Resources	38	181	219
Total Required for the Year	3,175	2,950	6,125

A detailed list of the savings targets outlined above were attached at Appendix 3 to the report.

A list of 2013/14 cost pressures as identified by Services was attached at Appendix 4 to the report. These were not shown in any order of priority. Altogether they totalled £9.442M and some would need to be met for some services. They excluded the cost of redundancies, that may be incurred in order to maintain the budget within the resources available. These costs could be significant.

It was noted that the implications of the Westminster Government's Welfare Reform agenda would be significant.

The UK Government's Welfare Reform agenda represented a shift in the administration of welfare benefits in the UK and would have a significant affect on the Council, the changes would apply from April 2013 and were as follows

-

- The introduction of the localised Council Tax Support Scheme (CTS) to replace Council Tax Benefit
- The uprating of the Local Housing Allowance in line with the Consumer Price Index (previously Retail Price Index).
- The introduction of benefit limitation based on over accommodation in terms of the number of bedrooms required.
- The overall cap on benefits, to be operated through housing benefit
- The devolution of the Social Fund to the Welsh Government (being contracted out by the WG)
- From June 2013 the introduction of the Personal Independence Payment (PIP), to replace the Disability Living Allowance for new claimants, with reassessment of existing claimants on to PIP from October 2013. This would continue to be administered by the Department for Work and Pensions (DWP)
- From October 2013 the UK government would introduce the Universal Credit for working age claimants. Where claimants were eligible for housing benefit this would in most cases be paid direct to the claimant as part of the Universal Credit

- From October 2014, the Pension Credit would include an element for housing rent costs. Again this would be paid direct to the claimant in most cases.
- By October 2017 it was planned that all housing benefit would be paid through the Universal Credit and the Pension Credit.
- Introduction of the Council Tax Support Scheme

Council Tax support had been devolved to the Welsh Government. The Welsh Government was currently in the process of making regulations for a national CTS scheme for Wales. There would be limited areas for discretion in the scheme, which would need to be agreed by the Council.

The overall funding would be transferred from the Treasury to the Welsh Government. The provisional RSG settlement included an allocation of funding to each authority within the block grant. This is based on a provisional allocation nationally of £214M. The Council's share of this funding is £7.514M..The Welsh Government was to set the discount rate (i.e. the maximum percentage of the council tax bill to be met by CTS) that would be applied to council tax bills within the scheme regulations.

The estimated rate of the discount ranged from 10% to 20%. For the purposes of the Initial Budget Proposals a discount of 15% had been used to establish the approximate cost of the scheme, based on the current claimant count. The cost would be affected by the claimant count and the level of Council tax. In future the affect of changes in the number of claimants and their entitlement to support would impact directly on the Council.

It was anticipated that administering the above would require an increase in staffing in the Council Tax Section, to deal with additional queries, process additional reminders and final notices and recover this debt. Initially it was suggested that additional temporary staff were recruited until it could be established that the additional resources are cost effective in terms of future revenues collection.

The changes to housing benefit would reduce the level of benefit payments generally and would have an impact on tenants' ability to pay rent. Tenants on benefit were also likely to be affected by the requirement to contribute to their council tax bills. This was likely to lead to greater numbers of tenants getting into rent arrears. This would lead to more tenants being at risk of losing their tenancy and more demands on the homelessness service. Consideration therefore needed to be given on what the homelessness budget should be increased to in order help manage the additional demand.

The use of Discretionary Housing Payments (DHPs) could help alleviate the impacts in individual benefit cases as they could be used to tide tenants over until they became eligible for a higher level of housing benefit. DHPs are supported by grant up to a certain level. Above this level Councils could spend to a 'permitted total' but this was not supported by grant. The permitted total for 2012/13 was £314,748. It was suggested that the DHP budget should be

increased to the 'permitted total'. Spending at the permitted total may result in increases in the level of grant supported DHP in future years. To spend to the permitted total would require a budget increase of £215k. It should be noted that DHPs could not be used to support shortfalls in Council tax support and were only a short term solution to individual cases.

