Agenda Item No.

CABINET

Minutes of a meeting held on 14 November, 2016.

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

C3356 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 31 October, 2016 be approved as a correct record.

C3357 DECLARATIONS OF INTEREST –

No declarations were received.

C3358 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO 31ST AUGUST 2016 (REF) –

The Scrutiny Committee Healthy Living and Social Care on 10 October, 2016 considered the above report of the Director of Social Services.

The Operational Manager for Accountancy presented the report, the purpose of which was to advise Members of the position in respect of revenue and capital expenditure for the period 1st April to 31st August 2016 regarding those revenue and capital budgets which formed the Committee's remit.

Council, on 2nd March, 2016 (Minute Nos. 885 and 884 respectively) approved the Revenue and Capital Budgets for 2016/17. Reports monitoring expenditure were brought to this Committee on a regular basis.

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

It was currently projected that the Social Services budget would outturn with and adverse variance of around £1m.

A table and graph 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.

For Children and Young People Services, the major issue concerning this service for the coming year was the continued pressure on the children's placements budget. Work continued to ensure that children were placed in the most appropriate and cost effective placements. However, it was noted that due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of Looked After Children. This budget would be closely monitored during the year.

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

The annual deferred income budget for 2016/17 had been set at £747,000 and, as at 31st August 2016, income received to date was £114,000 over-recovered. It was currently projected that this budget would outturn at £100,000 under budget by year end and this favourable variance was included as part of the projected overspend for care packages.

The report advised that the service would strive to manage growing demand and try to mitigate this position and some initiatives may be funded via regional grants in the current financial year. It was proposed that up to £1m be used this year from the Social Services Legislative Changes fund to cover the shortfall. Further details would be provided to the Committee during the course of the year.

In relation to Leisure Services, there was currently and adverse variance of £48,000 to the profiled budget which was as a result of high repair costs for vehicles during the start of the Grounds Maintenance season. It was however anticipated that this would reduce over the winter months and therefore it was currently projected that the overall budget would outturn on target.

In relation to the Social Services Savings Programme, the Directorate was currently required to find savings totalling £2.257m by the end of 2019/20. There was currently a surplus shown of £186,000 which was as a result of the Foster Carer Recruitment project, which was being developed in addition to the required savings targets. This surplus could be used to mitigate any increase in savings to be found in future years.

Appendix 2 to the report provided an update on individual areas of savings within the Social Services Budget Programme.

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

With regard to capital expenditure, Appendix 3 provided details of financial progress on the Capital Programme as at 31st August, 2016.

For the ICT Infrastructure Project, the funding for this was in order to implement an all-Wales scheme which was to enable the interfacing of a range of different systems across Local Authorities and NHS organisations. The system had been procured and was in the process of being rolled out across Wales. The system would be implemented in the Vale of Glamorgan during 2017/18 and therefore it was requested that the £400,000 budget be carried forward into 2017/18.

The report advised that it had been requested that a new capital scheme be included in the Programme for an upgrade of Wordsworth Park utilising Section 106 funding to the value of £75,000. In addition, as part of the closure of the 2015/16 accounts, funding had been set aside for upgrading play areas. It had now been requested that £200,000 be included in the Capital Programme for schemes as follows:

- Penarth Cliff Top £100,000
- Peterswell Road, Barry £75,000
- Cwrt Y Vil, Penarth £25,000

Furthermore, it had been requested that £18,000 be included in the Programme for an upgrade / replacement of play equipment and surfacing at Cwrt Y Vil Playing Fields utilising Section 106 funding of £18,000.

Appendix 4 provided non-financial information on capital construction schemes, from this Appendix, it was noted that most of the previous year’s schemes had now commenced and some were complete. Start dates had also been provided for new schemes for this financial year and these would be monitored closely to identify if capital schemes began to slip and to identify if further action needed to be taken.

The Chairman queried the programme of work in relation to the upgrading of play areas. The Operational Manager for Leisure stated that officers had been asked to assess playgrounds in the Vale and subsequently produced a priority list. He added that there were over 100 play areas throughout the Vale and so it was decided to concentrate resources on areas with high levels of visitors, such as Penarth.

A Committee Member queried how much of the budget shortfall could be attributed to costs as a result of legislative changes. In reply, the Operational Manager – Accountancy stated that this would be in the region of £500,000.

In answer to a query regarding the payment of travel time to staff of domiciliary care agencies, the Interim Head of Business Management and Innovation stated that this was complex. When finalising contracts for providers, the level of fees paid would take into consideration a number of legislative requirements, but it was then down to each individual provider as to how they spent the money allocated to them.

