Agenda Item No.

CABINET

Minutes of a meeting held on 22 February, 2016.

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

Apologies for Absence: Councillor C.P.J. Elmore.

Also Present: Councillors: I. Johnson, N. Hodges, C. Franks.

C3072 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 8 February, 2016 be approved as a correct record.

C3073 DECLARATION OF INTEREST –

The following declaration of interest was received:

Councillor G. John	**Agenda Item 10 - Final Capital Proposals 2016/17 to 2020/21** Reason for Declaration – A Local Education Authority (LEA) appointed Governor at Llantwit Major Comprehensive. As an LEA Governor, his personal interest did not equate to a prejudicial interest and therefore he was able to speak and vote on the matter.

C3074 REVENUE AND CAPITAL MONITORING REPORT FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 2015 (REF) –

The Scrutiny Committee (Social Care and Health) on 1 February, 2016 considered the above report of the Director of Social Services.

The Operational Manager, Accountancy, presented the report, the purpose of which was to update Members on the position in respect of revenue and capital expenditure for the period 1st April to 31st December, 2015.

The report outlined that the currently forecast for Social Services at year end was an overspend of £100,000 which showed an improved picture from the £300,000 overspend reported in the previous month. A graph and table setting out the variance between the profiled budget and actual expenditure to date and the projected position at year end were attached at Appendix 1 to the report.

In terms of Children and Young People Services, the service was anticipated to outturn £462,000 under budget at year end. The key issue for this service continued to be managing demand for the Joint Budget for Residential Placements for Looked After Children. Currently, it was forecast to outturn with a £250,000 underspend at year end. There were other potential underspends elsewhere in Children's Services of £65,000 on staffing budgets and £135,000 on alternative means of provision and accommodation costs required for the current cohort of children. In addition, the Business Management and Innovation division was anticipated to underspend at year end and part of this variance was apportioned to the service areas; therefore, £12,000 of the underspend would be allocated to Children's Services.

For Adult Services, it was current anticipated that this budget would outturn £617,000 over budget at year end. This overspend was due to a projected overspend on Community Care Packages of £850,000 as a result of continuing demand for services, particularly for frail older clients. The report advised that there was continued pressure on this area of the service to manage demand, not only to avoid a further increase in the overspend but also to achieve a reduction.

The annual deferred income budget for 2015/16 in Adult Services had been set at £739,000. As at 31st December, 2015 income received was £155,000 under recovered. It was currently being projected that this budget would outturn at £100,000 over budget by year end and this adverse variance was included as part of the projected overspend for care packages. It was also anticipated that there would be underspends of £200,000 elsewhere in the budget which could offset part of the overspend with £165,000 from staffing, £15,000 from Transport and £20,000 from Premises. In addition, the Business Management and Innovation division was anticipated to underspend at year end and part of this variance was apportioned to the service area; therefore, £33,000 of the underspend would be allocated to Adult Services.

With regard to Business Management and Innovation, the report stated that this budget was anticipating an underspend at year end of £100,000. This was made up of an underspend on staffing of £80,000 and £20,000 on Transport. Part of this budget would be recharged to Children's and Adult Services, therefore, the underspend on this heading was shown as £55,000 with the remaining £45,000 being recharged thus resulting in the reduced internal recharge to Children's and Adult Services.

For the 2015/16 Budget Programme, the Directorate was currently required to find savings totalling £3.568m by the end of 2019/20. At present, the Budget Programme showed a surplus of £186,000 which was as a result of the Foster Carer recruitment project. Appendix 4 to the report provided an updated on the individual areas of savings.

In relation to the capital expenditure, Appendix 2 to the report detailed financial progress on the Capital Programme as at 31st December, 2015. The report advised that for the Cartref Porthceri Electrical Upgrade / Southway Electrical Upgrade, the Social Services Lift Refurbishment scheme and the Residential Homes Call and Assistance Systems scheme were anticipated to underspend by £67,000. It was therefore proposed that this underspend be used to carry out further electrical works required at the homes.

In terms of the Hen Goleg Works, this scheme would be tendered in February 2016 and tenders would be due back in the middle of March 2016. Work was anticipated to start on the site late April 2016 and was anticipated to be completed in August 2016. It would therefore be requested that £221,000 of this budget be carried forward into the 2016/17 Capital Programme.

For the ICT Infrastructure project, further investigative works had been carried out for this scheme, to align it with the introduction of the Welsh Community Care Information System (WCCIS) which would allow information to be shared between different Health Boards and Social Services departments instantly. The new system would enable Social Services (Adult and Children) and a range of community health services to more effectively plan, co-ordinate and deliver services and support for individuals, families and communities. It would support information sharing requirements, case management and workflow for health and social care organisations across Wales. A carry forward of £400,000 into the 2016/17 Capital Programme was therefore requested.

Appendix 3 to the report provided non-financial information on capital construction schemes. For all schemes where it was evident that the full year's budget would not be spent during the year, relevant officers were required to provide an explanation for the shortfall and this should be taken to the earliest available Cabinet meeting.

The Chairman, in referring to the £67,000 underspend related to the Cartref Porthceri Electrical Upgrade / Southway Electric Upgrade, queried as to why there was such a large underspend. In response, Members were advised that the initial identification of the work required had not highlighted that repairs as opposed to replacement was possible.

A Committee Member, in referring to the savings target B9 in relation to contract arrangements for domiciliary care, queried the impact following the increase in the National Living Minimum Wage. In response, the Interim Head of Business Management and Innovation stated that the working group was still meeting to discuss the savings target and it had been recognised that the Living Wage would impact on agencies and care providers. Negotiation was still ongoing.

In reply to a Member's query regarding savings target A23 in relation to the Reshaping Services Strategy, the Head of Adult Services stated that the status of this target was red as it was spread over three years so this meant that the service could not say with any total certainty that the savings target would be achieved. The Committee Member also queried the status of savings target A3 in relation to care packages and the Member questioned how would this be improved. In reply, the Head of Adult Services explained that the only budgets available to reduce costs were the most difficult areas. The service was trying to target those contracts in which the Authority could reduce costs such as those around Learning Disability Residential Placements. The work revolved around improving the independence of service users and to work with them to find solutions. He also alluded to the demographic pressures that were present in the Vale, particularly around the number of older people coming into the service, which represented a real challenge. Further to this query, the Committee noted that feedback from individuals had been generally positive and the service had recognised that it was a very complex undertaking and wanted to work with service users on an individual basis to find solutions that best suited their needs.

A Committee Member asked for an update around the number of foster carers recruited for this financial year. In reply, the Head of Children and Young People Services stated that the target for this year was for eight new foster carers of which so far five had been recruited and three were in the process of being interviewed by the Panel in February or March. Therefore the service was aiming to hit its target, but not exceed it.

At this point, the Director of Social Services relayed to the Committee some of his thoughts around the savings targets. He stated that a main objective of the service, particularly in relation to domiciliary care contracts, was not to sacrifice the level and quality of care provided. He also alluded to the impact of the cap on the charge for domiciliary care services which affected the Vale of Glamorgan more than other Local Authorities in Wales and for which Welsh Government had indicated that no further adjustments would be made.

RECOMMENDED –

(1) T H A T the position with regard to the 2015/16 revenue and capital monitoring be noted.

(2) T H A T the progress made in delivering the Social Services Budget Programme be noted.

(3) T H A T the report be referred to Cabinet for its consideration and to highlight the progress in delivering the Social Services Budget Programme.

<u>Reasons for recommendations</u>

(1) That Members are aware of the position with regard to the 2015/16 revenue and capital monitoring relevant to this Scrutiny Committee.

(2) That Members are aware of progress made to date on the Social Services Budget Programme.

(3) That Cabinet are kept informed of the progress made to date on the Social Services Budget Programme.

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At the meeting the Cabinet Member for Adult Services congratulated officers and staff in his directorate for their tremendous work in trying to keep within budgets during these difficult times when the Council was facing many budget pressures.

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

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

Reason for decision

To note the contents of the report.

C3075 UPDATE ON IMPLEMENTATION OF THE SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 (REF) –

The Scrutiny Committee (Social Care and Health) on 1 February, 2016 considered the above report of the Director of Social Services.

The Social Services and Well-being (Wales) Act 2014 would come into force in April 2016. The Committee had therefore requested regular updates on the progress being made in readiness for implementing the requirements of the Act in the Vale of Glamorgan.

The report updated the information considered by the Committee in January 2016, which included:

- Information on the Implementation Programme's Task and Finish Groups as they reviewed the requirements set out in the new Regulations and Codes of Practice, to ensure they were fully understood and to put in place the necessary actions.
- Progress of the four national work groups, established to share best practice and produce consistent material on an all-Wales basis.
- Consultation on the final Code of Practice, in relation to part 8 of the Act on the role of Directors of Social Services) and the joint ADSS Cymru / WLGA response on behalf of local government. This Code of Practice would be laid before the Assembly in February 2016.
- Information on the series of technical briefings for the Tranche 1 Codes of Practice. These were described as "gateway" documents that summarised the key points for each code. Access to the briefings was again via the Care Council's Communications Hub.
- An update on the national awareness raising campaign, led by Welsh Government, which would start in February 2016. The Council's Communications team would be assisting in dissemination of the key messages.

- Progress update on the workforce development materials being developed by the Care Council for Wales.
- Information on the four Welsh voluntary organisations who had received funding to enable them to develop learning materials to support implementation.

Set up as part of the regional Implementation Programme led by the Director of Social Services for the Vale of Glamorgan, the nine Task and Finish Groups continued to meet. These Groups comprised: Information, Advice and Assistance (IAA); Planning and Promoting Preventative Services; Eligibility and Assessment of Need; Safeguarding (Adults and Children); Looked After and Accommodated Children; Advocacy; Performance Management; Workforce Development; Cooperation and Partnership.

Many other areas would need concerted efforts to ensure compliance with new legislative framework which comprised the Act itself, 23 sets of Regulations and 7 Codes of Practice. However, it had been necessary to prioritise some of the most important changes. Those currently regarded as providing the greatest challenge were the development of the Information, Advice and Assistance Service, the assessment and eligibility process and the new financial assessment and charging requirements.

Lead officers for the Groups continued to review the requirements set out in the new Regulations and Codes of Practice, to ensure that these were fully understood and to put in place the actions needed for implementation. Representation on these Groups included officers from each Local Authority, the Cardiff and Vale University Health Board and the Third Sector. Progress had been made on a series of technical briefings for the Tranche 1 Codes of Practice. These were described as “gateway” documents that summarised the key points for each Code:

- Technical Briefing: Measuring social services performance
- Technical Briefing: Part 2 - Information, Advice and Assistance
- Technical Briefing: Part 2 - Population Assessment and Prevention
- Technical Briefing: Part 2 - Social Enterprises
- Technical Briefing: Part 2 - Well-being and overarching duties
- Technical Briefing: Part 3 - Assessing needs
- Technical Briefing: Part 4 - Care Plans
- Technical Briefing; Part 4 - Direct Payments
- Technical Briefing: Part 4 – Eligibility.

The report further advised that good progress was being made in setting up the Information, Advice and Assistance Service (IAA), especially in the area of Adult Services where the service was able to build upon the positive work undertaken in integrating social care and NHS staff and processes alongside Contact One Vale. Resources had been identified to secure for local use a customised version of the national information portal, Dewis Cymru, for Cardiff and the Vale region.

The region had been selected by the Social Services Improvement Agency (SSIA) to pilot a new training course aimed at officers working at the First Point of Contact so that they fully understood the changes introduced by the Act. This would include focusing on the “what matters” question in initial discussions with the people who could contact them. Discussion would take place in January with evaluation taking place in February before the training was rolled out to other regions.

Further to this, the report advised that the four all-Wales working streams would continue to meet. The region had sent officers to each of these Groups so that they could contribute to developing national toolkits / checklists and, where possible, avoid duplication and ensure that procedures and processes fitted in with the local context. The national checklist for Common Recording Requirements for Assessments had been completed. This would be made available to staff on the Getting In On The Act Hub.

The national training materials for the four core modules had been finalised and officers had been working with the external trainers to ensure that these materials were responsive to the service needs. A training plan setting out workforce requirements had been approved by the Regional Implementation Steering Group.

The Institute of Public Care at Oxford Brookes University was to provide support for the new Regional Partnership Board which would be established in accordance with statutory guidance under Part 9 of the Act. This stipulated that Local Authorities and Local Health Boards would be required to establish a Board to manage and develop services to secure strategic planning and partnership working between Local Authorities and Local Health Boards to ensure effective services, care and support were in place to best meet the needs of the respective populations. In its meeting on 4th February, the Integrated Health and Social Care Governance Board would consider a report, setting out how it would need to be reconstituted so that it complied with the Co-operation and Partnership requirements. The Institute had been appointed also to deliver training on the implications of the Act for Elected Members. Provisional dates for the training events in March 2016 had been agreed.

In January, the Wales Local Government Association produced an e-Bulletin for Social Services. This was attached at Appendix A to the report. Parts 3 and 4 gave an update on the Act. Part 12 contained a link to the “What Matters to You – Matters to Us” animated video, which outlined the changes being introduced with the new Act in a user friendly format.

The Chairman, referring to paragraph 17 of the report and the Welsh Government Minister’s statement around the uncertainty about UK reforms, asked if officers could explain what this meant. In reply, the Director of Social Services stated that this related to a policy vacuum around paying for social care services which was linked to the implementation of the Care Act 2014 England which had been deferred until 2020. This had meant that little work had been undertaken around the implications and costs of this Act (Care Act 2014). In those areas devolved to Welsh Government, it was looking to progress its own reform of the arrangements for paying for social care and support.

In reply to a Member’s question around how would future funding for implementing the Act be allocated to the Council, the Director of Social Services advised that for this current financial year, £414,000 had been allocated across the Cardiff and Vale region, with the Vale being the Lead Authority for this money. However, Welsh Government had yet to indicate how the £3m allocated across Wales for 2016/17 could be used.

A Committee Member queried Welsh Government plans regarding the national maximum charge for non-residential care and support services and the Member asked if the Council had contacted Welsh Government about this. In reply, the Director of Social Services stated that no other Council in Wales had made stronger representations to Welsh Government and Welsh Government had not yet provided clarity on the scope for change around the review of the charge or the eligibility criteria. He further advised that it was possible that there may be some adverse financial consequences for the Council following any potential change to this legislation.

RECOMMENDED –

(1) T H A T the contents of the report be noted.

(2) T H A T the Committee continue to receive regular updates about the implementation of the Act.

(3) T H A T the report be referred to Cabinet in order to provide an update around the approach being taken to implement the Social Services and Well-being (Wales) Act 2014.

Reason for recommendations

(1-3) To ensure that Elected Members are kept informed about fundamental changes to the policy and legislative framework which underpin the work of Social Services.

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

RESOLVED - T H A T the contents of the report be noted and Cabinet continue to receive regular updates from the Scrutiny Committee (Social Care and Health) with regards to the implementation of the Social Services and Well-being (Wales) Act 2014.

Reason for decision

To be kept informed about fundamental changes in policy and the legislative framework which underpinned the work of Social Services.

C3076 YOUNG CARER SERVICES: UPDATE REPORT (REF) –

The Scrutiny Committee (Social Care and Health) on 1 February, 2016 considered the above report of the Director of Social Services.

The Interim Head of Business Management and Innovation presented the report, the purpose of which was to update Members on support services for young carers.

As a background summary, the report advised that young carers were defined as children and young people under the age of 18 who had caring responsibilities for someone who had a physical or mental illness, a physical or learning disability or a drug or alcohol problem. The person that they looked after may be a parent, a brother or sister, a grandparent or other relative. They may provide practical or physical care, help with personal care, assistance with domestic tasks, and / or emotional support.

Regardless of their age, all carers had the right to an assessment of their needs as a carer. There was no specific legislation which referred to young carers as a distinct category, although each Local Authority had a duty to safeguard and promote the welfare of children in their area who were in need and to promote the upbringing of such children wherever possible by their families, through providing an appropriate range of services.

Where a child was providing a substantial amount of care on a regular basis for a parent, they would be entitled to an assessment of their ability to care and the Local Authority must take that assessment into account when deciding what community care services should be made available to the parent.

A previous report to the Scrutiny Committee in January 2014 described joint working between the Cardiff and Vale University Health Board, the Vale of Glamorgan Council and Cardiff City Council to meet responsibilities introduced by the Carer Strategies (Wales) Measure, especially in respect of improving information and engagement with carers. Better support for young carers had been a key objective for this joint working.

A separate report in July 2014 focused on support for young carers and highlighted a scoping exercise to identify the number of young carers in primary and secondary schools in the Vale of Glamorgan.

Informed by the scoping exercise and the Task and Finish Group, the Vale of Glamorgan commissioned a Young Carers Project delivered through Cardiff YMCA. Entitled “Time For Me”, this service provided opportunities for young carers to participate in social activities, events and short breaks outside the school and home environment. The report advised that starting in late 2014, the service was jointly funded by the Children and Young People’s Partnership (via the Families First funding) and by Social Services. This would build on the previous delivery model by introducing more individual case work to support young carers to improve their educational attendance and attainment.