The 2012/13 Final revenue Budget Proposals set initial corporate savings targets for 2013/14 and 2014/15 of £3.175M and £2.950M respectively with the exact level of savings required, together with the impact from 2013/14 onwards.

The results of the Budget Review process, informed the 2013/14 Budget Process. The purpose of the review was to ensure:

- A sustainable budget was achieved within predicted funding levels
- The budget was aligned to the Council's priorities as set out in the Corporate Plan
- Best value for money was being obtained, i.e. identifying efficiency savings, opportunities for income generation and better use of external grants

The outcome of the review would be to put in place a 4-year financial strategy for the period to March 2017.

The 2013/14 Review was supported by Cost Centre Analyses (CCAs) that provided the detail for each service area including:

- Comparisons of the 2010/11 outturn, 2011/12 budget and actual outturn, and 2012/13 current year budget.
- Separation of the largely controllable (e.g. salaries and wages) and uncontrollable (e.g. recharges from other departments) elements of income and expenditure.
- Identification of the costs centres within Service Areas

A copy of the Cost Centre Analysis was attached at Appendix 5 to the report

Each cost centre had been awarded a rating that measured its relative risk (based on the Council's risk management strategy) and corporate priority. This was attached at Appendix 6 to the report. The following table showed the criteria used for the risk and corporate priority rating:

	Catastrophic	MEDIUM (M)	MEDIUM/HIGH (MH)	HIGH (H)	VERY HIGH (VH)
Impact of	High	MEDIUM/LOW (ML)	MEDIUM (M)	MEDIUM/HIGH (MH)	HIGH (H)

Risk	Medium	LOW (L)	MEDIUM (M)	MEDIUM (M)	MEDIUM/HIGH (MH)
	Low	VERY LOW (VL)	LOW (L)	MEDIUM/LOW (ML)	MEDIUM (M)
		Very Unlikely	Possible	Probable	Almost Certain
		Likelihood/Probability of Risk Occurring			

The Budget Working Group (BWG) was responsible for completing the Budget Review. In coming to its conclusions, the BWG would also use high-level information on the comparative spending levels of individual services across Wales together with the financial information included in the Cost Centre Analyses. The results of the relative risk and corporate priority assessment would also be factored in as part of this process. .

The shortfall in the 2013/14 budget was £8.426M assuming all cost pressures were met. Future resource requirements had also been assessed having regard to the likely future revenue settlements and cost pressure information provided by services to 2016/17 was shown below:

Matching Predicted Resources to Expenditure	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Real Term decrease in resources	702	1,934	1,963	4,599
Cost Pressures	6,173	4,644	4,272	15,089
Existing Corporate Savings Targets	(2,133)	0	0	(2,133)
Shortfall	4,742	6,578	6,235	17,555

The initial projections showed a cumulative shortfall of some £25.981M by 2016/17 including the shortfall on 2013/14. In view of the difficulty in predicting future levels of inflation and cost pressures, the above table needed to be treated with a degree of caution and the eventual position may be better or worse than stated. In particular, changes in future settlements from WG had a significant impact. The projection assumes the level of increase in 2014/15 in Aggregate External Finance (AEF) would be in line with the forward indication received from WG. However, for 2015/16 and 2016/17 no future indications had been received and so it had been assumed that there would be no increase. For each 1% difference in this assumption the impact on a year's shortfall would be £1.6M. So, for example, if the Council's AEF was 1% lower than predicted in both 2015/16 and 2016/17 the cumulative shortfall would increase by £3.2M.

As a starting point to assist in dealing with the funding gap the savings areas previously put forward by Directors to meet the 2013/14 and 2014/15 targets were being analysed with a view to their implementation with effect from April 2013.