Since April 2015, from Quarter 2 reports which showed that there were currently 47 young carers accessing the project, six of these had received one to one support in the home. 22 young carers had gained skills and a certificate by attending a sailing residential. Evaluations showed a 100% positive feedback for the informal respite. Additionally, the fulltime Young Carers Project Worker for the Vale of Glamorgan had been working with the Council's Carers Development Officer in delivering a series of young carer awareness raising presentations to practitioners across the statutory sector and other organisations.

Under the auspices of the Carers Strategy Measure, staff from Social Services had been working with the young engagement workers from both the Vale and Cardiff, along with Cardiff YMCA, to consult with young carers. The purpose of these was to identify the information and support needs of young carers, particularly in relation to health services.

The report stated that at an initial meeting in November 2015, a group of young carers from the Vale and Cardiff came together to hear an explanation of the aims of the Carers Measure and to discuss potential for further engagement. As a result, 12 young people had volunteered to be involved in the planning of a wider consultation, which would include preparing and delivering a questionnaire, followed by a fun workshop to identify outcomes for statutory services to consider. It was hoped that this consultation would help establish a more regular dialogue between young carers, as a stakeholder group, and statutory services to help inform service delivery on an ongoing basis. Young carers would also benefit from extending the Carers Support Officer role to cover Children and Young People's Services. A part time Carers Support Officer had been appointed to support both parent carers and young carers in respect of their information and assessment needs. Work was ongoing to ensure that young carers were identified and referred appropriately to the targeted support that the Council had in place.

In terms of resources, the report advised that the Young Carers Project was a joint funded project between Families First and Social Services. Families First would contribute £40,000 per year until March 2017 and £10,000 was being made available from the carers services budget in Social Services.

A Committee Member raised two queries. His first query related to raising awareness of young carers within schools. In reply, the Interim Head of Business Management and Innovation indicated the key was around engagement with schools and the need to build and sustain working relationships. She also stated that the new Carer Support Workers would have an important role and it would be necessary to tailor how the service engages with schools. The Member's second query related to the use of the Carers Measure Funding for which £11,800 had been allocated to the Vale and Cardiff. For this, the Interim Head of Business Management and Innovation advised that a Carers Measure Group had been meeting regularly to discuss proposals around how the funding could be used and that the Group routinely considered the impact of the Social Services and Well-being (Wales) Act.

With regard to a Member's query about the types of activities that were being provided to young carers, the Committee noted that a number of projects and social events were available. The Head of Children and Young People Services explained that the service had established the sort of activities that young carers wanted to participate in. Therefore, the service had moved away from the more standard activities such as bowling and going to the cinema and now more varied activities were available such as horse riding and yacht sailing. Feedback from young carers had indicated that they had valued the opportunity to spend time with other young carers and a period of respite had allowed them to feel refreshed. The service's aim was not to remove the carer's role from the young carers but to support them and their families so that young carers felt more resilient and confident.

In querying how the Council recognised young carers, the Committee noted that a new wellbeing survey was being rolled out to schools, which was called Selfie. The Committee requested that consideration be given to whether Selfie or a similar mechanism could be put in place in schools which would assist the Council to identify young carers and the Committee agreed for this to be considered by Cabinet. The Committee was also advised that specific details around how young carers were identified would be sent to Members via e-mail.

Further to these points, the Cabinet Member for Adult Services stated that it was important to remember the "all contacts count" approach and that the Council should look at more ways of identifying young carers. He also made mention of not losing sight of what health was doing, particularly around hospital discharges and whether parents would be relying on their children to look after them. He also alluded to the stigma in schools faced by young carers and the need to support young carers as much as possible.

Finally, the Committee agreed for a report updating on the developments around young carers to be provided on an annual basis.

Having considered the report, the Committee

RECOMMENDED –

(1) T H A T the work undertaken to support young carers in the Vale of Glamorgan be noted.

(2) T H A T the report be referred to the Scrutiny Committee (Lifelong Learning) for its consideration.

(3) T H A T the report be referred to Cabinet to highlight the need to develop further mechanisms to help identify young carers.

(4) T H A T update reports be received by the Committee on an annual basis.

<u>Reasons for recommendations</u>

(1) To ensure that Members continue to exercise effective oversight of an important function undertaken by the Social Services Directorate.

(2) At the request of the Scrutiny Committee (Lifelong Learning) to receive the report on an annual basis.

(3) To help the Council develop ways around the identification of young carers.

(4) To keep the Committee apprised of developments around young carers.

After presenting this item, the Cabinet Member for Adult Services made reference to the comments he made at the Scrutiny Committee (Social Care and Health), in that "it was important to remember the "all contacts count" approach and that the Council should look at more ways of identifying young carers. He also made mention of not losing sight of what health was doing, particularly around hospital discharges and whether parents would be relying on their children to look after them. He also alluded to the stigma in schools faced by young carers and the need to support young carers as much as possible". He concluded by urging all officers of the Council to look at their departments for any young carers.

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

RESOLVED – T H A T the contents of the report be noted and that a further report be brought back to Cabinet looking at further mechanisms to help identify young carers by using the "all contacts count" approach.

Reason for decision

To help the Council develop ways around the identification of young carers.

C3077 THE MEALS ON WHEELS SERVICE (REF) –

The Scrutiny Committee (Social Care and Health) on 1 February, 2016 considered the above report of the Director of Social Services.

The Head of Adult Services presented the report, the purpose of which was to update the Scrutiny Committee on how the Meals on Wheels Service was being delivered and the rationale for considering alternative ways of meeting the nutritional needs of those eligible for care and support from Social Services.

The report was a follow up to a previous Scrutiny report provided in response to an original Request for Consideration from Councillor R.J. Bertin, who had requested that the Committee receive information regarding the numbers using the service and the potential future funding reductions.

The report advised that Meals on Wheels was a social care service which delivered a hot meal at home to people who were assessed as being unable to undertake this task for themselves. In Barry, one route was previously made available through a service level agreement with the Royal Voluntary Service but this had been discontinued by mutual consent. The volunteer service now operated within Rondel House, supporting people who attended to engage in activities.

The report stated that there was no statutory requirement for a Local Authority to provide a Meals on Wheels service. However, Local Authorities must assess the needs of individual people in need and then ensure that, where there were eligible risks to independence, these risks were mitigated through provision of services. Those who experience risks associated with potential malnutrition would be eligible for a service to ensure that their needs were met. This could be done in various ways and not just through the delivery of a hot meal by the Local Authority. For example, frozen meal delivery services had proved to be popular. The principal advantages of this approach were that individuals had greater choice over what and when they could eat, without any requirement for an assessment by Social Services. Some schemes in other Local Authorities involved the provision of vouchers which could be used in local facilities such as cafés. Additionally, a number of luncheon clubs and day services existed across the Vale of Glamorgan. These provided not only a meal but also an opportunity to engage with other people, tackling loneliness and social isolation.

The report indicated that the use of the Meals on Wheels service had reduced substantially across the United Kingdom. Figures for England, reported following a Freedom of Information Request, indicated that the number of elderly people receiving meals provided by Local Authorities had fallen over the last five years from 296,000 to around 109,000 in 2014/15. In comparison, the position across Wales varied. In 2013/14 six Local Authority areas did not provide a Meals on Wheels Service although it had not been possible to obtain more up to date information.

In the Vale of Glamorgan, the number of people who used the Meals on Wheels service had remained similar since the figures were reported in 2015. The service then was delivering approximately 78 meals and this figure was now approximately 75. At weekends, a reduced service operated and approximately 29 meals were delivered to the Central and Eastern parts of the Vale. The Meals on Wheels service at the further end of the Western Vale was discontinued several years ago, following equipment failure in the local kitchen. Alternative meal services were available. Low demand levels and the additional distances involved in delivery to rural locations in the Western Vale meant that restarting a service in this area would likely incur additional costs.

The charge for a meal in the Vale of Glamorgan was £3.30 in 2013/14 and this had risen to £4.10 in 2014/15. This was in order to bring the charge closer to the costs of preparing and delivering meals. Reductions in the number of meals provided meant that the expected rise in overall income through the price increase had not been fully realised. The current cost per meal to provide the service (unit cost) was £5.34 which was based upon the existing number of recipients. The charge to them remained unchanged from 2014/15. The expected charge required to make the service cost neutral was in the region of £6 per meal. This had been calculated to include an anticipated reduction in the numbers of meals provided.

A review of the service had been undertaken. This included consultation with existing recipients to ascertain their views regarding the current provision and to determine their knowledge and understanding of alternative delivery models. The consultation document and a copy of the questionnaire were attached to the report at Appendix 1. The overall conclusions that emerged from the review were that high levels of satisfaction with the service continued and that individuals were not well informed about alternative options for meals.

Further analysis of the review information was underway. Consideration would need to be given to increasing the price of meals and to the promotion of alternative meal options. The service had deemed it helpful to examine the feasibility of the service being provided in the future by organisations external to the Council. It was proposed, therefore, to initiate some market testing to determine the extent of interest in this across Vale localities. Ideally, this would include exploring whether services could be made available across the whole of the Vale of Glamorgan.

A Committee Member thanked the Head of Adult Services for the update and the Member stated that he had been worried that service users were not being properly informed about alternative services should arrangements to the Meals on Wheels service be changed.

The Committee then asked if the Cabinet Member could relay some of his thoughts about the future of the Meals on Wheels service. The Cabinet Member indicated that, in his opinion, the Council needed to recoup its costs for providing the service but he recognised that low numbers of service users made this difficult for any company or organisation. The Cabinet Member went on to comment that one large provider was Wiltshire Farm Foods and he stated that observations through the Vale’s 50+ Forum had indicated that they had been well received. Furthermore, he advised that Wiltshire Farm Foods would not only deliver meals but they would also undertake physical checks of their service users and would refer people should they have any concerns. The Cabinet Member explained that the Council needed to look at the possibility of alternative service delivery such as through a large mutual company. He also mentioned that the Cardiff and Vale University Health Board had been able to provide a service at £3.10 per meal and he stated that the Health Board could do this because meals were produced in large quantities.

In answer to a Member's question regarding services in the rural part of the Vale, the Head of Adult Services stated that issues had been down to a breakdown in kitchen equipment which had meant that around 20 individuals had been unable to access the Meals on Wheels service. He stated that companies such as Wiltshire Farm Foods offered a number of ranges of meals and would be able to better meet the dietary requirements of service clients.

RECOMMENDED –

(1) T H A T the contents of the report be noted.

(2) T H A T the report be referred to Cabinet to advise on how the Meals on Wheels service was being delivered and to highlight the rationale for considering alternative ways of meeting the nutritional needs of those eligible for support from social services.

(3) T H A T the progress to date be noted and that further reports on potential alternative service models be received.

<u>Reason for recommendations</u>

(1-3) To ensure that the Scrutiny Committee and Cabinet can exercise effective oversight of this service.

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

RESOLVED – T H A T the contents of the report be noted and thanks be given to officers for a review of the Meals on Wheels Service that highlighted the rationale to consider alternative service delivery and that Cabinet looked forward to receiving further analysis and comments on this matter from the Scrutiny Committee (Social Care and Health) in the future.

Reason for decision

To support the nutritional needs of those eligible for support from social services.

C3078 REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS – BARUC, BUTTRILLS AND CASTLELAND WARDS (ERO) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Following the statutory review agreed by Cabinet on 30 November, 2015 approval was sought for the final proposals for the Polling Districts, Polling Places and Polling Stations for the Baruc, Buttrills, and Castleland Wards.

The Council had a duty under section 18B of the Representation of the People Act 1983 (as amended) ("the Act") to designate a polling place(s) for each polling district and to keep the polling place(s) under review in accordance with the requirements of sections 18B, 18C and Schedule A1 of the Act.

Residential properties along Ffordd y Mileniwm covering three wards, Baruc, Buttrills and Castleland had been built and building works would continue throughout 2016. As a result concerns had been raised regarding the appropriateness of the current arrangements. In light of the concerns raised, a review related to the Polling Districts, Polling Places and Polling Stations for the Baruc, Buttrills and Castleland Wards was agreed by Cabinet on 30 November, 2015 (minute no. 2991 refers) and was conducted from Monday 11 January, 2016 to Friday 29 January, 2016.

The stakeholders referred to in Appendix 1 attached to the report were consulted during the review; and Appendix 2 as attached to the report detailed the representations made which were considered by the Electoral Registration Officer during and following the consultation stages.

As part of the review process, two new polling districts and two new polling stations and places were proposed by the report. Appendix 3 attached to the report set out the existing arrangements for each ward, the initial proposals and proposed changes. Appendix A, B & C attached to the report highlighted the proposed new polling districts created in the Baruc and Buttrills Ward, and the existing Polling District for the Castleland Ward.

As part of the initial scoping review a positive impact was identified for people with a disability. A copy of the full equality impact assessment was attached at Appendix 4 to the report which supported the proposal.

At the meeting the Leader commented that the Council would ensure that there was adequate car parking provision for voters at the Docks Office on a temporary basis for the day by cordoning off and reserving Car Parking Spaces.

As the plans attached to the agenda at Appendix A and B did not clearly show the hatched areas, and Appendix C did not clearly show the shaded area identifying the Docks Office polling station, clearer copies were made available at the meeting and considered by the Cabinet.

This was a matter for Executive and Council decision

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

RESOLVED –

(1) T H A T the following proposals for the Baruc and Buttrills Wards be noted:

- Baruc Ward – No change save for current polling district ACO to be divided with the creation of a new polling district to be known as AC1 for the area hatched on the plan attached at Appendix A to the report, with a new polling place and station at the Premier Inn (first preference) or the Brewers Fayre (second preference).

- Buttrills Ward – No change save for current polling district EBO to be divided with the creation of a new polling district to be known as EB1 for the area hatched on the plan attached at Appendix B to the report, with a new polling place and station at the Premier Inn (first preference) or the Brewers Fayre (second preference).

(2) T H A T the following proposals for the Castleland Ward be agreed:

- Castleland Ward – No change to the polling districts; and no change to the polling places and stations save for a new polling place and station at the Conference Room, Dock Offices for Polling District FD1.

(3) T H A T the report be referred to Council for consideration in respect of resolution 1 above.

Reasons for decisions

(1) To agree the final proposals as recommended by the Electoral Registration following a statutory review.

(2) To approve the final proposals as recommended by the Electoral Registration Officer following a statutory review.

(3) In line with the Representation of the People Act 1983 (as amended) and the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 (as amended).

C3079 REVIEW OF POLLING PLACE AND POLLING STATION – LAVERNOCK WARD (ERO) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Following the statutory review agreed by Cabinet on 30 November, 2015, agreement was sought for the final proposals for the Polling Place and Polling Station for the Lavernock Ward.

The Council had a duty under section 18B of the Representation of the People Act 1983 (as amended) ("the Act") to designate a polling place(s) for each polling district and to keep the polling place(s) under review in accordance with the requirements of sections 18B, 18C and Schedule A1 of the Act.

On 17 November, 2014 Cabinet approved the change of Polling Place and Polling Station NB0 (Lavernock ward) from a portacabin situated in Falcon Road to the Rangers Office at Cosmeston Country Park. This was subsequently approved on 17 December, 2014 by Council as part of the comprehensive review. After the consultation period concluded, concerns were raised about the change of Polling Place and Polling Station approved for the Lavernock Ward.

In light of the concerns raised, a review relating to the Polling Place and Polling Station for the Lavernock Ward was agreed by Cabinet on 30 November, 2015 (minute no. 2991 refers) and was conducted from Monday 11 January, 2016 to Friday 29 January, 2016.

The stakeholders referred to in Appendix 1 attached to the report were consulted during the review. Appendix 2 attached to the report detailed the representations made which were considered and taken into account by the Electoral Registration Officer during and following the consultation stages.

The report noted that after the initial consultation stage when the proposal not to change the existing arrangements was published, no further representations were received during the second phase of consultation. Further, following consultation with the Operational Manager – Regeneration, agreement had been reached to make available a larger office at the Rangers Office which would address the concern regarding the size of the office used for the 2015 Parliamentary Election. Also building works to improve wheelchair access were scheduled prior to May 2016.

The review had regard to equality of access and needs of voters. No representations were received from the equality consultees referred to in Appendix 1.

Following the review process no change to the Polling Place or Polling Station in the Lavernock Ward was proposed, therefore the Polling Place and Station would remain at the Rangers Office at Cosmeston Country Park. In coming to this conclusion, the Electoral Registration Officer was satisfied that the facilities were reasonable and it was accessible to electors that were disabled.

This was a matter for Executive decision

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

RESOLVED – T H A T no change be made to the current Polling Place and Polling Station at the Rangers Office, Cosmeston Country Park for Polling District NBO, Lavernock Ward.

Reason for decision

To agree the final proposals as recommended by the Electoral Registration Officer following a statutory review.

C3080 FINAL CAPITAL PROPOSALS 2016/17 TO 2020/21 (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Approval was sought for the Final Capital Programme Proposals for the years 2016/17 to 2020/21.

The Initial Capital Programme Proposals 2016/17 to 2020/21 were presented to Cabinet on 16 November, 2015 (minute C2974 refers). They were subsequently referred to Scrutiny Committees in November/December 2015.

In responding to the Initial Capital Programme Proposals, no recommendations were made by the following Scrutiny Committees:-

Social Care and Health –30 November, 2015 – noted report.

Economy and Environment – 1 December, 2015 – noted report.

Housing and Public Protection – 2 December, 2015 – noted report.

Lifelong Learning – 7 December, 2015 – noted report.

Corporate Resources Scrutiny Committee, at its meeting on 8 December, 2015 (minute no. 661 refers), recommended that the Initial Capital Budget Proposals be endorsed.

The minutes and recommendations of Scrutiny Committee (Corporate Resources) were referred to Cabinet on the 11 January, 2016 (minute no.C3037 refers) as no recommendations were made Cabinet recommended that the Initial Capital Budget Proposals be endorsed.

On 9 December, 2015 the Welsh Government announced the provisional 2016/17 General Capital funding settlement. There had been a £47K (0.86%) reduction in funding from 2015/16. The Initial Capital Programme Proposals in November 2015 assumed a 10% reduction and therefore an additional £500k was available in 2016/17. There was no indication of the level of funding likely beyond 2016/17, therefore, in line with the approach adopted in the Medium Term Financial Plan, the proposals assumed a reduction of 10% in each year of the programme from 2017/18. On this basis, a table representing the capital funding from the Welsh Government was shown below:

Resources from Welsh Government	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**

	£’000	£’000	£’000	£’000	£’000
Supported Borrowing - General Fund	3,369	3,032	2,729	2,456	2,210
General Capital Grant	2,050	1,845	1,660	1,494	1,345
Total	**5,419**	**4,877**	**4,389**	**3,950**	**3,555**

Another means of financing capital expenditure was through capital receipts resulting from the sale of assets. Receipts from the sale of Housing Revenue Account (HRA) assets could only be spent in the HRA and could not be used to finance General Fund capital schemes. As at 31 March, 2016, the forecast balance of useable capital receipts totaled £11.84M of which £1.34M was ring-fenced for Social Services and £1.07M was ring-fenced for Education. No further general capital receipts or ring-fenced Social Services capital receipts were anticipated between 2016/17 and 2020/21. A further £15.98M ring-fenced Education capital receipts for the School Investment Programme were estimated to be generated between 2016/17 and 2020/21. It was noted, however, that projected future capital receipts were not guaranteed.

HRA capital receipts were from the sale of dwellings under the Right To Buy Act, of HRA land and other HRA assets. In the case of HRA receipts, regulations set out that receipts since 1 April, 2004 could only be used to fund HRA capital expenditure or to repay HRA debt. As at 31 March, 2016 the forecast balance of useable HRA capital receipts was nil. No further HRA receipts had been assumed.

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

Capital Receipts

	General	Ringfenced Social Services	Ringfenced Education
	£000	£000	£000
Balance as at 31st March 2016	9,430	1,339	1,069
Anticipated Required in 2016/17	-7,490	0	-1,102
Anticipated Receipt in 2016/17	0	0	38
Balance as at 31st March 2017	1,940	1,339	5
Anticipated Required in 2017/18	0	-1339	-5
Anticipated Receipt in 2017/18	0	0	0
Balance as at 31st March 2018	1,940	0	0
Anticipated Required in 2018/19	0	0	0
Anticipated Receipt in 2018/19	0	0	8,387
Balance as at 31st March 2019	1,940	0	8,387
Anticipated Required in 2019/20	-4	0	-1,404
Anticipated Receipt in 2019/20	0	0	1,875
Balance as at 31st March 2020	1,936	0	8,858
Anticipated Required in 2020/21	-223	0	-7,686
Anticipated Receipt in 2020/21	0	0	0
Balance as at 31st March 2021	1,713	0	1,172
Anticipated Required to 2026/27	0	0	-5,250
Anticipated Receipts to 2026/27	0	0	5,685
Balance as at 31st March 2027	1,713	0	1,607

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

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

One such reserve was the Project Fund which existed to finance capital and revenue projects. The aim of the Fund was to initially finance a project with repayment of such advances (including interest), where possible, being credited back to the fund. The estimated balance of the Fund as at 31 March, 2016 was £3.53M. A balance of £2M would be retained as a balance on the fund. The following table showed the projected position of the fund over the next five years.

Project Fund Balance	**£'000**
Estimated Balance as at 1st April 2016	3,529
Anticipated Requirements – 2016/17	(1,251)
Anticipated Receipts – 2016/17	0
Balance as at 31st March 2017	2,278
Anticipated Requirements – 2017/18	(100)
Anticipated Receipts – 2017/18	0
Balance as at 31st March 2018	2,178
Anticipated Requirements - 2018/19	0
Anticipated Receipts - 2018/19	0
Balance as at 31st March 2019	2,178
Anticipated Requirements – 2019/20	0
Anticipated Receipts – 2019/20	0
Balance as at 31st March 2020	2,178
Anticipated Requirements – 2020/21	0
Anticipated Receipts – 2020/21	0
Balance as at 31st March 2021	2,178

In a similar vein, the Council had an IT Fund estimated at £4.19M as at the end of 2015/16. The Council relied heavily on technology to deliver its services and the Fund allowed investment in this infrastructure and also enabled the Council to exploit opportunities to reduce the cost of services. This was in accordance with a report from the Wales Audit Office in December 2012 entitled ‘Use of Technology to Support Improvement and Efficiency in Local Government’. Best practice highlighted in the report recommended that ‘A corporate technology development fund was used to fund all developments with commitment that efficiencies replenish funds'.

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

Outside of the above, the Council was heavily dependent on specific grant funding to supplement its own resources if certain capital schemes were to be progressed. Generally, this came via Welsh Government, although contributions from other public sector organisations or associated bodies were also forthcoming. It was estimated that over the next 5 years, the level of specific grant funding for General Fund

Capital Schemes was approximately £75.07M which was around £52.88M more than the level of General Capital Funding for the same period (£22.19M). The £75.07M grant funding was made up of £32.76M 21st Century Schools grant, £249K Tackling Poverty grant, £678K Renewal Area grant, £2.374M Flood Defence grants, £13.8M Major Repairs Allowance grant and £25.211M Five Mile Lane Improvement grant. Many of these schemes required a match funding contribution to be made by the Authority to the cost of the scheme.

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

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

The Code recognised that in making capital investment decisions the Council had to have regard to option appraisal, asset management planning and strategic planning. However, given, the expected severity of cuts in future revenue resources, the potential for servicing debt not funded by Welsh Government (WG) as part of General Capital Funding or already provided for (e.g. Prudential Borrowing for the Schools Investment Programme and Housing Improvement Programme) was extremely limited as this would need to be funded through the revenue budget.

The projected amount of prudential borrowing utilised at 31 March, 2016 was £93.971M which was made up of £6.690M for Highway Improvements under the Local Borrowing Initiative, £7.444M for 21st Century Schools Programme, £14.571M Housing Improvement Programme, £63.156M Housing Subsidy Buyout and the Local Government Borrowing Initiative for 21st Century Schools £2.110M. After allowing for repayments the balance was expected to be £91.639M at 31 March, 2016.

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

Scheme	2016/17	2017/18	2018/19	2019/20	2020/21	Total	
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**Affordability**
21st Century Schools Local Borrowing Initiative	528	0	0	0	0	528	Budget transferred into RSG from 2015/16
Housing Improvement Programme	23,191	2,415	4,630	1,890	1,510	33,636	Repayments factored in as part of Housing Business Plan
Total	**23,719**	**2,415**	**4,630**	**1,890**	**1,510**	**34,164**	

Total new Prudential Borrowing over the next 5 years was estimated at £34.164M of which £33.636M related to the Housing Improvement Programme.

Future Prudential Borrowing for School Investment Programme Band B schemes totalled £1.5M in 2021/22.

At the end of the Capital Programme period (31st March, 2021) the outstanding prudential borrowing taking into account repayments was expected to be £12.9M General Fund and £100.510M HRA.

Proposed Capital Programme 2016/17 to 2020/21

Following consideration of all of the above, the proposed 5-year Capital Programme 2016/17 to 2020/21 was attached at Appendix A. Since the Initial Capital Programme Proposals were prepared, a small number of amendments were received and were outlined below.

Cabinet on 5 October, 2015 considered a report on the 'Proposal to Transform Secondary Education in Barry' (minute C2931 refers) and resolved to progress recommendation 4 "That the development of a programme of work for Barry Comprehensive School be authorised to enable improvements to be made to the learning environment in the short term and that a further report on the proposed programme and estimated funding requirement be presented to Cabinet for further consideration in due course". A further report was brought to Cabinet on 11 January, 2016 (minute C3042 refers) which included a list of works to be undertaken and resolved "That the inclusion of £210K into the 2015/16 Capital Programme and £690K into the 2016/17 Capital Programme, funded from the School Investment Reserve be approved."

Several schemes had been included in Appendix A which would be funded from S106 monies. These included, Fferm Goch Public Open Space £47k, Maendy Pedestrian Sustainable Transport Improvements £81k, Improvement works at Heol Llidiard Community Hall £37k and Mobile vehicle signs £35k.

As part of the transport review the use of vehicles by the Authority had been extensively reviewed, which meant that the purchase of new vehicles under the scheme had been delayed. In addition, an amendment to the level of expenditure in the Capital Programme was required, to reflect the continuing need to replace vehicles across the Council. The proposed revised expenditure was set out in the table below and differed from the Initial Capital Programme Proposals report which went to Cabinet in November 2015:

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's	£000's
Original Expenditure	1,453	616	1,338	800	800
Revised Expenditure	1,140	1,140	1,140	1,140	1,128

Vehicles could be funded from the Vehicle Renewals Fund or could be leased. The level of and financing of this expenditure would be reviewed as a result of the outcome of the Transport review.

The provisional capital settlement did not decrease by the 10% predicted in the Initial Capital Programme Proposals. Given the low level of All Services Asset Renewal funding shown against the Resources Directorate it was proposed that the All Services Asset Renewal budget was increased year on year by the difference. However, £100k of this increase in 2016/17 had been allocated to the Social Services Asset Renewal budget in order for them to prioritise urgent works to their buildings as required.

Slippage requested through Capital Monitoring reports at Cabinet on 25 January and 8 February, had been included in Appendix A of the report.

The Financial Strategy

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

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

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

- Continued investment in housing through the Housing Improvement Programme to achieve the Welsh Housing Quality Standard and with further expenditure planned as outlined in the Housing Business Plan;
- Additional funding of £600k made available between 2015/16 and 2016/17 for further regeneration schemes as part of the Barry Regeneration Partnership, which includes refurbishment of local parks;
- Further investment in schools through the School Investment Programme with Band A underway and future development under Band B anticipated to commence in 2019/20; and
- Additional funding being provided in 2016/17 and 2017/18 for Disabled Facilities grants.

In the Final Capital Programme Proposals 2015/16 to 2019/20 a number of pressures were identified that would need to be subject to on-going review and management as follows;

Capital Budget Pressure	Mitigating Action Taken
The possibility of increased demands upon flooding, coastal protection and the environment generally (including an accelerated deterioration of the highways infrastructure).	£130K for Flood Management schemes at Boverton had been carried forward into the 2016/17 Capital Programme. On-going funding for Flood Risk Management was provided for in the five year capital programme at £100K per annum, as detailed in paragraph 64 of the report.
The general shortfall of funding available to address the Council's	Bids for Asset Renewal were ranked in accordance with Risk and Corporate Priority to

asset renewal requirements.	help assist with rationing the scarce resources available. Following a review of Asset Renewal requirements as part of the budget process an additional £400K had been allocated to the Education service in 2016/17 of which £380K had been brought forward into 2015/16 to carry out urgent works. An additional £400K had been allocated each year from 2017/18 to 2019/20. An additional £500K had been added to Visible Services in 2016/17 for Highways Resurfacing and Maintenance Works. A £200K asset renewal budget in 2016/17 and £100K per annum between 2017/18-2020/21 had been allocated to Social Services in order for them to prioritise urgent works to the buildings. The All Services asset renewal budget had also been increased as detailed in paragraph 39 of the report.
The Council's ambitions for further regeneration and how they could be realised.	Provision was made in each year of the capital programme for regeneration via the Barry Regeneration Partnership Fund and £100K each year for the Regeneration Fund as detailed in paragraph 65 of the report.
The continued expansion over time of the Schools Investment Programme.	Band B Schemes for the School Investment Strategy had now been included in the Capital Programme. Welsh Government had confirmed that Band B would commence in 2019/20. It was estimated that the cost of Band B would be in the region of £67.4M and it was assumed that the Welsh Government grant intervention rate would be 50%.
Funding of Renewal Areas to address housing, social and environmental problems in the light of reduced grant availability.	In 2016/17 an allocation of £500K had been made for match funding the Renewal Area Grant. Grant funding for this scheme was expected to end in 2016/17.

School Investment Programme

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

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

In April 2014, WG notified the Council that some of the funding for Band A of the 21st Century Schools Programme would be in the form of unsupported borrowing instead of a revenue grant. The Council would be expected to borrow however, WG would provide revenue funding to cover the cost of the loan. In 2014/15 this was via a specific grant and from 2015/16 the funding had been distributed through the Revenue Support Grant. This had no impact on the value of the Capital Programme, only the way in which it was funded.

In September 2014 the Vale of Glamorgan Council received notification from WG that the funding envelope for 21st Century Schools was increased from £20.960M to £29.898M. As reported in the Final Capital Programme Proposals in February 2015, the Council had increased their contribution to the programme by a further £950k for the Llantwit Major Learning Community Scheme and this was approved by Cabinet on 12 January, 2015 (Minute C2607 refers), therefore, the total funding envelope was now £30.848m. This excluded the £650k added to the Capital Programme for Llantwit Learning Community requested as part of the Initial Capital Programme Proposals report.

The Band A Programme was progressing well. Phase one of the Penarth Learning Community scheme was complete and the Learning Community was occupied. Phase two was complete apart from the seeding of the grass pitches which would commence at Easter. Ysgol Nant Talwg and Ysgol Dewi Sant were complete and the schools were now occupied. Phase three of Ysgol Gwaun Y Nant was completed in November 2015 and the school was occupied in January 2016, the woodland area at the rear of the site was completed apart from the seeding which would commence in the spring. The building works at Oakfield were now complete and the school was occupied, the increased area to the playing field was to be seeded in the spring. The Llantwit Learning Community scheme was underway and works started on site in August 2015. The Colcot Primary scheme was due to start in 2016/17.

The following table showed the planned spend on the Education Capital Programme from 2016/17 to 2020/21 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme. Gross Expenditure totaled £80.637M.

Proposed Education Programme to 2020/21

By Scheme	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**Total**
	£000's	£000's	£000's	£000's	£000's	£000's
Ysgol Dewi Sant	35	0	0	0	0	35
Llantwit Learning Community	13,052	1,240	29	0	0	14,321

Gwaun Y Nant & Oakfield	47	0	0	0	0	47
Colcot	250	250	0	0	0	500
Barry Secondary School	0	750	0	0	0	750
Eagleswell Demolition	300	0	0	0	0	300
Band B Schemes	0	0	0	18,361	32,927	51,288
St Cyres Lower School Marketing and Disposal	65	0	0	0	0	65
Eagleswell Marketing and Disposal	83	5	0	0	0	88
Barry Comprehensive School Internal and External Refurbishment Works	690	0	0	0	0	690
Asset Renewal	620	1,000	1,000	1,000	600	4,220
Asset Renewal Contingency	50	50	50	50	50	250
Rhoose S106	0	1,500	1,762	0	0	3,262
Gwenfo Primary Expansion	454	11	0	0	0	465
St Brides Expansion	346	10	0	0	0	356
Victorian Schools	1,200	800	0	0	0	2,000
Schools ICT Loans	200	200	200	200	200	1,000
Schools Capital Loan Schemes	200	200	200	200	200	1,000
Total	**17,592**	**6,016**	**3,241**	**19,811**	**33,977**	**80,637**

The total allocation for Victorian Schools between 2016/17 and 2020/21 was £2M to support works across 21 Victorian Schools to address the existing issues with lath and plaster and masonry deterioration. Work was currently being carried out by Property Services to assess the works required between 2016/17 and 2017/18.

There was an asset renewal budget of £1m per annum from 2016/17 to 2019/20 however, £380k of this amount in 2016/17 had been approved to be brought forward into 2015/16. £300k of which was detailed in the Initial Capital Programme Proposals report and £80k which was approved by Delegated Authority to increase the budget for Ysgol Bro Morgannwg Kitchen Roof Renewal in 2015/16. In addition there was a £50k asset renewal contingency budget in each year. From 2020/21 the asset renewal budget had to reduce to the original £600k allocation due to increased constraints on resources and the 21st Century Schools Band B Programme. Education in consultation with Property Services, allocated this budget in year to various schemes including rolling programmes of boiler and toilet renewal.

Band B Schemes were expected to commence in 2019/20 and in December 2014 the Council submitted proposals for a number of schemes to Welsh Government. Based on latest indications, it had been assumed that 50% funding would be available from Welsh Government to fund these schemes. However, there was no guarantee that this funding would be available from Welsh Government or what form it would take.

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

Expanding primary sector capacity and address the condition of school buildings in various areas across the Vale; and

Rationalisation of school buildings situated on split sites.