Initially, it was proposed that each Director should identify savings equivalent to their pro rata share of the shortfall based on their controllable expenditure. Over the 4 year period, this approximated to an average annually recurring reduction of about 6.5%. It was extremely unlikely that this would be the eventual outcome of the budget review but it should help officers focus and provide members with options. Schools had been excluded from the target and would be looked at during the review. The target sums were set out in the table below, and were in addition to existing targets:

Annual Saving Target	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Learning and Skills	1,141	642	890	844	3,517
Social Services	3,571	2,010	2,788	2,643	11,012
Visible Services and Housing	1,166	656	912	863	3,597
Development	662	373	517	490	2,042
Resources	1,617	910	1,262	1,197	4,986
Corporate and Communication Services	269	151	209	198	827
Total	8,426	4,742	6,578	6,235	25,981

An update of the progress on the Budget Review would be reported to Corporate Resources Scrutiny Committee in January 2013. Comments of Scrutiny Committee would be considered by the BWG prior to preparing the final budget proposals for initial consideration by Cabinet and Council in February/March 2013.

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. The Corporate Resources Scrutiny Committee would be the lead Scrutiny Committee and would consider both the Initial Revenue Budget Proposals and any comments that other Scrutiny Committees had made. The responses of Scrutiny Committees must be made no later than the 20th December 2012. It was also proposed to consult on the initial budget proposals with the Public, Local Service Board partners, Town and Community Councils and the Business sector.

The Cabinet Budget Working Group would be holding a series of meetings in November 2012 with relevant Cabinet Members and officers to consider the budget proposals, and would submit their recommendations so that the Cabinet may make its final budget proposal no later than the 29th February 2013. Before making its recommendation, the Budget Working Group would consider comments made by Scrutiny.

Cabinet's final budget proposals would be considered by Council at a meeting to be held by the 11th March 2013.

Councillor Moore outlined that there was a mistake on page 16 of appendix 5 (cost centre analysis) to the report and the correct amended version was handed out at the meeting.

This was a matter for Executive decision.

RESOLVED

- (1) T H A T the transfer of £180k in 2012/13 from Policy to Leisure Services to cover the additional costs incurred by Leisure Centres and Dyffryn House and Gardens be approved.
- (2) T H A T the amended budget for 2012/13 as set out in Appendix '1' be approved.
- (3) T H A T initial revenue budget proposals for 2013/14 be approved for consultation with Scrutiny Committees.

Reasons for decisions

- (1) To fund the increased costs in respect of the Leisure Centres and Dyffryn House and Gardens.
- (2) To incorporate changes to the budgets.
- (3) In order that Cabinet be informed of the comments of Scrutiny Committees before making a final proposal on the budget.

C1912 INITIAL HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2013/14 AND REVISED BUDGET 2012/13 (L) (SCRUTINY – HOUSING AND PUBLIC PROTECTION) -

Approval was sought for the revised budget 2012/13 and the initial budget proposals for 2013/14, to be submitted to Scrutiny Committee for consultation.

During the course of the year, Local Authorities must review their HRA expenditure and income and if, on the basis of the information available the account was heading for a deficit, the Local Authority must take steps as were reasonably practical to prevent this deficit. Each Local Authority should endeavour to have a working balance on the HRA, for any exceptional circumstances that may arise.

The level of rent increase was based on the Subsidy Determination issued by Welsh Government, who were currently reviewing whether the subsidy system would continue or whether it would be replaced on 1st April 2013. If the subsidy system was to remain, the subsidy determination would not be released until January 2013. An average rent increase of 3%, based on the latest Business Plan, had been included in the 2013/14 initial budget proposals.

Set out below was a table comparing the original budget with the proposed revised estimate.

	2012/2013 Original Budget	2012/2013 Proposed Revised Estimate	Variance Favourable (-) Adverse (+)
	£'000	£'000	£'000
Housing Revenue Account	1,902	1,832	(70)

The net anticipated deficit had decreased by £70,000 due to Budget Reductions of £350,000 on revenue repairs and £379,000 on central recharges which had been offset by £50,000 on agency staff to deal specifically with the welfare reform, £20,000 on other staffing including impacts of Job Evaluation, an agency anti-social behaviour co-ordinator and interim staffing and management proposals. There was a £44,000 increase in insurance; £10,000 increase on capital financing charges, a loss of rental income though increased Void Days due to WHQs £156,000, £20,000 for the Housing Relocation to the Alps Depot, £20,000 for revenue environmental improvements; a £350,000 increased revenue contribution to capital and other small movements netting off at £9,000.