The total cost for Band B schemes was projected to be in the region of £67.4m and of this totalled £18.361m and £32.927m had been included in Appendix A for 2019/20 and 2020/21 respectively.

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

By Funding Source	16/17	17/18	18/19	19/20	20/21	Total
	£000's	£000's	£000's	£000's	£000's	£000's
General Capital Funding	4,593	1,800	1,189	1,160	1,155	9,897
Capital Receipts	4,574	5	0	1,404	7,581	13,564
Other Reserves and Revenue Contribution	0	0	0	1,000	0	1,000
School Investment Reserve	2,293	1,665	290	1,397	3,391	9,036
School Rationalisation and Improvements Reserve	200	200	200	200	200	1,000
IT Fund	200	200	200	200	200	1,000
Prudential Borrowing	528	0	0	0	0	528
Total Internal Funding	12,388	3,870	1,879	5,361	12,527	36,025
S106 Agreements	769	1,021	1,362	7,700	1,000	11,852
Welsh Government Grant	4,435	1,125	0	6,750	20,450	32,760
Total Funding	17,592	6,016	3,241	19,811	33,977	80,637

Housing Improvement Programme

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

The latest annual Business Plan would be submitted to Welsh Government in February 2016, and formed the basis of the Major Repairs Allowance (MRA) grant application, a pivotal financing component for the Housing Improvement Programme (to meet the Welsh Housing Quality Standard (WHQS)).

The MRA for 2016/17 had not yet been announced by the Welsh Government but the assumed budget in Appendix A remained at £2.760M p.a., as received in 2015/16.

The latest Business Plan projections would be reported to Cabinet on 22 February, 2016 before being brought to Council for approval on 2 March, 2016.

The Final Capital Programme Proposals reflected the level of works required to meet and maintain WHQS, and potential investment in new build and regeneration schemes, as per the latest Plan.

It was expected that WHQS would be attained by April 2017, with on-going work required to maintain the standard based on component lifecycles. In addition the latest Housing Improvement Programme included new build and regeneration work of £22.53M between years 2016/2017 and 2020/2021.

The budget for the Housing Improvement Programme was shown as one line in Appendix A, this would be allocated to schemes in the new financial year through a Delegated Authority request. The funding of the programme had been amended since the Initial Capital Programme Proposals in November 2015 and the changes were detailed below and reflected the updated work profiles based on the revised Housing Business Plan and slippage from 2015/16.

Original Funding	2016/17 £'000's	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's
Housing Reserves	3,910	3,767	4,776	4,809	0
MRA Grant	2,760	2,760	2,760	2,760	0
Unsupported Borrowing	19,434	1,688	3,222	784	0
Total Budget	26,104	8,215	10,758	8,353	0

Revised Funding	2016/17 £'000's	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's
Housing Reserves	2,931	2,959	3,286	3,619	4,095
MRA Grant	2,760	2,760	2,760	2,760	2,760
Unsupported Borrowing	23,191	2,415	4,630	1,890	1,510
Total Budget	28,882	8,134	10,676	8,269	8,365

Other Schemes

A sum of £800K per annum was included to address high priority Visible Services assets and infrastructure improvements.

Flood Risk Management funding of £100K per annum was provided in addition to funding slipped from 2015/16 for Flood Risk Management Schemes at Boverton, and Llanmaes.

A sum of £624K (including slippage from 2015/16) in 2016/17 and £300K from 2017/18-2020/21 had been allocated in relation to the Barry Regeneration Partnership. As well as being used for preparatory work (e.g. site investigations), this may also be applied as match funding to lever additional sources of grant funding. In addition, a further £100K had been allocated each year to fund regeneration initiatives including feasibility studies. A sum of £49K had been carried forward from 2015/16 into 2016/17 for feasibility studies into future improvements at Penarth including the Esplanade.

Funding for Disabled Facilities Grants of £5.35M had been provided in total over the 5 years.

After presenting this item, the Leader highlighted paragraph 78 of the report that stated “The Section 151 Officer considers that the estimated costs of unsupported borrowing are both prudent and sustainable”.

This was a matter for Executive and Council decision

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

RESOLVED –

That the following be recommended to Council:

(1) T H A T the final budget proposals for the Capital Programme for the years 2016/17 to 2020/21 as set out in Appendix A as attached to the report be approved.

(2) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, to make additions, deletions or transfers to or from the 2016/17 to 2020/21 Housing Improvement Programme as appropriate.

(3) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, to make additions, deletions or transfers to or from the 2016/17 to 2020/21 Asset Renewal budgets as appropriate.

(4) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, to make additions, deletions or transfers to or from the 2016/17 to 2017/18 Victorian Schools budget as appropriate.

(5) T H A T the policy for making Minimum Revenue Provision in 2016/17 be approved.

Reasons for decisions

(1) To set and approve future capital programmes to 2020/21.

(2) To enable the Housing Capital budget to be managed effectively.

(3) To enable the Asset Renewal budgets to be managed effectively.

(4) To enable the Victorian Schools budget to be managed effectively.

(5) To agree the basis of the Minimum Revenue Provision calculation for 2016/17.

C3081 FINAL PROPOSALS FOR THE REVENUE BUDGET 2016/17 (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet members were asked to consider the final proposals to the Revenue Budget before making their recommendations to Council, in respect of the final revenue budget for the financial year 2016/17.

The Council was required under statute to fix the level of Council Tax for 2016/17 by 11 March, 2016. The final decision on the budget could not be delegated and had to be made at a meeting of Council.

General

The Council's approved Final Revenue Budget Proposals for 2015/16 included savings targets for the period 2016/17 and 2017/18 of £17.8m. These figures excluded schools which were funded 1% above the relevant percentage change in Block Grant received by WG in the form of the Minimum Funding Commitment (MFC). No indication of future changes in funding had been received from WG and therefore the savings targets took as their starting base a projected 4% reduction in 2016/17 and a 2% reduction in 2017/18.

The 2015/16 Medium Term Financial Plan (MTFP) approved by Cabinet on 14 December, 2015 (minute no. C3013 refers) predicted the potential for an increase in the level of savings required from 2017/18 onwards. The indication from WG at the time the MTFP was produced was for further reductions in funding. The MTFP was therefore produced using the assumption of a reduction in funding of 4% in 2016/17 and 3% reductions in both 2017/18 and 2018/19. Savings totalling £17.8m were identified for the period 2016/17 to 2017/18, with a shortfall in funding across the 3 years to 2018/19 of £13.1m. The shortfall for 2016/17 was £3.247m.

Anticipated Outturn 2015/16

An overall net underspend of £492k had been projected for 2015/16.

Revenue Settlement 2016/17

Welsh Government's provisional settlement figures for the Council showed a total Standard Spending Assessment (SSA) of £213.878m, which represented an adjusted decrease of £94k over 2015/16. There was one transfer into the Revenue Settlement Grant which was £1.255m and related to the Outcome Agreement grant.

WG required each local authority to compare its total budget for education to its IBA (Indicator Based Assessment). It had to then report on the reasons why it may have chosen to set a budget for education that differed from its IBA (provisionally £95.180m for the Vale of Glamorgan). The report would need to be made available for consideration by the Council's Schools Budget Forum, full Council and by WG. A proposed draft of this report was attached at Appendix A to the report.

The Council's provisional figures from WG for the Revenue Support Grant (RSG) was £112.501m and for Non-Domestic Rates £37.942m. These totaled a provisional Aggregate External Finance (AEF) of £150.443m for the Council. On 10 February, 2016 WG advised the Council that it had updated the provisional AEF and the revised figure would be £150.448m.

When taking into account the above, the effective provisional reduction in AEF for the Council was 2.14% (£3.3m). This was £2.8m less than the 4% (£6.1m) assumed in the MTFP.

Final notification of the level of all 2016/17 WG grants had not yet been received, however, a reduction in the Families First grant of £179k (11.7%) had been confirmed. £46k had been received in 2015/16 for the Language and Play grant however this had been discontinued with effect from 31 March, 2016. An indicative allocation had been received for the Education Improvement Grant which for the whole consortia indicated a 5% reduction across the region. For this council, this could amount to a reduction of around £245k but an actual deduction had not yet been confirmed. The majority of this grant reduction would sit with the schools but there were some centrally funded budgets that would also be affected. The Post 16 grant was reduced by 2.75% which equated to £181k, although, the actual amount per pupil had increased but there was an apparent decrease in the notional number of pupils in the Vale and therefore there would be a reduction. The Environment and Sustainable Development (ESD) Single Revenue Grant would reduce by £110k, however, a grant from Natural Resources Wales for Biodiversity of £35k would be discontinued and this expenditure was expected to be funded from the ESD grant from 2016/17 onwards. There was a strong indication from WG that the Transition Funding Grant, used for implementing policy changes following the Housing (Wales) Act 2014, would reduce in 2016/17. Further reduction in funding was anticipated for the Youth Offending Service however final confirmation had yet to be received.

The Council received funding for collaborative initiatives. Funding under the Regional Collaboration Fund (RCF) was due to come to an end on 31 March, 2016 however, it was now anticipated that this would continue for a further 6 months. Funding from the Intermediate Care Fund (ICF) which was used to build on effective working across health, social services and housing, to improve the planning and provision of integrated services, has been included in Health's budget and would increase for 2016/17. The Council would continue to work with Health to take forward schemes which had a proven effectiveness across community and acute environments, linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The level of funding to be allocated to the Council was yet to be determined. The Delivering Transformation Grant which was received to implement the introduction of the Social Services and Well-being (Wales) Act 2014 would continue into 2016/17 and was used for collaborative working with Cardiff Council.

Budget Strategy 2016/17

Cabinet approved the Budget Strategy and Timetable for 2016/17 on 27 July, 2015 (minute no. C2865 refers). As part of this strategy, Directors were requested to continue to progress the Reshaping Services Programme.

The 2016/17 initial revenue budget proposals showed a provisional shortfall against base budget of £10.774m rising to a possible £18.601m if all cost pressures were to be funded. If all assumed savings of £12.17m were achieved, this would leave a shortfall in 2016/17 of £6.431m. The Budget Working Group (BWG) had undertaken further work to formulate the final revenue budget proposals contained in this report.

In particular, the BWG had regard to the need to achieve a balanced budget both for 2016/17 and in future years. This included:

- The results of consultation with the Schools Budget Forum, scrutiny committees and external stakeholders;
- Ways in which cost pressures could be reasonably reduced or mitigated;
- A further review of the proposed savings for 2016/17 onwards;
- The progression of the Reshaping Services programme;
- The existing financial strategies in place for Education & Schools, Social Services and Other Services;
- Possible increases in council tax;
- The projected funding position for 2017/18 and 2018/19; and
- The potential to use substantial levels of reserves as part of a defined financial strategy and to allow a more thorough review of options for savings and their implications, alternative methods of service delivery and collaborative ventures.

During 2016/17, additional pressure would be placed on staffing budgets as a result of various changes and these pressures had been considered by the BWG. The introduction of the National Living Wage from 1 April, 2016 would provide for a minimum hourly rate of £7.20 for workers aged 25 and above. There would be further pressure in future years when the rate continued to increase to at least £9.00 per hour by 2020. The impact on the cost of directly employed council staff from 1 April, 2016 was estimated to be approximately £60k and therefore these costs would need to be met from within existing service budgets.

This change would however have a significant effect on services the Council commissions from external organisation, in particular for Social Services. The projections included an assumed pay award of 1% for 2016/17 however it was acknowledged that an agreement had yet to be reached. There would also be an increase in employers National Insurance contributions which took effect from April 2016 and £930k (excluding schools) had been built into the budgets. With regard to schools, in recent years they had received an increase in funding which was in line with the MFC and the same was proposed for 2016/17. The BWG considered that the MFC of £1.655m would cover the additional costs to schools as a result of the change in employer National Insurance contributions.

Proposed Budget 2016/17

The proposed budget for 2016/17 had been set in line with the current financial strategy and a summary of the overall position was attached at Appendix C to the report.

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

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

Budget Adjustments had a net total of £505k and related to £600k for the reversal of one off funding previously provided to services, less the £1.105m reduction in the use of the Social Services Fund in 2016/17.

Inflation (excluding schools) totalled £1.613m of which £1.005m related to general price increases and a 1% allowance for pay awards amounts to £608k.

The BWG had reviewed and updated the cost pressures. Those which could not be mitigated or reduced were included within the Net Growth figure of £8.104m. The breakdown of this sum was shown at Appendix D attached to the report.

The savings had also been reviewed by the BWG and where necessary had been reprofiled over the 3 year period. Where possible, some savings had been brought forward, while for others, it was considered that further time would be required for their implementation. For 2016/17 these totalled £9.289m and details were included at Appendix E attached to the report

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As previously proposed, it was intended that £1.5m of the Council Fund Reserve would be used during 2016/17.

Services

Learning and Skills

	Educ & Schools	**Libraries**	**Adult Comm Learning**	**Youth Service**	**Catering**	**Art**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Budget 2015/16	94,086	2,359	265	1,043	1,756	0	99,509
Recharges /Tfrs	(1,532)	(23)	(7)	23	7	113	(1,419)
Inflation	191	18	14	7	34	1	265
Net Growth	1,733	18	6	17	2	1	1,777
Savings	(507)	(296)	(2)	(7)	(352)	0	(1,164)
Changes in Asset Rentals/IAS 19	375	(25)	1	(2)	42	0	391
Budget 2016/17	**94,346**	**2,051**	**277**	**1,081**	**1,489**	**115**	**99,359**

WG had continued to build into the settlement protection for schools via their Minimum Funding Commitment, which was equivalent to 1% above the change in the Assembly's block grant funding allocation from the UK Government. To fulfil

WG’s commitment, councils needed to ensure that their net Individual Schools Budget (ISB) was increased by at least this percentage and then adjusted for changes in pupil numbers.

The 2016/17 MFC of 1.8% had been applied to the net Individual Schools Budgets. The protection applied to schools in these budget proposals was, therefore, in accordance with the Minimum Funding Commitment and more information on the exact calculation for the Vale’s schools was shown in Appendix A attached to the report.

The net growth as shown at Appendix D related to the net MFC increase of £1.655m and the increase in employers national insurance contributions, excluding schools. This was a significant increase in funding for schools, in light of the Education SSA decreasing by £579k from 2015/16. It was acknowledged that the change in employers national insurance contributions, estimated to be £1.2m for schools, had a significant impact on staffing budgets and the BWG therefore considered that it was necessary to provide funding to mitigate such an increase. This level was substantially higher than the net MFC of £263k provided in 2015/16 and funding to this high value was seen as a one off and could not be guaranteed for future years if there were further reductions in the WG settlement. It was also acknowledged that funding for schools was a high priority from both external consultation and the Scrutiny Committee (Lifelong Learning).

Savings for Learning and Skills in 2016/17 totalled £1.16m. Full details of the savings were shown at Appendix E attached to the report. During 2015/16, there had been pressure within the Inclusion Service in relation to inter authority recoupment. A saving of £625k was originally included in the savings target for 2016/17 for Additional Needs. Work was ongoing, not only to achieve this saving, but to reduce the pressure in the service. It was acknowledged by the BWG that further time was required to implement changes and therefore the savings target had been reprofiled over a 3 year period.

It was suggested that the Schools Budget Forum be consulted before any final decision was made on the split of the funding between Central Education and the Schools. It was recommended that delegated authority be given to the Director of Learning & Skills to determine the split in the light of that consultation, subject to the minimum WG target for the ISB being met.

Social Services

	Children & Young People	Adult Services	Business Mgmt. & Innovation	YOS	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Budget 2015/16	14,497	37,418	319	672	52,906
Recharges/Tfr	(55)	(204)	(47)	6	(300)
Adjustments	315	790	0	0	1,105
Inflation	136	470	1	10	617
Net Growth	262	2,164	34	13	2,473
Savings	(290)	(700)	(12)	(5)	(1,007)
Changes in Asset Rentals/IAS 19	(7)	(32)	0	0	(39)
Budget 2016/17	**14,858**	**39,906**	**295**	**696**	**55,755**

The latest projected outturn for Social Services in the current financial year indicated an overspend of £100k. There remained continued pressures on the service, particularly in relation to the cost of adult care packages which was projected to outturn this year £850k over budget. This overspend related mainly to domiciliary care packages provided for frail elderly clients. When the full year effect of this year's commitment was projected into 2016/17, it was anticipated that this could result in an additional £500k of expenditure.

The details of the net growth were shown at Appendix D and included the employers increase in national insurance contributions. Having regard to the current financial pressures and the results of the budget consultation, where concerns were raised by the Social Care and Health Scrutiny Committee and the Cardiff & Vale University Health Board, the BWG acknowledged that there were significant issues in this area. Not only was there an increase in the population, but clients were increasingly frail with complex needs. There was a 'knock on' effect from pressures within Health and work was being undertaken to ensure integration between the two services. However, this would take some time to show results and make a significant impact. There were also pressures on the service from changes in legislation such as the Social Services and Well-being (Wales) Act 2014 which would come into force on 1 April, 2016 and the introduction of the National Living Wage. The Social Services SSA for 2016/17 had increased by £2.2m from 2015/16. Taking all these factors into account, it was proposed that an additional £2.2m should be included in the budget. In addition, it was acknowledged that the full impact of the introduction of the Act was not fully known, therefore, it was proposed that the Council's current projected revenue underspend of £492k, as reported to Cabinet on 8 February, 2016 as part of the latest budget monitoring report, was transferred into the Social Services Legislative Changes reserve to fund, in the short term, possible increased costs. The actual financial impact on both Adults and Children's Services would be assessed as implementation of the Act progresses.