The Base Budget Strategy for 2013/14 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 would be included.

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

The proposed 2013/14 budget was set out at Appendix A

- Housing Repairs - This budget related to the repairs and maintenance service undertaken on the Council Housing Stock.
- HRA Subsidy Payable - This budget related to the estimated proportion of rent payable to the WG.
- General Management - 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.
- Special Services - 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.
- Capital Expenditure from Revenue Account (CERA) - This budget related to a contribution from the Housing Revenue Account to fund capital expenditure

- Central Support & Operational Building Charges - This budget related to the services provided by other Departments within the Council, and the cost of office accommodation occupied by the Housing Services staff.
- Capital Financing - Cost associated with financing debt.

The charges for rent and other services provided by the Housing Service was reviewed annually and would be subject to a future report once the information has been received from Welsh Government.

Set out below was a table summarising the original budget for 2012/13 with the proposed budget for 2013/14.

2012/2013 Original Budget	Inflation / Pay Award	Committed Growth / Savings	Estimated Rent Increase	2013/2014 Proposed Budget
£000	£000	£000	£000	£000
1,902	113	297	(445)	1867

The committed growth of £297,000 was due to a number of factors;

- An increase in Capital Expenditure from Revenue Account (CERA) to finance the housing improvement programme in relation to void properties of £650,000 which was offset by a corresponding decrease on revenue repairs of £650,000
- A net increase in increments and staff changes including interim management of £6,000.
- A £100,000 agency budget set aside specifically to deal with the welfare reform and preventing tenants falling into arrears.
- An increase in insurance of £46,000 to the projected expenditure recharge.
- An increase in the provision of HRA Subsidy payable to WG based on the latest guidance issued of £153,000
- A decrease in Central Support recharges of £349,000 including a decrease due to Housing Improvement surveyors who were charged directly to capital for Welsh Housing Quality Standards.
- An increase in the bad debt provision of £166,000 to account for the anticipated loss of rent due to the welfare reform accommodations cap and the affect on individual benefits.
- A decrease in rent of £165,000 due to increased void days as a result of WHQs implementation.
- Other budget adjustments and savings totalling £10,000

The estimates would be submitted to Scrutiny Committees for consultation. Corporate Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Housing Revenue Account Revenue Budget Proposals and any comments that the Scrutiny Committee (Housing and Public Protection) had made. Responses from the relevant scrutiny Committee(s) would need to be made by 20th Dec 2012.

The Cabinet Budget Working Group would hold a series of meetings in November 2012 with the relevant Cabinet Members and officers to consider the budget proposals. They submitted their recommendations so that the Cabinet may make its final budget proposal no later than the 29th February, 2013. Before making its recommendation, the Budget Working Group would consider the comments made by Scrutiny.

Cabinet's final budget proposals would be considered by Council at a meeting to be held by the 11th March 2013.

This was a matter for Executive decision.

RESOLVED -

- (1) T H A T the revised budget for 2012/13 be approved.
- (2) T H A T the initial budget proposals for 2013/14 be approved for consultation with Scrutiny Committees.
- (3) T H A T the increase for rent and other services be subject to a future report to Cabinet as soon as the information is available from the Welsh Government (WG).

Reasons for decisions

- (1) To facilitate monitoring of the revised budget.
- (2) In order that Cabinet be informed of the comments of the Scrutiny Committees before making a final proposal on the budget.
- (3) In order to meet the statutory deadline to notify tenants of the new charges as required by Statute.

C1913 TREASURY MANAGEMENT (L) (SCRUTINY – CORPORATE RESOURCES) -

Cabinet received a mid year report on the Authority's treasury management operations for the period 1st April, 2012 to 30th September, 2012 and was asked to note the latest Treasury Management Indicators.

The Council had approved the 2012/2013 treasury management strategy at its meeting on 7th March, 2012.

The Council's investment strategy aim was to secure the best return on its investments whilst having regard to capital security within the parameters laid down.