While it was recognised that there were great pressures on the Adult Services budget as demand was very volatile, the Director of Social Services was asked to mitigate, where possible, the ever increasing demands and should review and implement alternative ways of working and managing demand.

Savings for Social Services in 2016/17 totalled £1.0m. The full detail of the savings were shown at Appendix E attached to the report.
During 2012/13, the Social Services Budget Programme was established which outlined a series of savings for future years and provided the required funding for the managed reduction of the budget, via the setting up of the Social Service Fund. The greater the delay in achieving the savings, the higher the use of funding required to cover budget shortfalls. This had to be set against the need to allow sufficient time to ensure that the savings were achievable and sustainable. The following table provided the time-frame for recovery and showed the continued use of the Social Services Fund.

Financial Year		**Savings Target**	**Use of Fund**
		£'000	**£'000**
2016/17		1,012	970
2017/18		605	650
2018/19		320	330
2019/20		330	0
Total		**2,267**	**1,950**

The Director of Social Services had to continue to review the Social Services Budget Plan and take the necessary action to achieve the level of savings required in accordance with the above timeframe.

Environment and Housing

	Visible	Transport	Building	Regulatory	Council Fund Housing	Total
	£'000	£'000	£'000	£'000	£'000	£000
Budget 2015/16	21,675	3,731	0	2,326	1,218	28,950
Recharges/Tfr	(689)	1,475	(25)	(283)	(111)	367
Adjustments	(500)	0	0	0	0	(500)
Inflation	204	43	10	18	9	284
Net Growth	931	8	15	26	13	993
Savings	(2,193)	(427)	0	(27)	(361)	(3,008)
Changes in Asset Rentals/IAS 19	640	4	0	(4)	(24)	616
Budget 2016/17	**20,068**	**4,834**	**0**	**2,056**	**744**	**27,702**

The details of net growth were attached at Appendix D to the report and included the increase in employers national insurance contributions. As part of the consultation process, residents considered recycling to be a high priority service and, therefore, the BWG thought it appropriate to provide £430k to support the increase in Waste Recycling. As part of a previous year's budget setting, £340k was included as a saving target for the introduction of town centre car parking charges. As a result of the outcome of public consultation and to support the economy of the Vale's town centres, this was now being reconsidered and it was proposed that the budget was reinstated for the coming year, pending a final decision. As part of the closure of the 2014/15 accounts, £500k was transferred into the Visible Services reserve to fund the Big Fill initiative during 2016/17.

Savings for 2016/17 were shown at Appendix E and totalled £3.0m. £1m of this saving would be achieved by the Prosiect Gwyrdd waste plant contract that was due to be fully operational during 2016/17. A saving of £1.1m was included in 2016/17 as part of the Tranche 1 Reshaping Services programme for Highways. Work had been ongoing, however, it was now considered that this sum would not be achieved from this one area alone and would need to incorporate wider service areas. Proposals were currently being finalised and therefore the BWG considered that reprofiling the saving over 2 years was appropriate.

Following further review of the savings by the BWG and as a result of consultation, some of the savings identified for 2016/17 had been reprofiled or reduced e.g. Public Conveniences, street cleaning.

Managing Director & Resources

	Resources	Regen	Develop Mgt	Private Hsing	General Policy	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£000**
Budget 2015/16	963	2,246	1,238	11,047	17,996	33,490
Recharges/Tfr	494	162	(72)	133	635	1,352
Adjustments	0	0	0	0	(100)	(100)
Inflation	265	32	17	111	22	447
Net Growth	235	38	29	10	1,549	1,861
Savings	(1,177)	(232)	(273)	(39)	(2,389)	(4,110)
Changes in Asset Rentals/IAS 19	140	(74)	19	0	(1,053)	(968)
Budget 2016/17	**920**	**2,172**	**958**	**11,262**	**16,660**	**31,972**

There had been a transfer into the settlement for the Outcome Agreement grant of £1.255m.

The details of net growth were shown at Appendix D and included the increase in employers national insurance contributions, committed growth of £150k for the provision of debt charges. As a result of the Welsh Language (Wales) Measure 2011, the Welsh Language Commissioner had recently issued legal Compliance Notices to all Councils in Wales that specified how we must provide and improve services for Welsh speakers. The requirements would be implemented over the coming months across the Council. £100k had therefore been included to cover the additional costs to be incurred by the Council.

Savings for 2016/17 were detailed at Appendix E and totalled £4.11m. Included as part of the Tranche 2 Reshaping Services programme was £700k which was to be achieved from the Corporate Workstream in 2017/18. The implementation of this review had already commenced and savings of £350k could be brought forward into 2016/17. They would be achieved from the review of grant funding provided by the Council to external organisations and a review of the Policy budgets.

Financial Strategy for 2017/18 to 2018/19

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

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

It had been assumed that the MFC for schools would remain for 2016/17. Education & Schools increases should at least match the overall percentage change in the Council's budget as amended for adjustments to the council tax reduction scheme (CTRS) and the council tax base. The Council would continue to strive to ensure that the budget for Education would be the same proportion of the Council's total budget as the Education SSA was to the total SSA where it was feasible to do so. This would be dependent on future settlements.

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

The Council also needed to consider its corporate priorities as set out in the draft Corporate Plan, through the 4 well-being outcomes which were:-

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

The outcomes demonstrated the Council's commitment to the Well-being of Future Generations Act which aimed to improve the social, economic, environmental and cultural well-being of Wales and ensured that the needs of the present were met without compromising the ability of future generations to meet their own need. The investment in Education and Social Services supported the well-being outcomes and the aspirations of the Future Generations Act. Even with reductions in funding, where practical, the Council would strive to maintain those Other Services that also contributed to this agenda. Additional funding had been allocated to sustain recycling services, while the introduction of car parking charges in town centres was being reconsidered, with the view of maintaining and stimulating economic growth in these areas.

WG had not provided the Council with indicative settlement figures for 2017/18 onwards. The MTFP was based upon a cash reduction of 3% in both 2017/18 and 2018/19. Each 1% change in AEF affected the Council by approximately £1.5m. It was assumed that the same levels of reduction were used for these projections.

Pay and price inflation (excluding schools) was estimated at £3.3m based upon a 1% per annum uplift for both areas over the two years. This assumption would be reviewed again when the next iteration of the MTFP was produced.

In August 2014, Cabinet agreed in principle to instituting a Reshaping Services strategy and change programme. The programme was the Council's proactive response to central government's austerity drive that had created a period of unprecedented financial pressure in the public sector. As part of the Final Revenue Budget Proposals for 2015/16, saving areas totalling £2.25m were identified for Tranche 1 of the programme which were to be undertaken during 2016/17 and £4.35m for Tranche 2 to be implemented during 2017/18. These savings targets were large and required substantial input for their achievement. As detailed by service area above, some of the targets had been reprofiled over a number of years to ensure their successful and considered implementation. Appendix F attached to the report showed the proposed savings targets for 2017/18 and 2018/19.

Cost pressures for future years had been considered and assessed by the BWG and totalled £5.8m for 2017/18 and 2018/19. Details were attached at Appendix G to the report. The Chancellor announced the introduction of the Apprenticeship Levy in the Summer budget 2015 and consultation had been undertaken with employers as to how it could operate. The government's conclusion was that the Levy would be set at 0.5% of the employer's pay bill and would be collected as part of the PAYE system. The Levy would only be payable on pay bills in excess of £3m. The government was engaging in further discussion and the final proposals were not yet concluded however the planned introduction date was 1 April, 2017 and the potential impact on the Council could be around £500k. This had been included in future years cost pressures. It was anticipated that the National Living Wage would increase from the £7.20 which was being introduced in April 2016, however, it had not yet been confirmed what the increase would be per year and therefore an initial estimate had been included. Any further cost pressures would need to be managed down or mitigated by Services in order to avoid further savings targets being required.

There was also an assumed reduction in the use of the Council Fund Reserve over the period. The projections included a £1.5m use of the Council Fund Reserve in 2016/17 with no further call on the reserve thereafter, thus the required £7m minimum balance considered necessary by the Council's Section 151 Officer should be maintained.

Assuming a council tax increase in each of the two years of 2% and adjustments for 'one-off' items flowing from the 2016/17 budget, the table below showed the projected shortfall for the period. It was emphasised that these projections were based upon information available at the time and they would be subject to change e.g. changes in AEF. The projection was also based upon the assumed achievement of a high level of savings. The position would be reassessed as part of the MTFP and future year budget setting processes, to identify if the savings were not achieved or were not implemented in the year required, or additional cost pressures were not mitigated.

Financial Projections to 2018/19	**2017/18**	**2018/19**	**Total**
	£'000	**£'000**	**£'000**
Assumed Decrease in AEF (3% and 3%)	4,513	4,378	8,891
Cost Pressures (inc MFC for Schools)	3,956	1,835	5,791
1% Pay and 1% Price Inflation (excl. schools)	1,629	1,645	3,274
Net Savings Targets	(7,021)	(762)	(7,783)
Assumed 2% Gross Council Tax Increase	(1,257)	(1,282)	(2,539)
Adjustment for 'One Off' Items *	320	320	640
(Surplus)/Shortfall in Savings Required	**2,140**	**6,134**	**8,274**

Reserves

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

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

Housing Revenue Account Reserve was ring-fenced to Housing and the majority would be used to fund improvements to the Council's housing stock.

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

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

One of the main risks to the Council's financial planning was the uncertainty as to the level of funding to be received from WG in future years. No indication had been provided by WG after 2016/17 however as stated in the recent WG draft budget debate "cuts for Wales were as much a reality for the future as they had been in the past". Projections had been based on the assumed cash reduction in AEF of 3% in both 2017/18 and 2018/19. Each 1% change in AEF affected the Council by approximately £1.5m.

Projecting forward on this basis, there was a gap in funding in the coming years that would need to be identified. Savings of £25.3m needed to be achieved over the next 3 years, of which £17.1m had been identified. This figure was extremely challenging and there was significant pressure on services to deliver these existing savings in full and on time. There was a risk of non-achievement of these savings and the ability to identify and implement further savings given the already high level of savings previously delivered by services. Reserves had been set up where possible to facilitate this process e.g. Early Retirement Fund, Library Fund, Reshaping Services Fund.

There were risks in the budget and the most significant of these were set out in the report. Social Services care packages budget was currently overspending. Even though additional funding had been proposed for 2016/17, further action would need to be undertaken by the Director of Social Services to achieve a balanced budget. The budget recovery plan for Social Services required an estimated £2m from the Social Services Fund to cover revenue expenditure over the next 3 years to give the Service time to plan and implement remedial action, in order to bring their expenditure within their base budget.

Pay and price inflation was a further risk. From 2016/17 onwards, provision had been made in the budget at a rate of 1% for each element. The Consumer Price Index had been gradually reducing and for the year to December 2015 was 0.2%. Services would need to manage spending if inflation rose about the 1% included in their budgets.

The budget proposals assumed that any reduction in specific grant would be matched by a reduction in expenditure. Details of all specific grants had not yet been finalised and there was a risk that should grants be cut and it was not possible to reduce expenditure correspondingly, the Council could overspend. This risk should be mitigated by the fact that Services should have in place “exit” plans for any specific grant ceasing and were usually aware of likely developments in the level of grant. In the first place each Service would be expected to fund any shortfall from its revenue budget. There were however some reserves held to cover future grant reductions but these could only be seen as a contingency in the short term e.g. Adult Community Learning and Youth Offending reserves. The payment of redundancy costs, when a grant ceased, was not normally allowed as eligible expenditure to be set against the grant and therefore it was for the council to set aside funds to cover this eventuality. A Grant Exit Strategy reserve was being held under the Social Services heading to fund such costs if they arose and in the main related to the Flying Start grant.

Legislative changes provided a major risk to the Council. The impact of the introduction of the Social Services and Well-being (Wales) Act 2014 would be assessed over the coming year and the Social Services Legislative Changes reserve had been increased to mitigate issues in the short term. The introduction of the National Living Wage and the Apprenticeship Levy would put further pressure on staffing budgets. There was uncertainty for future recycling costs as a result of Article 11 of the Revised Framework Directive which were yet to be confirmed. In addition, the impact of changes to welfare reforms were at present not clear and a reserve was held for this purpose.

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

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

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

The requirement for each specific reserve had also been considered in light of the Council's priorities and it had been deemed necessary to move funding from lower priority areas to higher priority areas. As a result, it was proposed that £131k of the Property, £29k of the Council workshops and £116k from the Shops reserves were unearmarked and transferred to the Council Building Fund to allow for the continued investment in the Council’s property assets. It was also proposed that the £283k Exchequer reserve was unearmarked and transferred into the Welfare Reforms reserve to fund potential pressures when the scheme became fully operational.

The estimated level of the Council Fund Reserve at 1 April, 2016 was £10.041m. The proposed budget for 2016/17 assumed a use of £1.5m from the Council Fund Reserve to fund revenue expenditure. On this basis the reserve was estimated to fall to £8.541m at the end of 2016/17. The strategy for 2017/18 onwards assumed no further use of the Council Fund Reserve to fund the revenue budget.

The Section 151 Officer’s view was that the minimum level for the Council Fund Reserve was £7m. This was considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure could be substantial and several instances could occur in a year. Whilst there was no set requirement for the minimum level for the Council Fund Reserve, some commentators used 5% of the net budget as a guide. For the Vale this was about £10.7m. However, in view of the prudent approach the Council took with regard to Specific Reserves, £7m was considered a reasonable minimum.

The Schools Balances were unspent budgets delegated to individual schools. It was projected that the aggregate nursery, primary and secondary balances would be £1.6m surplus at 31 March, 2016.

Attached at Appendix H to the report was a schedule showing the reserves and the anticipated balances at 31 March, 2016, 2017, 2018 and 2019. The Appendix set out the title of the reserve together with its purpose. A summary of the position was set out below:

Summary of Estimated Reserves Projected to 2018/19	**Est. Bal. 31/3/2016**	**Net Movement**	**Est. Bal. 31/3/2019**
	£'000	**£'000**	**£'000**
General Reserves	10,041	(1,500)	8,541
Specific Reserves :			
- Insurance Fund	1,373	0	1,373
- Capital Reserves	25,032	(11,557)	13,475
- Other Specific Reserves	21,244	(12,314)	8,930
Total Council Fund Reserves(excl. Schools)	57,690	(25,371)	32,319
Schools Balances	1,644	(54)	1,590
Total Council Fund Reserves	**59,334**	**(25,425)**	**33,909**

It was projected that there would be a large fall (42.9%) in the level of reserves over the 3 year period as substantial calls on funds were made. However, these were still deemed to be adequate as known risks were largely covered and the Council Fund Reserve was at a reasonable level, not expected to fall below £7m.

The total budget shown at Appendix C was £213.288m. After adjusting for discretionary rate relief of £200k, it was £790k below the Council's SSA of £213.878m. The 2015/16 budget was £0.562m below the SSA.

The Council's SSA (IBA) was an indication of the relative resources needed to provide a standard level of service. It was based on statistical data and formulae, any of which could be flawed in assessing need. It was used primarily as a method of distributing AEF and was not an absolute indicator of a required spending level for a particular service in a particular area. It was for local councils to best determine their own spending priorities in light of local circumstances.

If the Council decided to budget at £213.288m, deducting from this Revenue Support Grant of £112.506m, redistributed non-domestic rates of £37.942m produced a requirement of £62.84m to be met from council tax. Dividing this by the council tax base of 56,550, gave a level of council tax for this Council's purposes (excluding police and community council precepts) for Band D properties of £1,111.23. This was an increase over the current year of £41.67 or 3.9%. The proposal was subject to the final settlement being received from WG.

The average of the Council Tax set by councils in Wales for 2015/16 at Band D was £1,088, whilst the Vale of Glamorgan's was £1,069.56. The BWG's view was that the proposed increase in Council Tax at 3.9% was a reasonable compromise between the pressure on services, particularly in light of the reduction in AEF and consequent level of savings required and the financial pressures facing council taxpayers.

The proposed budget used £1.5m of the Council Fund Reserve. The estimated balance on the Council Fund at 31st March 2017 was £8.5m. The use of reserves for funding recurrent expenditure was clearly not sustainable. With the proposed strategy, it was currently estimated that by 2017/18 no use of the Council Fund Reserve would be required.

The 2015/16 MTFP projected a shortfall in funding over the next 3 years of £13.1m even after the identification of £17.8m of savings, thus resulting in the potential requirement for £30.9m of savings. The £13.1m shortfall in funding had now been reduced to £8.3m over the next 3 years through various sources, including a lower than anticipated reduction in the WG settlement of £2.6m, an increase in Council Tax above the assumed figure of 2% plus a change in the Council Tax base totalling £1.8m, a review of cost pressures resulting in a reduction of £1.2m (including changes to one off adjustments) and a reduction in identified savings of £0.8m. The savings target for the next three years was now £25.3m.

In order for the Council not to be exposed to unacceptable risk it was essential that all Services maintained their expenditure within budget and that this was a major priority for Directors, Heads of Service and all Managers. Any further cost pressures would need to be managed down or mitigated by Services.

The budget proposals would have implications for the Council's employees and there would be a loss of jobs. The reduction for 2016/17, excluding schools, was estimated to be around 65 in full-time equivalents (FTE). Although the impact on individuals was likely to be mitigated as a result of natural wastage and the deletion of vacant posts, it was, nevertheless, expected that there would be a number of redundancies.

The above figures did not include the staffing implications related to budget pressures within schools as the details needed to be considered by individual Governing Bodies and supported by the Director of Learning & Skills. Individual schools would also be impacted by whether they had growing or falling pupil numbers. There were, however, likely to be staff reductions and redundancies depending on each schools circumstances. The Director of Learning & Skills would need to establish the impact of the budget on employees in schools.

The Council had an Avoiding Redundancy Procedure that would be followed and included a requirement for the Council to search for suitable alternative employment. The numbers of employees referred to were those impacted in the budget.

The trades unions would continue to be consulted on the details of any potential redundancies once known, as would the Government Department for Business Innovation and Skills in accordance with the Council’s own local procedures and statutory requirements.

In light of the staffing implications it was essential to ensure that consultation with the trades unions was carried out in accordance with the Council’s Avoiding Redundancy Policy and related legal requirements. A Change Forum met regularly with the trade unions to help co-ordinate the consultation process and deal with cross-directorate issues.

The number of potential redundancies over the next few years had required strengthening of the Council’s redeployment processes, the tightening of the Council’s vacancy control processes and the pursuit of other measures as set out in the Council’s Workforce Plan. Where appropriate this could involve a targeted search for voluntary redundancies/reduced hours.

In his conclusion of his presentation of this item, the Leader drew attention to paragraphs 103 to 108 of the report, the “Statement of Section 151 Officer on Robustness of Estimates”. He commented that the Local Government Act 2003 required that the Section 151 Officer (currently the Head of Finance) must report on the robustness of the estimates, which were to be approved by Council and that this Section constituted that assurance.

In view of the uncertainties of the current and future economic climate there was increased risk facing the Council’s financial position and, as a consequence, the delivery of services. This had been recognised and referenced within the report, where relevant, together with actions that could be taken to manage that risk.

Savings were regarded as extremely challenging but achievable and had been carefully examined with risk and measures to mitigate them identified. It was important to stress the importance of the mitigating actions being implemented and the need to consider equality impact assessments.

Estimats in the budget report were robust subject to any reservations/ qualification or other commentary contained in the report. All services’ expenditures were under pressure and there was always a risk that a service may overspend, particularly in light of unforeseen circumstances.

A measure to guard against this would be to monitor the budget during the year and to identify problems as they arose and put in place remedial action. Key to this would be the delivery of savings including those required under the Reshaping Services programme. Cabinet, Scrutiny and Managers continued to have a key role in reviewing and maintaining budgetary performance.

Reserves had been again reviewed and were considered adequate to cover contingencies and the risks stated in the report.

This was a matter for Executive and Council decision

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

RESOLVED –

That the following be recommended to Council:

(1) T H A T the budget for 2016/17 be fixed at £213.288 million including a provision of £200,000 for discretionary rate relief to rural shops and post offices and charitable organisations.

(2) T H A T the budgets for 2016/17 as set out in Appendix C attached to the report, and the totals as set out below be approved:

	£’000
Education and Schools	94,346
Libraries	2,051
Adult Community Learning	277
Youth Service	1,081
Catering	1,489
Art Development	115
Children & Young People	14,858

Adult Services	39,906
Business Management & Innovation	295
Youth Offending Service	696
Visible Services	20,068
Transportation	4,834
Building Services	0
Regulatory Services	2,056
Council Fund Housing	744
Resource	920
Regeneration	2,172
Development Management	958
Private Housing	11,262
General Policy	16,660
Council Fund Reserve	(1,500)
Grand Total	**213,288**

(3) T H A T the recommendations regarding Net Growth for 2016/17 as set out in Appendix D attached to the report and Savings for 2016/17 as set out in Appendix E attached to the report be approved.

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

That the following be approved by Cabinet:

(5) T H A T the initial savings targets for 2017/18 and 2018/19 as set out in Appendix F attached to the report be approved.

(6) T H A T delegated authority be granted to the Director of Learning and Skills to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum, subject to the Individual Schools Budget (ISB) being no less than the Welsh Government's target.

(7) T H A T the Director of Social Services continue to review the Social Services Budget Plan and take the necessary actions in order to manage future service demand.

(8) T H A T a sum of £492k be set aside in the Social Services Legislative Changes reserve, funded by the projected under spending on revenue in 2015/16 and that the budget be amended accordingly.

(9) T H A T the reclassification of reserves as set out at Appendix H attached to the report be approved.

(10) T H A T the commencement of Tranche 3 of the Reshaping Services programme to identify savings in 2017/18 and 2018/19 be approved.

Reasons for decisions

(1) To set the 2016/17 budget in line with statutory requirements.

(2) To allocate budgets to services.

(3) To reduce risk to services and balance the budget.

(4) To present the report to the Schools Budget Forum and Welsh Government.

(5) To set minimum targets for achieving savings.

(6) To set out delegated authority in relation to the allocation of the Education and Schools budget.

(7) To ensure that the Social Services Budget Plan was achieved and future demand was managed.

(8) To ensure that reserves were both adequate in purpose and level.

(9) To ensure that reserves were both adequate in purpose and level.

(10) To ensure a balanced budget in future years.

C3082 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2016/17 (L) (SCRUTINY COMMITTEE - HOUSING AND PUBLIC PROTECTION) –

Approval was sought to set the HRA budget for the financial year 2016/17 and to set the rents and service charges for the forthcoming rent year beginning on 4 April, 2016.

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

During the course of the year, local authorities had to review their HRA expenditure and income and if, on the basis of the information available the account was heading for a deficit, they had to take steps as were reasonably practical to prevent the deficit. A local authority was not prohibited from being in deficit but would need to demonstrate that the deficit had arisen through exceptional circumstances and that it had revised its original proposals so far as reasonably practical to avoid the deficit. Such a deficit should be carried forward and must be made good the following year.

The basis of rent increase was set by the Welsh Government Policy for Social Housing Rents. The policy set a target rent band for each authority. In order to comply with the rent policy, social landlords had to ensure their average weekly rent for their general needs and sheltered housing was within their target rent bands. Landlords also had to ensure a tenant’s rent was not increased by more than (CPI +1.5%) plus £2 per week.

The 2016/17 rent bands for each local authority were issued on 16th December 2015, the agreed increase was CPI (as at September 2015 (-0.1%)) plus 1.5% +£2.00, i.e. 1.4%+£2.00 as laid out in the new rent policy.

The initial HRA budget proposals were considered by Cabinet on 16 November, 2015 (minute no. C2975 refers). They were subsequently referred to the Scrutiny Committee (Housing and Public Protection) on 2 December, 2015 who noted the proposals as did Scrutiny Committee (Corporate Resources) on 8 December, 2015.

Base Budget 2016/17

The Budget Strategy for 2016/17 outlined that, in order to establish a baseline, services should prepare revenue budgets for next year based on the cost of providing the current level of service and approved policy decisions. This meant that the cost of price increases and pay awards should be included.

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

The proposed 2016/17 budget was set out at Appendix 1 attached to the report and was identified over the following areas.

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

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

2015/16 Original Budget	Inflation / Pay Award	National Insurance Change	Committed Growth / (Savings)	Rent Increase	Increase/ (Decrease) in CERA	2016/17 Proposed Budget
£000	£000	£000	£000	£000	£000	£000
(129)	131	34	1,051	(552)	(557)	(22)

Inflation included an allowance of 1% pay awards in 2016/17. 1% increase in pay amounted to approximately £18,000.

The impact of the changes to Employer National Insurance Contributions for Housing staff had been identified as £34,000.

A decrease in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £557,000 had been assumed. The amount of revenue contribution required was dictated by available revenue balances and the value of the Housing Improvement Programme. Adjusting the level of CERA by this amount would leave a minimum HRA Reserve of £633,000, which was in line with the latest Housing Business Plan.

The net growth of £1,051,000 was due to a number of factors;

- An increase in capital financing charges of £660,000 in relation to unsupported borrowing being taken out in 2016/17 to fund the Housing Improvement Programme, and adjustments required following the HRAS buy-out.
- An adjustment to the net rental due from dwellings of £260,000 to account for properties no longer accounted for in the HRA.
- An increase in staff costs for increments and staff changes of £40,000.
- An increase of £60,000 in central recharges.
- A contribution of £22,000 to support the Safer Vale team for activities which benefit Council tenants and leaseholders.
- An increase of £74,000 on the bad debt provision, to reflect the assumption that 6% of net rental income would need to be provided for, to mitigate the potential increase in arrears following the introduction of Universal Credit during 2016/17.
- These had been offset by minor favourable adjustments totalling £65,000.

Proposed Increases in Rents

The rent policy set a target rent band for each landlord and landlords were required to operate with average weekly rent levels that fall within the scope of those bands. The target rent band provided a low end figure, a mid-point and a high end figure for each landlord. The average weekly rent level for each social landlord was compared to the target rent band. In addition, the maximum amount a social landlord could increase an individual tenant's weekly rent was CPI +1.5% plus £2 (i.e. 1.4% plus £2). If the Vale of Glamorgan applied a 1.4% plus a maximum of £2.00 per week rent increase to Council House Rents then the average weekly rent would fall within the target rent band. The additional increase would be applied across the stock based on the local rent policy currently in place.

It was usual practice that the Vale of Glamorgan only increased rent by an amount specified via Department for Work and Pensions (DWP) to prevent a breach of the Housing Benefit Rent Rebate Limitations. Breach of the limitation would mean that the HRA would be liable for a proportion of the additional increase. At this stage however, details regarding the DWP limit under the new rent policy was unknown.

It was proposed that rents were increased within the limit of 1.4% plus the maximum of £2 and had been set in line with the existing rent policy, which took into account the number of bedrooms, type and size of property along with location, whilst still ensuring that the current Housing Business Plan commitments in terms of new build and regeneration were achieved. The rent increase per property type was detailed below:-

Type	Present Target Rent for 2015/16 (Based on 50 Chargeable Weeks)	Proposed Average Rent Incr (+)/ Decr (-) (Based on 50 Chargeable Weeks)	Proposed Average Target Rent for 2016/17 (Based on 50 Chargeable Weeks)
Bungalow	£88.41 per week	+£3.00 per week	£91.41 per week
Flat	£77.20 per week	+£2.64 per week	£79.84 per week
House	£96.19 per week	+£3.28 per week	£99.47 per week
Maisonette	£84.37 per week	+£2.87 per week	£87.24 per week
TOTAL	£88.21 per week	+£3.00 per week	£91.21 per week

Proposed Increases in Other Charges

Garage Rents - The rent of freestanding garages was currently £7.08 per week. It was proposed that rent for all garages be increased by 3.4% to £7.32 per week. This percentage increase was broadly in line with the rent increase.

Ty Iolo Hostel - The current charge for persons accommodated was £159.27 per week. It was proposed that the weekly rent charge be increased by 1.4%+£2.00 to £163.50 per week. As rooms at the hostel were classified as HRA dwellings, the rents charged were also subject to Housing Benefit Rent Rebate Limitations, which meant that hostel rents should be in line with recommended rent increase.

28 Evans Street, Barry - This property, owned by the Council, was let to Llamau Housing Trust and comprised of six units of accommodation. The current weekly charge was £530.96. It was proposed that the charge be increased by a maximum of 1.4%+£2.00, in line with the recommended increase for the Hostel. The weekly charge would therefore be £540.39 per week.

Temporary Accommodation - The average current weekly charge including additional management, utility and service charge costs was £157.55. It was proposed that the rent element be increased by a maximum of 1.4%+£2.00, in line with the WG recommended guideline increase. The total charge would therefore be £161.76.

Sheltered Housing Guest Suites - It was proposed that the charges for guest room facilities be increased by 3.4% to £12.27 per person per night for double occupancy and £17.54 for single occupancy.

Vale Community Alarm Service (VCAS) - This was a charge which formed part of the inclusive rent, but was separately identifiable. No increase was proposed on VCAS charges and a review of the charging structure currently in place would be undertaken in during 2016/17.

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

Heating - The cost of providing heating to sheltered properties had decreased. It was proposed that the charge be decreased from £8.51 per week to £7.97 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Warden Management & Support Charge - The proposed charge for the Warden Management element was £4.94 per week, and the proposed charge for the Warden Support element was £5.63 per week.

Lift Maintenance - The cost of lift maintenance had reduced, this was due to a decrease in the number of emergency call-outs. It was proposed that the charge be decreased from £1.44 per week to £0.83 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Door Entry & Intercom - The cost of providing maintenance on the door entry systems had decreased. It was proposed that the charge be decreased from £1.31 per week to £1.18 per week based on the actual costs incurred in the 12 months prior to the budgeting period. Similarly the cost of providing the Intercom systems had decreased from £1.06 per week to £0.98 per week.

Sewerage Treatment Plants - The charge to owners of all purchased and private dwellings connected to Council owned and maintained treatment plants was currently £318.45 per annum, based on the average charge payable if the properties were connected to the main sewerage system. It was proposed that these dwellings continued to be charged at a similar sewerage rates to the Water Schedule 2016/17 issued by Dwr Cymru Welsh Water. The Welsh Water Schedule was not available at the time of writing.

Cesspool emptying - Cabinet resolved on 21 September, 2015 (minute number C2917 refers), to begin charging for cesspool emptying for council owned cesspools at various sites in the Vale of Glamorgan. For those cesspools serving Council House tenants, it was agreed that the tenants would pay a subsidised rate, with the difference being met from the HRA. The charge to tenants would be based on an equivalent rate to those properties connected to the main sewerage system. It was proposed therefore that the dwellings be charged a rate equivalent to the Water Schedule 2016/17 issued by Dwr Cymru Welsh Water. Whilst the schedule was not available at the time of writing, the 2015/16 equivalent rates were in the region of £6.15 per week.

Cabinet's final budget proposals would be considered by Council at a meeting to be held on 2 March, 2016.

At the meeting, the Cabinet Member for Housing, Building Maintenance and Community Safety commented that the Council had utilised the rent scale set by Welsh Government and was within the banding set by Welsh Government as it was considered a good balance between fair rents and not running a deficit. The Cabinet Member also drew attention to the Council's excellent rent collection figures, at less than 1% uncollected, and she was confident the Council would deliver a balanced budget.

This was a matter for Executive and Council decision

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

RESOLVED –

That Cabinet Recommends the following to Council:-

(1) T H A T the final HRA budget proposals for 2016/17 be recommended to Council as outlined below:-

	Proposed Budget 2016/17
	£'000
Expenditure	
Supervision & Management	5,140
Repairs and Maintenance	3,858
Capital Financing Costs	5,306
Rent, Rates & Taxes & Other Charges	318
Increase in Bad Debt Provision	1,093
Capital Expenditure from Revenue Account (CERA)	2,931
	18,646
Income	
Dwelling Rents	(17,759)
Non Dwelling Rents	(319)
Interest	(5)
Charges for Services and Facilities	(585)
	(18,668)
(Surplus)/Deficit for the Year	(22)
Working Balance Brought Forward	(611)
Working Balance Carried Forward	(633)

(2) T H A T a rent increase of 1.4% plus a maximum of £2.00 be approved and recommended to Council, as set out in paragraphs 16-19 of the report.

(3) T H A T the increase suggested for other services be approved and recommended to Council, as set out in paragraphs 20-32 of the report.

(4) T H A T the following charges for 2016/17 financial year be recommended to Council:-

50 Week Basis	**Current Charges**	**Proposed Charges**
Heating	£8.51 per week	£7.97 per week
Warden Support Charge	£5.63 per week	£5.63 per week
Warden Management Charge	£2.81 per week	£4.94 per week
VCAS: - Piper - Communicall	 £4.34 per week £4.92 per week	 £4.34 per week £4.92 per week
Grounds Maintenance	£1.27 per week	£1.32 per week
Cleaning of communal areas	£1.80 per week	£1.89 per week
Lighting of communal areas	£1.16 per week	£0.96 per week
Laundry Facilities	£0.27 per week	£0.29 per week
Window Cleaning	£0.29 per week	£0.33 per week
Lift Maintenance	£1.44 per week	£0.83 per week
Door Entry	£1.31 per week	£1.18 per week
Intercom	£1.06 per week	£0.98 per week
CCTV Sewerage Treatment Plants	 £318.45 per annum	£0.88 per week Based on the Rateable Value (RV) from the Welsh Water Schedule 2016/17
Cesspools	£0.00	Based on the Rateable Value (RV) from the Welsh Water Schedule 2016/17

(5) T H A T the changes to rents and service charges be implemented from 4 April, 2016 and that increase notices be sent to tenants 28 days in advance of the new charges coming into effect.

<u>Reasons for decisions</u>

(1) As required by statute.