As for the Council's borrowing strategy, it was estimated that the Council borrow £5,995,000 of new external loans to support the capital programme for 2012-2013.

The Head of Financial Services (Section 151 Officer) was pleased to report that all treasury management activity undertaken during the period complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislative provisions.

The Latest forecast from the Council treasury management Advisers, was set out below:

Period	Bank Rate	3 month LIBOR	12 month LIBOR	25-year PWLB rate
Q3 2012	0.50	0.65	1.40	4.10
Q4 2012	0.50	0.65	1.20	4.15
Q1 2013	0.50	0.65	1.30	4.20
Q2 2013	0.50	0.70	1.40	4.25
Q3 2013	0.50	0.80	1.45	4.35
Q4 2013	0.75	0.95	1.50	4.50
H1 2014	1.00	1.20	1.80	4.85
H2 2014	1.50	1.70	2.30	5.10
H1 2015	2.00	2.20	2.80	5.25
H2 2015	2.50	2.75	3.30	5.50

The below table summarised the treasury management transactions undertaken by the Authority during the first half of this financial year. All activities were in accordance with the Authority's approved strategy on Treasury Management. The table set out the monies borrowed and repaid during the period.

Loan Type	Opening Balance	Received	Repaid	Closing Balance
	01/04/2012			30/09/2012
	£'000	£'000	£'000	£'000
PWLB	95,977	0	241	95,736
Other Long Term Loans	6,004	0	0	6,004
Temporary Loans	100	0	0	100
Totals	102,081	0	241	101,840

- Loans borrowed from the 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 1 year or more from the date they are advanced. The bulk of this debt was represented by two market loans of £2,000,000 and £4,000,000. The balance of this debt was local bonds. These totalled £3,500 and were made up of small individual sums that were invested with the Council for a number of years by members of the public.
- Temporary Loans represent those loans that were borrowed for a period of less than 1 year and were borrowed on 7 day notice.
- External interest at an average rate of 5.62% and amounting to £2,803,462 had been accrued on the loans for the first 6 months of 2012/2013.

The Council had made the following investments for the period 1st April 2012 to 30th September 2012 as set out below:-

Borrowing Institution	Opening Balance	Invested	Returned	Closing Balance
	01/04/2012			30/09/2012
	£'000	£'000	£'000	£'000
Local Authorities	4,000	0	4,000	0
Debt Management Account Deposit Facility	100,000	645,900	630,200	115,700
Totals	104,000	645,900	634,200	115,700

Interest, at an average rate of 0.25% and amounting to £125,917 had been earned from these investments for the first 6 months of 2012/2013.

In light of the very low level of short term investment interest rates currently available, internal funds had been used to finance capital expenditure and no external loans had been borrowed to date this year. However this would be reviewed in the light of the Public Works Loan Board (PWLB) who announced

that a new PWLB rate, called the certainty rate, that was set 0.2 percentage points below current PWLB rates (currently 1.0% above the UK government bond yield). The certainty rate was available from 1st November this year for local authorities that met the requisite criteria of providing capital spending and borrowing forecasts to CLG. The Authority had complied with the criteria and had access to the certainty rate from the above date.

As for the Treasury Management Indicators, the Council measured its exposure to Treasury management Risks using the following indicators:

- Interest Rate Exposure - this indicator was set to control the Authority's exposure to interest rate risk. The exposures to fixed and variable rate interest rates, expressed as an amount of net principal borrowed were:

	Limit	Actual	Met
Upper limit on fixed rate exposures	139m	95.98m	✓
Upper limit on variable rate exposures	+/- 144m	-117.45m	✓

- Fixed rate investments and borrowings were those where the rate of interest was fixed for the whole financial year. Instruments that either mature during the financial year or had a floating interest rate were classed as variable rate.
- Maturity Structure of Borrowing - this indicator was set to control the Authority's exposure to refinancing risk. The maturity date of borrowing was the earliest date on which the lender could demand repayment. The maturity structure of fixed rate borrowing as at 30th September 2012 was:

	Upper Limit	Lower Limit	Actual	Met
Under 12 months	20%	0	4.64%	✓
12 months and within 24 months	20%	0	2.35%	✓
24 months and within five years	30%	0	7.64%	✓
Five years and within 10 years	30%	0	10.68%	✓
10 years and above	100%	0	74.69%	✓

- Principal Sums Invested for Periods Longer than 364 Days - This indicator was to control the Council's exposure to the risk of incurring losses by seeking early repayment of its long term investments. The total principal sums invested to final maturities beyond the period end were:

	2012/13	2013/14	2014/15
Limit on principal invested beyond year end	£30M	£30M	£30M
Actual principal invested beyond year end	0	0	0
Within limit?	✓	✓	✓

This matter was for a Council decision.

RESOLVED –

- (1) T H A T Cabinet recommends to Council to note the Treasury Management mid year report for the period 1st April 2012 to 30th September 2012.
- (2) T H A T Cabinet recommends to Council to note the latest Treasury Management Indicators.

Reasons for Decisions

- (1) To present the Treasury Management mid year report as required by the CIPFA Treasury Management in the Public Services: Code of Practice.
- (2) To present an update of the Treasury Management Indicators which are included in the Treasury Management Strategy.

C1914 FORMER PUBLIC CONVENIENCE AT SLON LANE, OGMORE BY SEA (L) (SCRUTINY – CORPORATE RESPOURCES) -

Approval was sought to grant a lease of the former Public Conveniences at Slon Lane Ogmore by Sea to the Ogmore by Sea Village Hall Association for the purpose of them constructing and running a new Village Hall in Ogmore by Sea

The Public Convenience at Slon Lane Ogmore had been closed since April 2000. The building was closed along with others due to the buildings requiring considerable work and resources to bring them back into beneficial use.

In March, 2011 Cabinet considered a report of the then Director of Visible Services (minute no C1276 refers). The report resolved that the public conveniences at Slon Lane (and others) be declared surplus to the owning Departments requirements and that the then Director of Finance ICT & Property in conjunction with the then Director of Legal Public Protection and Housing Services be authorised to arrange for the disposal of the property by the most appropriate means.

Following the resolution of Cabinet in March, 2011 Auctioneers were appointed by the Council to dispose of the Public Conveniences by Auction. However prior to the August, 2011 Auction, the Council was contacted by representatives of the Ogmore Village Hall Association raising certain lease issues. These were referred to in the report included in Part II of this agenda as they relate to details of a business and financial nature involving a third party.

The Council subsequently did not proceed with the intended sale pending further investigation into the issues raised by the Village Hall Association.

The Village Hall Association had requested that the Council grant to them a lease of the Public Convenience site to enable them to further their aspirations to develop a new Village Hall in Ogmore. However, they would require substantial funding to deliver such a scheme and it was usual in such circumstances for external grant providers to seek security through the property they are lending against and in this regard, funders would normally seek long leases (at least 25 years but usually longer depending on the amount of money involved).

Given the local community support for this project, it was for Cabinet to consider whether it wished to support this proposal by granting a lease of the Public Conveniences site to the Village Hall Association. Should Cabinet be minded to agree to the Grant of a lease it was recommended that the grant of the lease should be conditional on:

- (a) The Village Hall Association withdrawing all objections it had lodged at the District Land Registry in relation to the Councils Registration of its Freehold title in the Public Convenience site at Slon Lane
- (b) The Village Hall Association securing the necessary capital funding required to deliver the Village Hall project via their own fund raising to cover all costs associated with the construction of the proposed Village Hall;
- (c) The Village Hall Association secure a satisfactory Planning Approval for the constructions of the village hall;
- (d) The Village Hall Association confirming that they will have the necessary revenue funding in place to run the Village Hall once developed.

The terms and conditions of any lease would be agreed with the Leader and in consultation with the Head of Legal Services, however it would be anticipated that the lease for the site would be offered on a peppercorn ground rental basis. The timescales for the Village Hall to secure/confirm that the requirements referred to in (a-d) above are in place would be subject to negotiation in consultation with the Leader.

This was a matter for Executive decision.