(2) In order that new rent levels are set within the specified Welsh Government (WG) guidelines.

(3) In order that the budget accurately reflects any changes necessary.

(4) In order that new charges are approved in time for any administration changes to be carried out.

(5) In order to meet the deadline to notify tenants of the new charges as required by Statute.

C3083 TREASURY MANAGEMENT AND INVESTMENT STATEMENT 2016/17 (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet was provided with an interim report on the Council's treasury management operations for the period 1 April, 2015 to 31 December, 2015 and to submit for consideration the proposed 2016/17 Treasury Management and Annual Investment Strategy.

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

In order to manage this increased flexibility, Part 1 of the Local Government Act 2003 required local authorities to have regard to the Prudential Code, which had been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice.
The key objectives of the fully revised Prudential Code are to ensure that the capital investment plans of local authorities:

- are affordable;

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

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

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

The proposed Treasury Management and Investment Strategy for 2016/17, was attached at Appendix 1 to the report. The Treasury Management Strategy itself covered a rolling period of three years and was intended to link in to the Medium Term Financial Planning process. The Investment Strategy covered the next financial year. The document also included a number of statutory Prudential Indicators that may be used to support and record local decision-making.

The Interim Report and Treasury Management and Investment Strategy for 2016/17 was reviewed by Corporate Resources Scrutiny on 9 February, 2016 and the report was endorsed by the Committee. The Interim Report and Treasury Management and Investment Strategy for 2016/17 was also due to be reported to Audit Committee on 22 February, 2016 and any comments would need to be referred directly to Council.

Proposed Strategy 2016/17

As at 31 December, 2015 the Authority had placed all of its investments with either the 'Debt Management Account Deposit Facility' (DMADF) of the Bank of England which were guaranteed by the UK Government or placed with UK Local Authorities. The Authority would continue to use credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody’s Investors Service and Standard & Poor’s to assess the risk of loss of investments. The lowest available credit rating would be used to determine credit quality. In addition regard would be given to other available information on the credit quality of banks and building societies.

Interim Report

In so far as the Council's treasury management operations entered into for the period 1 April, 2015 to 31 December, 2015 are concerned, all activities were in accordance with the Council's approved strategy on Treasury Management. The following table sets out the monies borrowed / repaid during the period.

Loan Type	Opening Balance	Received	Repaid	Closing Balance
	01/04/2015			31/12/2015
	£'000	£'000	£'000	£'000
PWLB	90,266	63,156	(812)	152,610
Other Long Term Loans	6,002	0	(2)	6,000
Temporary Loans	100	760	(760)	100
Total	96,368	63,916	(1,574)	158,710

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

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

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

The Council's investments for the period to 3 December, 2015 is set out below;

Borrowing Institution	Opening Balance	Invested	Returned	Closing Balance
	01/04/2015	£'000	£'000	31/12/2015
Local Authorities	30,000	74,000	(54,000)	50,000
Debt Management Account Deposit Facility	51,125	1,155,130	(1,166,005)	40,250
Totals	81,125	1,229,130	(1,220,005)	90,250

Interest, at an average rate of 0.33% and amounting to £201,399 had been received from maturing investments for the first 9 months of 2015/2016.

After presenting this item, the Leader made an amendment to Appendix 1 of the report. In the first table on page 4 of the Appendix, the 2016/17 estimate in the HRA column should read 28.30 and not 228.30.

This was a matter for Council decision

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

RESOLVED –

That Cabinet recommends to Council the following;

(1) T H A T the Treasury Management interim report for the period 1 April to 31 December, 2015 be endorsed and referred to Council for approval.

(2) T H A T the proposed 2015/16 Treasury Management and Investment Strategy attached at Appendix 1 to the report be endorsed and referred to Council for approval including the following specific resolutions:

- The Authorised Limit for External Debt be set at £229,000,000 for 2015/16, £248,000,000 for 2016/17, £254,000,000 for 2017/18 and £255,000,000 for 2018/19.
- The Operational Boundary for External Debt be set at £210,000,000 for 2015/16, £228,000,000 for 2016/17, £228,000,000 for 2017/18 and £228,000,000 for 2018/19.
- The Section 151 Officer be granted delegated authority within the total Authorised Limit and Operational Boundary as estimated for individual years to effect movement between the separately agreed limits for borrowing and other long term liabilities.
- An upper limit be set on its fixed interest rate exposures of for 2016/17 of £219,000,000, for 2017/18 of £223,000,000 and for 2018/19 of £223,000,000 of its net outstanding principal sum on its borrowings / investments.
- An upper limit be set on its variable interest rate exposures of £0 for 2015/16, 2016/17, 2017/18 and 2018/19 of its net outstanding principal sum on its investments.
- An upper limit of £15,000,000 be set for total principal sums invested for over 364 days for 2015/16, 2016/17, 2017/18 and 2018/19.

- The amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate for 2016/17 be set as below:

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

- The Prudential Indicators set out in Appendix 1 attached to the report be approved.

- The Treasury Management Policy set out in Appendix 2 attached to the report be endorsed.

Reasons for decisions

(1) To present the Treasury Management Interim Report.

(2) To prepare the Treasury Management and Annual Investment Strategy as required by the Local Government Act 2003.

C3084 CORPORATE PLAN 2016-20 (L) (SCRUTINY COMMITTEES - ALL) –

Endorsement was sought for the Corporate Plan 2016-20.

The existing Corporate Plan was approved in 2013 and set out a vision for the Council up to 2017 and was structured around eight corporate priorities. In June 2015 Cabinet agreed that a review of the current plan should be undertaken and agreed a way forward and a timetable for the review (Minute C2822 refers). On 14 December, 2015 Cabinet agreed a draft Corporate Plan for consultation which had been circulated to partners and been made available to the public via the Council's website (Minute C3011 refers). Each of the Council's five Scrutiny committees considered the draft plan in January and the revised plan was then reported to Scrutiny Committee (Corporate Resources) on 9 February, 2016 for any further comments.

The draft Corporate Plan attached at Appendix A to the report set the Council's priorities for the next four years as well as its vision, values and well-being objectives. The Council's Medium Term Financial Plan outlined how the Corporate Plan was to be funded. Work had been undertaken to ensure that the plans were aligned and reflected the priorities for the Vale of Glamorgan.

The draft plan began by setting the scene in terms of key facts and figures about the Vale of Glamorgan as an area, the Council as an organisation and the Council's vision and values. The plan detailed the factors that had influenced the new plan's creation which included:

- information regarding what had been achieved through the Corporate Plan 2013-17
- an overview of local needs e.g. demographic trends
- available resources and the need to reshape services to meet future challenges
- details of staff engagement activities
- engagement with partners and residents
- the importance of partnership working
- the Council's duties under the Well-being of Future Generations Act.

The delivery element of the draft plan was framed around four well-being outcomes and there were two well-being objectives to support each outcome. Workshops were held on each of the proposed well-being outcomes and these informed the development of the well-being objectives and associated actions.

The final parts of the plan demonstrated the Council's approach to strategic planning and recognition of the need to have robust arrangements in place. This was followed by details of actions which would support integrated planning and which would be instrumental to ensuring the Council had the foundations in place to promote sustainable development. Details of how the plan would be monitored were included towards the end of the plan.

External consultation was undertaken between 9 December, 2015 and 20 January, 2016. Vale of Glamorgan residents and relevant stakeholders were invited to submit comments on the draft Corporate Plan either online, in writing or via the Council’s contact centre. Amendments had been made to the plan in light of comments received and a copy of the feedback report was attached at Appendix B to the report. The feedback report detailed the comments made and any subsequent changes that had been made to the plan.

The vast majority of respondents agreed with the objectives identified in the draft Corporate Plan. The joint Corporate Plan and budget consultation exercise also demonstrated that the Council should continue to look at new ways of delivering services and work closely with the local community.

This was a matter for Executive and Council decision

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

RESOLVED – T H A T the changes to the Corporate Plan 2016-20 be noted and, following any further required amendments, the Plan be submitted to Council for consideration on 2 March, 2016.

Reason for decision

To ensure the Council had an effective and up to date Corporate Plan that reflected the work being undertaken across the Council to improve the quality of life in the Vale of Glamorgan.

C3085 PERFORMANCE MANAGEMENT FRAMEWORK (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Approval was sought for changes to the Council's Performance Management Framework and to establish a mechanism for reviewing the Council's Scrutiny Committee names and terms of reference in light of changes to the Performance Management Framework.

The Council had a strong performance management track record as evidenced in previous Annual Improvement Reports (AIR) by the Wales Audit Office. The recent AIR for 2014/15, nevertheless identified two proposals for improvement to:

- P1 Refine performance reporting arrangements to ensure data was presented in a way that provided a balanced picture of performance and of the outcomes being achieved.
- P2 Improved reporting so that cross-directorate/cross-service activity was considered in the context of delivery of priorities rather than completion of service-based actions.

The Council's Performance Management Framework (PMF) set out the way in which performance management and measurement was undertaken across the Council. The framework enabled the Council to regularly assess, report and scrutinise performance in order to support the continuous improvement of its activities.

The proposals approved by Cabinet in December 2015, as the basis for consultation with Scrutiny Committees, considered changes to the PMF in terms of the way in which the Corporate Plan's well-being outcomes would be reported and to the Council's Scrutiny Committee structure. The comments made by Scrutiny Committees on the PMF proposals were attached at Appendix A to thereport. Whilst broadly supportive of the proposed changes, a series of queries were raised relating to the proposed reporting arrangements and names of Scrutiny Committees, including how the new arrangements could work in practice.

To address the issues raised concerning Reporting Arrangements, the report recommended that the Corporate Plan would be monitored on a quarterly basis by an overall Corporate Health Report and this would be supplemented by specific quarterly reports for each of the four well-being outcomes. These four Quarterly Well-being Outcome & Objectives Reports would demonstrate progress against each of the individual well-being outcomes and associated objectives. A brief position statement from the sponsoring Director would be provided for the quarter alongside a summary of achievements by objective with areas of underperformance/ key challenges highlighted, including a description of any remedial actions required to address them.

The report proposed that the Council would continue to produce Service Plans. However, rather than being at Directorate level, these plans would be developed at Head of Service level and would focus on the contribution made to the Council's well-being outcomes & objectives, in addition to the way in which the service would manage its resources.

The existing approach to the monitoring of Service Plans would be replaced with quarterly reports against each well-being objective linked to a well-being outcome. This would enable Members to focus on scrutinising progress towards achieving the Council's well-being outcomes. Services would continue to report performance data quarterly to the Council's Performance Team. The Performance Team would then use this information to produce the more focused Well-being Outcome Reports.

The consultation with Scrutiny Committees identified support for aligning the well-being outcomes of the Corporate Plan to Scrutiny Committees on a "one outcome to one Committee" basis. However, a number of queries were raised relating to the titles of the Committees, their proposed remits and the way in which duplication of reporting could be avoided. The report considered that if the Committees were to be aligned to the new Corporate Plan Well-being Outcomes, the following would reflect the titles of these Committees. This would reflect the move away from the current "service-focused" scrutiny arrangements to ones focusing on the cross-cutting Well-Being outcomes contained in the Corporate Plan:

Well-Being Outcome	*Scrutiny Committee Title*
An Inclusive & Safe Vale	Inclusion & Safety Scrutiny Committee
An Active & Healthy Vale	Activity & Health Scrutiny Committee
An Environmentally Responsible & Prosperous Vale	Environment & Prosperity Scrutiny Committee
An Aspirational & Culturally Vibrant Vale	Aspiration & Culture Scrutiny Committee

In addition to the four well-being outcome-based Scrutiny Committees, the existing Corporate Resources Scrutiny Committee would be replaced with a Committee called Corporate Resources & Performance Scrutiny Committee.

These proposals did not consider any changes to the composition of the Committees. However, the proposals would not merely be a change in name of the Committee but rather they would represent a refocusing of scrutiny activity on the way in which the Council’s actions were delivered against its intended outcomes. The report appreciated that this was a matter of significant interest to Members and attention was drawn to paragraph 15 of the report which suggested that this was an area that required further work through a proposed working group. Such an approach was feasible because this was a matter that required the attention of Full Council in due course. As a consequence, there was time to further develop this work and engage Members in that work.

At the meeting, the Managing Director noted that the report sought to involve Members through the proposed working group as referenced in recommendations 2, 4 and 5 of the report, to ensure they were engaged with the process before the report went back to Cabinet and sent to Council for final approval.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the proposals for changes to the Council’s Performance Management Framework as described in the report be approved.

(2) T H A T the proposed review of the Council's Scrutiny Committees' names and terms of reference be agreed and the matter be referred for further consideration by the proposed working group as set out in resolution 5 below.

(3) T H A T the report be referred to the Democratic Services Committee for consideration.

(4) T H A T subject to resolutions 1-3 above, the proposal to establish a working group of Elected Members and Officers to develop further the arrangements that would support the revised Performance Management Framework, including consideration of the review of the Council's Scrutiny Committees, be approved.

(5) T H A T a further report be brought to Cabinet following conclusion of the review by the working group on matters relating to the naming and terms of reference of the Council's Scrutiny Committees.

Reasons for decisions

(1) To authorise changes to the Council’s Performance Management Framework.

(2) To ensure the proposed changes to Scrutiny Committee names and terms of reference had the support of all Members.

(3) To provide the Democratic Services Committee with an opportunity to consider the proposals and refer any comments to Full Council.

(4) To enable Elected Members and Officers to develop the arrangements that would support the revised Performance Management Framework.

(5) To allow Cabinet the opportunity to further consider the arrangements to support the revised Performance Management Framework prior to referring the matters relating to Scrutiny Committee arrangements to Council in due course.

C3086 ELECTRONIC PROCUREMENT (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet was updated on the progress being made to develop electronic procurement practices within the Council and approval was sought to enter into a Memorandum of Understanding with Value Wales for the introduction of the ProcServe electronic procurement system.

The Council had entered into a Memorandum of Understanding with Value Wales for the provision and implementation of the e-Bravo electronic procurement system and was in the process of developing this. A number of transport routes had recently been tendered and successfully awarded using this system with further trials to follow within Transport and Social Services. Once implemented, this system would give the Council access to e-Auctions and e-Contract Management. This would be funded by the Welsh Government until 31 December, 2019.

Value Wales was the division of the Welsh Government responsible for shaping procurement policy, monitoring procurement practice, supporting and advising procurement professionals and developing the procurement profession while ensuring compliance with EU regulations. Value Wales aimed to assist the Welsh public sector to realise improved value for money through “smarter procurement” by increasing savings through collaboration and improving process efficiency especially through the use of technology that sought to protect the economy by encouraging smaller local suppliers via training and support packages. One of the ways in which Value Wales sought to achieve this was via the rollout to public sector bodies of the ProcServe electronic procurement system.

The ProcServe electronic procurement system was an electronic trading tool that would streamline and simplify access to all available National Procurement Service (NPS) Framework Agreement catalogues and contracts.

The report proposed to work towards the implementation of the above in conjunction with the on-going implementation and development of the e-Bravo system, as part of a revised procurement strategy in order to improve current procurement practice, to build upon the existing supply base and achieve better value purchasing contracts. Value Wales had agreed to assist the Council with the implementation of the ProcServe e-Procurement system. The requirements of both organisations were set out in a Memorandum of Understanding.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the proposal to implement the ProcServe electronic procurement system be approved.

(2) T H A T delegated authority be granted to the Head of Finance in consultation with the Leader and Managing Director, to enter into a Memorandum of Understanding with Value Wales for the provision and implementation of the ProcServe electronic procurement system and for the Head of Legal Services to execute the same.

(3) T H A T a further report be brought to Cabinet researching the possible impact the ProcServe electronic procurement system could have on the local economic base and explore what the Council could do to engage local businesses in this matter.

Reasons for decisions

(1) To apprise Members of the progress being made to introduce electronic procurement practices across the Council

(2) To enable the Council to use the ProcServe electronic procurement system and to access the support that is provided by Value Wales.

(3) To ensure local businesses were supported.

C3087 PROCUREMENT OF AN EMPLOYEE ASSISTANCE PROGRAMME (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet was asked to note and endorse the procurement of an Employee Assistance Programme for use by all Council employees from 1 June, 2016.

The staff engagement strategy began in June 2015 as a key part of the Council's Reshaping Services Programme and helped to refine and improve approaches to issues such as internal communications, training and development and the continued involvement and engagement of Council employees. Over the same period improvements had been made to the Council's approach to the management of sickness absence, and in particular the robustness, regularity and focus of the performance management arrangements. It was anticipated that absence rates would fall below the corporate target of 9.00 days per employee at the end of 2015/16 and remain one of the best rates across Councils in Wales.

At the same time, however, there was an increased awareness of the small, but nonetheless important increase in stress related absence within the workforce. Stress related absence, whether home or work related, accounted for 32% of all absence, compared with 31% in 2014/15.

The Council's existing approach to managing stress related absence included the policy of immediate referral to occupational health, the conducting of risk assessments and the use of outsourced counselling services. The funding of counselling had increased from £20k to £40k over the last 2 years. As part of the continuing response to the above the report proposed to procure an Employee Assistance Programme (EAP) for access by all Council employees. This would provide a tangible benefit for all staff, help to improve attendance and be complementary to the Council's approach to staff engagement.

It was proposed to procure the EAP services from Care First with effect from 1 June, 2016. The services were offered as part of the National Procurement Services Framework Agreement and as such would not require the Council to progress a wider and competitive procurement exercise.

The service was used by six other local authorities including Cardiff, Blaenau Gwent, Bridgend, Caerphilly, Torfaen and Conway Councils. Reports from these Councils had been sourced and were all encouraging.

A detailed summary of the services from the Care First EAP were set out in Appendix A as attached to the report. It was intended that the service would be procured on a three year contract (from 1 July, 2016) and would be reviewed closely during that period.

After presenting this item, the Leader amended paragraph 19 of the report, which read “procured on a three year contract (from the 1st July 2016)” to read “procured on a three year contract (from the 1st June 2016)” in line with the relevant timescales. He also requested that the Human Resources department sought feedback to measure the success of the programme, always ensuring that user confidentiality was maintained.

The Head of Human Resources commented that the existing Employee Assistance Programme was used by 16 members of staff; however this new scheme would be available to thousands of employees and their families, 24 hours a day, 365 days a year.

This was a matter for Executive decision

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

RESOLVED – T H A T the procurement of a counselling, advice and support service for Council employees via a direct award to Care First with effect from 1 June, 2016 be endorsed.

Reason for decision

To support the Council's approach to the management of sickness absence across all service areas and the complementary approach to employee engagement.

C3088 CARDIFF CAPITAL REGION – CITY DEAL PROPOSAL (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet was updated on the progress made since the report of 27 July, 2015 which provided an outline of the concept of City Deals and that summarised the work undertaken up to that point on a potential City Deal.

At the time of the earlier report in July 2015, the 10 South East Wales local authorities were still at the initial stages of negotiating a Cardiff Capital Region City Deal with the UK and Welsh Governments. Since the report in July a considerable amount of work had been undertaken in relation to working towards a City Deal and the 10 local authorities were now at a critical point as the signing of a high level agreement was imminent. This agreement would take the form of a 'Heads of Terms' that outlined the proposed structure of the City Deal in terms of governance, the scale of funds and areas of intervention. The City Deal document would provide the foundation for more detailed work on a final programme of investment and mechanisms for delivery.

Since the Autumn of 2015, officers, with the assistance of advisors, (who had worked on previous City Deals) had been preparing a City Deal document. The document was being used as a basis for challenge sessions to be held with the UK

Government and with the Welsh Government. Discussions would include setting out a strategic statement, the governance structure that would be at the core of any Deal to ensure that each constituent authority was committed to its delivery, the elements that made up the finance that was required as well as a series of interventions and themes for addressing across the region. These interventions and themes included improving connectivity, innovation, skills, regeneration and Business support.

The potential value of a City Deal stood at £1.28b over a 20 year period, with UK Government and Welsh Government contributing £580m each and the 10 local authorities contributing £120m. The report clarified that at this stage there was a non-financial commitment from the 10 South East Wales local authorities whilst progress and discussing the terms of the Deal were ongoing.

In order that the case could be made for a City Deal in an effective manner, it was agreed by the ten local authority leaders that a Core Team of up to 6 individuals be established. The core team included the three council leaders from RCT, Cardiff and Monmouthshire alongside 3 representatives from the Business and Higher Education sectors.

If the challenge sessions proved successful and the principles of a Deal accepted, it was likely that a formal announcement could be made as early as March of this year, with the formal signing of the City Deal document referred to in paragraph 10 of the report, taking place quickly thereafter. If a Deal agreement was reached then additional work would be necessary to allow the working up of further detail. In signing the City Deal document, the Council would be committing to work with the other authorities, the Welsh and UK Governments to finalise detailed elements relating to the City Deal. Discussions would include matters related to project prioritisation, programming and how contributions to the City Deal would be made between the 10 authorities. Consideration of all these matters would be brought to Council in due course.

The report noted that in the event an agreement was reached it would set out what financial contributions were from Welsh Government, UK Government and the ten local authorities on an "in principle" basis. It would commit the constituent authorities to explore ways of delivering the principles as set out in a Heads of Terms document with the need to work up more detailed proposals, policies and projects. It would represent a signing, in principle, of a City Deal. Recommendation 2 of the report sought endorsement for the Leader to sign this commitment, but only on the basis that it did not commit the constituent authority financially. It merely committed the Vale of Glamorgan as one of the constituent authorities to explore further the ways of delivering the principles and objectives. Only once each constituent authority was in full agreement to the specific proposals being put forward and was content to sign up to a more detailed proposal would it become binding. This could take between 6 and 18 months.

At the meeting, the Managing Director stated that this issue was very flexible and constantly changing. He highlighted paragraph 8 of the report that “it was agreed by the ten local authority Leaders that a Core Team of up to 6 individuals be established. The core team includes the three council Leaders from RCT, Cardiff and Monmouthshire alongside 3 representatives from the Business and Higher Education sectors. Briefing sessions with the core team are currently taking place ahead of challenge sessions that at the time of writing are imminent”. He noted that this Core Team approach had already changed to now only Council Leaders holding separate challenge sessions with the UK and Welsh Governments; progress could be quick after those meetings. He concluded by stating that an “in principle” document was required for the process, however this was not financially or legally binding, and only when all relevant authorities had signed “in principle” documents, would Full Council approval be needed to formally progress the matter.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the work undertaken to date on a potential Cardiff Capital Region City Deal be noted and endorsed.

(2) T H A T the Leader be authorised to sign an "in principle" 'City Deal' document on behalf of the Council (on the understanding that the final terms of the City Deal will be a matter for the agreement of full Council).

(3) T H A T pursuant to resolution 2 above, the Council continued to work with partner local authorities, the UK and Welsh Government to progress the City Deal.

(4) T H A T a further report be presented to Cabinet in due course on progress made on the City Deal.

(5) T H A T the report be referred to Council on 2 March, 2016 for information purposes, with the Leader providing a verbal update on any progressed matters.

Reasons for decisions

(1) To note work on a City Deal.

(2) To enable the Council to agree in principle to a City Deal proposal.

(3) To allow further work to be progressed on a City Deal for South East Wales.

(4) To update Cabinet in due course.

(5) To update all members.

C3089 TIMETABLE OF MEETINGS: MAY 2016 - MAY 2017 (L) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet considered a draft timetable of meetings for the period May 2016 - May 2017.

The existing timetable of meetings expired with the Annual Meeting on 11 May, 2016. Members were required, therefore, to consider a draft timetable for the ensuing municipal year that was attached at Appendix A to the report.

A number of changes to previous programming of meetings were reflected in the draft timetable. These included scheduling Scrutiny Committee meetings following the first Cabinet in each month when revenue / capital monitoring reports were to be submitted to Cabinet. Occasionally, meetings of Scrutiny Committees would take place slightly later in a month than has previously been the case. This was to assist in facilitating effective performance management reporting arrangements.

The report also noted that a previous item on the agenda related to the Performance Management Framework and that, as a consequence, the existing Scrutiny Committees were being re-focused. The report and the Appendix attached to the report related to the existing Scrutiny Committee structure in order to establish the calendar, but Members were asked to note that the details related to the Scrutiny Committees may well change (subject to consideration by Cabinet and Council).

This was a matter for Executive decision

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

RESOLVED – T H A T the timetable of meetings for May 2016 - May 2017, as set out in Appendix A as attached to the report be approved, subject to any future changes in arrangements for meetings deemed appropriate by the Mayor of the Council or the relevant Committee Chairman.

Reason for decision

To approve / publish a calendar of meetings for the 2016/17 municipal year.

C3090 HOUSING BUSINESS PLAN 2016 (L & HBMCS) (SCRUTINY COMMITTEE - CORPORATE RESOURCES) –

Cabinet was presented with the Housing Business Plan 2016.

The Welsh Government (WG) required all local authorities who retained their housing stock to submit annually an acceptable Housing Business Plan that incorporated a detailed financial forecast in the form of a 30 year financial model.

The Business Plan was the primary tool for a local authority's housing landlord service and included all assets within the Council's Housing Revenue Account (HRA).

The deadline to submit the Business Plan in draft to WG was 29 February, 2016. The submission would then form the basis of the Major Repairs Allowance (MRA) grant application, a pivotal financing component for the Housing Improvement Programme.

Average 2016/2017 rents were £87.69 calculated on a 52 week basis (equivalent 50 week average rent would be £91.21). It was assumed that rents would increase by inflation plus 1.5% annually until 2018/2019, when the increase would revert to inflation plus 1%. These assumptions were in line with Welsh Government Policy on Social Housing Rents.

The Major Repairs Allowance was £2.76M per annum. No inflation had been assumed on this grant.

The Plan was able to afford a new build and regeneration scheme of £22.53M in the first 5 years to 2020/2021, and a further £145.5M in years 6-30.

All other revenue income and expenditure was based on the 2016/2017 budget.

The provision for doubtful debts had remained at 6% of rental income to allow for the negative impact of Welfare Reform and in particular, Universal Credit on rent collection. The provision was increased to 6% originally in 2015/2016 but was not required as the Universal Credit roll out did not occur. It was seen as prudent therefore, to maintain the provision with a reduction to 3% from Year 2 (2017/2018) onwards.

The latest projections were attached at Appendix F(i) and F(ii) to the Business Plan. The total amount of debt outstanding in any year would be £103.7M, which was the Limit on Indebtedness set during the HRA Subsidy Buy-out on 2nd April 2015.

A summary of the movement in the financial position was included in the table below:-

	December 2014 Business Plan	February 2016 Business Plan	Difference
WHQS Target	April 2017	April 2017	No Change
Revenue Surplus at year 30	£142.2M	£127.7M	-£14.5M
Repayment of Debt	Year 25	Year 30	+5 years
Peak Debt	£101.2M	£102.8M	+£1.6M

The main reason for the differences was due to the actual subsidy buyout deal being less favourable in terms of loan profile and interest rates than originally assumed. This had caused greater than anticipated charges to the Housing Revenue Account for Debt Charges. Therefore, less revenue resources were available for capital expenditure, and so more borrowing was required to sustain the same level of investment.

There were a number of risks associated with the assumptions used in the financial projections for the business plan. The results were shown at Appendix H attached to the plan.

The Business Plan was most sensitive to the cessation or reduction of the Major Repairs Allowance (MRA) and a reduction in annual rental increases. Sensitivities 5 and 6 explored these risks and the level of investment currently identified in the Plan would not be affordable without a breach of the Limit of Indebtedness. In addition the HRA Revenue Surplus at year 30 was considerably reduced.

In broad terms the Housing Business Plan was both viable and sustainable in terms of meeting the Councils obligations on Welsh Housing Quality Standard for existing stock, the level of debt, and the potential for New Build and Regeneration.

After this item was presented, the Leader amended paragraph 23 of the report headed “Policy Framework and Budget”, to state that “This report is a matter for Council decision”. The Cabinet Member for Housing, Building Maintenance and Community Safety confirmed that Welsh Government had agreed a Draft Housing Business Plan could be issued prior to it being approved by Council.

This was a matter for Council decision

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

RESOLVED – T H A T the use of article 14.14 of the Council's Constitution (urgent decision procedure) be authorised to enable a draft copy of the Housing Business Plan 2016 to be sent to Welsh Government by 29 February, 2016 deadline with the proviso that a final version will be sent following Council approval on 2 March, 2016.

Reason for decision

To obtain approval for the Housing Business Plan 2016.

C3091 SUPPORTING PEOPLE LOCAL COMMISSIONING PLAN 2016 – 2019 (HBMCS) (SCRUTINY COMMITTEE - HOUSING AND PUBLIC PROTECTION) –

Approval was sought to adopt the draft Supporting People Local Commissioning Plan 2016 - 2019 and submit the Plan to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff. Cabinet was also updated on the Council's indicative allocation of Supporting People Programme Grant for 2016/17 from Welsh Government.

The Supporting People (SP) Programme was the policy and funding framework for delivering housing related support to vulnerable people in different types of accommodation and across all tenures.

In accordance with the Welsh Government Guidance for Supporting People, all local authorities were required to develop a three year Local Commissioning Plan, which had to be submitted to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff. The development and coordination of the Local Commissioning Plan was undertaken by the Supporting People Local Planning Group (SPLPG) as required by Welsh Government. Membership of the SPLPG was made up of Officers from the Housing Division, Social Services Department, the Wales Probation Service, Cardiff and Vale University Health Board and the Voluntary Sector (the Vale Housing and Homelessness Forum).

The Local Commissioning Plan 2016 – 2019 was attached at Appendix 1 to the report. The Plan outlined the evidence collected on the support needs of vulnerable people in 2014/15 and the existing services being delivered, in order to evidence their continuation and the decisions on new service priorities for development. Whilst these were outlined in the report, it was difficult to assess if the Council would be able to commission new services as savings may be needed for future cuts so it remained unlikely that any new services would be developed next year.

After this item was presented, the Leader amended page 59 of the Local Commissioning Plan 2016 – 2019 attached at Appendix 1 to the report, that read “Visible Services and Housing” and should instead read “Environment and Housing Services”.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the Supporting People Local Commissioning Plan 2016 – 2019 attached at Appendix 1 to the report be approved and its submission to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff be agreed.

(2) T H A T the report be referred to Scrutiny Committee (Housing and Public Protection) for information.

<u>Reasons for decisions</u>

(1) To ensure that the Council complied with the requirements of the Supporting People Programme Grant (SPPG) Guidance (Wales) July 2012 (updated June 2013).

(2) For information.

C3092 BARRY ISLAND BEACH HUTS (VLS) (SCRUTINY COMMITTEE - ECONOMY AND ENVIRONMENT) –

Cabinet was updated on the Policy and rental arrangements for the 24 beach huts located at Barry Island and reviewed a range of options for the future letting and management of these units.

A report was considered by Cabinet on 16 June, 2014 in respect to the rental policy and arrangements for the Barry Island Beach Huts (Minute Number C2338 refers). This followed consideration of the matter by the Council's Scrutiny Committee (Economy and Environment) on 20 May, 2014. A copy of the existing beach hut Policy was attached at Appendix A to the report. The Policy covered rental charges and seasonal operating hours. The small beach huts were charged at £15 per day in the autumn / winter and £20 per day in the spring / summer. The larger huts were rented at £30 per day in autumn / winter and £40 per day in the spring / summer. Following an officer review of the Policy at the end of May 2015 the Policy was amended to allow beach huts to be booked for half days.

The beach huts had been available for rental since Easter 2015. Bookings were generally taken over the telephone via the Council's Contact Centre (C1V). There had been 233 bookings made for the beach huts from Easter 2015 to 10 February, 2016 generating £8026 of income.

There was a need to consider options for how the beach huts were managed going forward. It was imperative that everyone continued to have the opportunity to rent a beach hut at an affordable rate and that occupancy of the beach huts was maximised all year round. The Council also had to cover the running cost of the beach huts and also put aside some finance to cover any necessary future repairs and refurbishment.

There were a number of options for the management of the beach huts going forward which were outlined and considered in the report. The first option was to continue with the current beach hut policy. The second option was to lease some or all of the beach huts either annually or for a longer period of time. A third option was to amend the current beach hut Policy to allow for the purchase of weekly, monthly and annual season tickets for some of the beach huts.

The report suggested that the three options outlined above be considered further and any decisions made be informed by user and potential user surveys which would enable officers to effectively engage with existing and potential future users of the beach huts. A fourth option which could be implemented immediately for the 2016 summer season was to include the beach huts within the coastal concessions for Barry Island.

Cabinet would be able to take a decision as to the best way forward for the packaged services including management of the beach huts when the concession tenders were received. If this did not offer the most cost effective arrangement then the arrangements could remain unaltered for another season (2016) pending consideration of the options set at above.

After presenting this item, the Cabinet Member for Visible and Leisure Services highlighted that after discussing the report, it was decided to pursue recommendations 1 and 5 of the report to ensure that all options could be considered by the Scrutiny Committee (Economy and Environment) before the matter was brought back to Cabinet.

At the meeting, the Cabinet Member for Regeneration noted that the Beach Huts had accrued a small monetary loss alongside a large amount of publicity and media interest in comparison to the financial reports also on the agenda that covered over two hundred million pounds and had not attracted much attention. She looked forward to engaging the Scrutiny Committee (Economy and Environment) in the discussions.

The Leader commented that the Beach Huts were in the first year of operation and had helped regenerate the area and increase visitor footfall. He was looking forward to considering all options for future management and by sending the report to Scrutiny Committee (Economy and Environment), this would involve Members in the important discussion.

In agreement with her colleagues, the Cabinet Member for Housing, Building Maintenance and Community Safety added that sending the report to Scrutiny

Committee (Economy and Environment) would allow everyone to discuss options for the Beach Huts, and there were potentially more than the four discussed in the report. She finished by stating that this was a unique opportunity to maximise the potential of the Beach Huts.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the contents of the report be noted.

(2) T H A T the report be referred to Scrutiny Committee (Economy and Environment) for consideration.

Reasons for decisions

(1) To advise Cabinet on the first season of operation for the beach huts at Barry Island.

(2) To ensure that the relevant Scrutiny Committee is involved in this matter.