RESOLVED

T H A T the Managing Director in consultation with the Leader and the Head of Legal Services grant a lease to the Village Hall Association on terms and conditions to be agreed subject to the conditions outlined in the report.

Reason for decision.

To provide the Village Hall Association with the necessary security of Tenure in order to seek and secure the necessary Grant funding to allow for the construction of a new Village Hall in Ogmore by Sea.

C1915 MATTERS WHICH THE CHAIRMAN HAD DECIDED WERE URGENT.

RESOLVED - T H A T the following matters, which the Chairman had decided were urgent for the reason given beneath the minute headings be considered.

C1916 TREASURY MANAGEMENT (REF) -

Matter Which the Chairman has Decided is Urgent by Reason of the Need to Allow Cabinet to Consider the Views of the Scrutiny Committee in Tandem with the Report on Treasury Management

The Scrutiny Committee (Corporate Resources) on 13th November, 2012 considered the above report of the Section 151 Officer.

The Section 151 Officer took Members through the mid year report which was required under the CIPFA Treasury Management in the Public Services: Code of Practice. By way of background, he explained that the Council had approved the 2012/13 Treasury Management Strategy in March 2012 and assured Members that all treasury management activity undertaken during the period in question complied with the approved strategy, the CIPFA Code of Practice and the relevant legislative provisions. The Council's investment strategy was to secure the best return on its investments whilst having regard to capital security. The Council's borrowing strategy estimated that it would borrow £5,995,000 of new external loans to support the capital programme for 2012-13. He confirmed that Officers, together with treasury advisers, would continue to monitor prevailing interest rates and market forecasts and adopt a pragmatic approach to borrowing.

He indicated that the details in paragraphs 10 to 16 of the report under the heading of "economic review / interest rate prospects" had been provided by the Council's treasury advisers and covered the period to September 2012. Reference was made therein to the European situation as well as the fact that the U.K. recession continued into quarter two. The August Inflation Report showed that the Bank of England expected little economic growth in the current year and a gradual recovery in 2013. Further more, the recent downward trend in the CPI inflation rate allied with the apparent synchronised

global downturn led by the Eurozone had pushed market expectations for a rise in interest rates out to at least 2014. The latest central forecast from the Council's treasury management advisers were shown in paragraph 16 of the report, the risks to forecast remaining heavily to the downside.

Under the heading of "Interim Report" summaries were shown of the treasury management transactions undertaken by the Council during the first half of the current financial year. Paragraph 17 contained tables illustrating the monies borrowed/ repaid during the period together with the investments made. Members noted that external interest at an average rate of 5.62% (amounting to £2,803,462) had been accrued on those loans in the period and interest, at an average rate of 0.25% (amounting to £125,917) had been earned from investments. Members were also informed that the position in relation to the Debt Management Strategy would be reviewed following the announcement of a new Public Works Loan Board (PWLB) certainty rate from 1st November.

As regards Treasury Management Indicators by which the Council measured its exposure to treasury management risks, details of the following indicators as at 20th September 2012 were set out in paragraph 22 of the report:

Interest Rate Exposure
Maturity Structure of Borrowing
Principal sums invested for periods longer than 364 days.

RECOMMENDED – T H A T the Treasury Management mid year report for the period 1st April to 30th September be noted together with the latest Treasury Management Indicators and referred to Cabinet.

Reason for recommendation

To present the report as required by the aforementioned Code of Practice together with an update of the Treasury Management Indicators."

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Cabinet, having considered the recommendation of the Scrutiny Committee (Corporate Resources)

RESOLVED –

T H A T the referral from the Scrutiny Committee (Corporate Resources) be noted, having been dealt with earlier in the agenda.

Reason for Decision.

To adhere to the aforementioned Code of Practice.

C1917 INTERIM REPORT OF THE TASK AND FINISH GROUP ON WELFARE REFORM (REF) –

Matter Which the Chairman Has Decided Is Urgent for Reason of the Need to Update Members as to the Progress Made at the Earliest Opportunity

The Scrutiny Committee (Corporate Resources) on 13th November, 2012, considered the above report of the Head of Financial Services

The Task and Finish Group had met on four occasions to date. Given that the last meeting of the Group had only very recently taken place, the report detailed the progress made at the first three meetings as summarised below:

- the scope and terms of reference of the Group
- the Risk Analysis in relation to Welfare Reform which had been broken down into specific areas, a copy of which was appended to the report. Members considered that the changes occurring in April 2013 for which the Council had direct responsibility for delivering had the highest priority ranking. Those changes included the delivery of the Council Tax Support Scheme and the changes to the housing benefit relating to up-rating of the local housing allowance, the benefit cap and the benefit reduction for over accommodated tenants
- a communications plan, also appended to the report, which covered claimants potentially affected, staff, services and other partner organisations. In addition, the Group had considered that a briefing for all Members of the Council would be useful and that had taken place on 26th September
- two sessions were held at the Local Service Board Forum seminar on 5th October which provided general information on the welfare reforms and to allow consideration of some of the more detailed implications for claimants and how LSB partners would be affected and how organisations could work together. The Group would invite stakeholders to attend future meeting(s)
- the Action Plan, attached at Appendix C to the report, had been agreed. As with the Risk Analysis, the Plan had been broken down into the key themes of welfare reform and was being further developed. Staff were being kept informed as were the trade unions. A report on future staffing implications would be submitted to the Group in due course
- an update of the current position with the Council Tax Support Scheme, the Group being notified that there would be an All Wales Council Tax Scheme but that there would be a small number of areas where councils would have discretion as amplified in paragraphs 8 and 9 of the report. The main issue was that of funding as the expectation was that all liable persons would be required to contribute to their council tax bill
- all councils in Wales could now access financial modelling software which would help identify the impact of the change and would assist the Council in budgeting for the scheme. The Group had put forward a

proposal to procure the necessary software which Cabinet had recently agreed

- an update on the current position with the benefit changes. Information had been shared on potentially over accommodated tenants with the Council's housing service and with social landlords to enable them to identify the tenants affected and the scale of change. The Head of Financial Services indicated that discretionary housing payments might help alleviate individual problems and that the policy would need to be reviewed
- a questionnaire aimed at identifying the provision of money and debt advice across the Council, LSB partners and the Third Sector had been approved for despatch given that it was essential that the extra resources required be targeted appropriately.

Members were notified that regular progress reports would be made to the Committee in addition to the budget implications once known. The Head of Financial Services drew attention to the fact that much uncertainty remained but that work was ongoing in those areas where real progress could be achieved. The Head of Service was agreeable to a suggestion that all Members receive an updated briefing on similar lines to that delivered to Members in September 2012.

RECOMMENDED –

- (1) T H A T the report be noted.
- (2) T H A T the actions of the Task and Finish Group in agreeing the Risk Analysis, Communications Plan and Action Plan be endorsed.
- (3) T H A T the report be referred to Cabinet.

Reason for recommendations

- (1-3) To ensure that Members are updated.

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Cabinet, having considered the recommendation of the Scrutiny Committee (Corporate Resources)

RESOLVED –

- (1) T H A T the sub committee be thanked for all their work to date.
- (2) T H A T actions of the Task and Finish Group in agreeing the Risk Analysis, Communications Plan and Action Plan be noted

- (3) T H A T the findings of the report would used as evidence in informing the Council's Strategy in dealing with the impact of the Welfare Reform Act.

Reason for Decision.

- (1-3) To acknowledge the work of the committee.

C1918 EXCLUSION OF PRESS AND PUBLIC -

RESOLVED - T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

**C1919 FORMER PUBLIC CONVENIENCE AT SLON LANE,
OGMORE BY SEA (L) (EXEMPT INFORMATION – PARAGRAPH 14)
(SCRUTINY – CORPORATE RESOURCES) -**

Cabinet were presented with the Part II supplement to the above report (Minute No C1914) that outlined the Legal implications to the report

This was a matter for Executive decision.

RESOLVED –

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

Reason for decision.

To note the part II supplement to the report.

Signed _____

(Chairman)

Date _____