The Committee also noted that there would be further opportunity to evaluate the savings project as part of the 2017/18 budget settlement process. The Committee was also advised that an update report would be provided in regard to proposals for the respite service at Rhoose Road.

RECOMMENDED –

(1) T H A T the position with regard to the 2016/17 revenue and capital monitoring be noted.

(2) T H A T the progress made in delivering the Social Services Budget Programme be noted and referred to Cabinet for its consideration.

<u>Reasons for recommendations</u>

(1) That Members are aware of the position with regard to the 2016/17 revenue and capital monitoring relevant to the Scrutiny Committee.

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

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

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

Reason for decision

To note the contents.

C3359 UPDATE ON IMPLEMENTATION OF THE SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 (REF) -

The Scrutiny Committee Healthy Living and Social Care on 10 October, 2016 considered the above report of the Director of Social Services.

The Director of Social Services presented the report, the purpose of which was to provide an update in respect of the Social Services and Well-being (Wales) Act 2014 and the approach being taken in regard to implementation.

The report advised that the Act came into effect on 6th April, 2016. The Committee had requested regular updates on the progress being made in implementing the Act in the Vale of Glamorgan.

The report therefore provided an update on the information considered by the Committee in March 2016, which included:

- progress of the four national work groups, established to share best practice and produce consistent material on an all-Wales basis;
- progress on the amendments to the eligibility / assessment of needs process, to ensure compliance with the national assessment checklist;
- an update on the use of the national training materials for the four core modules and the briefings for staff to ensure that they received an overview of the four key areas of change;
- an update on inclusion in the new “Better Conversations” training course that had been piloted by the Social Services Improvement Agency (SSIA), aimed at equipping officers working at the First Point of Contact;

- an update on the national awareness raising campaign, led by Welsh Government, which started in February 2016;
- information about the National Independent Safeguarding Board which would work alongside the regional Safeguarding Boards (adults and children) to secure improvements in safeguarding policy and practice throughout Wales;
- an update on the local co-production workshop held in February to explore how best an independent professional advocacy service for adults could be provided;
- information about the duty on Local Authorities and Local Health Boards to carry out a regional population needs assessment by March 2017;
- an update on resource implications (financial and employment).

In summary, the Director of Social Services stated that 6th April was another step, albeit a fundamental one, on the journey towards full implementation of all the changes required by the Act. He advised that good progress had been made in all areas, including the reform of current services, the revision of current policies to ensure that they were compliant with the new statutory framework, and achieving the shifts in organisational culture that was needed. Furthermore, he added that the decision to focus on business continuity as well as change had been vindicated by the Council's success in minimising the disruption caused to existing service users and carers or those wishing to make referrals. However, the Director stated that the Council was beginning to see the impact that it was having in practice and upon Council resources. Although there were clear benefits in changing the ways in which citizens were supported, this had been very time consuming and caused some issues in relation to managing demand. One direct consequence appeared to have been an increase in the waiting times for Adult Services.

The Chairman, in referring to the increase in waiting times, queried whether evidence of this could be shared with Welsh Government. In reply, the Director of Social Services stated that this would be the right approach to take and that there was quantitative evidence as well as comments from care practitioners that could be provided. The Director also added that the changes to practices introduced by the Act had less immediate impact in areas such as mental health and Children's Services but they did require significant and urgent changes in Older People's Services which was the biggest area of demand. It was not a surprise that waiting times would be affected as a result of adopting a new approach.

A Committee Member stated that some Local Authorities had been struggling with implementing the new Act and he praised the proactive approach adopted by the Vale. He also added that funding was always going to be an issue and he commented that Welsh Government should consider the level of the cap on charges for community care packages.

In reply to a query as to what would happen in cases where service users considered that they were not being appropriately listened to, the Director of Social Services advised that the service worked on the premise that the person’s voice must be heard and recorded throughout their care journey. If individuals felt that this was not the case, then there were many routes that they could explore such as advocacy and through the Council’s complaints procedures. For the service, a major aspect of the reform was in relation to the change in entitlement to services for carers and so it was important to ensure that all carers were aware of this.

The Committee, in discussing future progress reports, requested that an update be received early in the New Year and that this be in tabular form, reflecting each section of the Act, which would make it easier for the reader to appreciate how well the Council was doing. It was agreed that this update would be as a Region and not specific to the Vale.

RECOMMENDED –

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

(2) T H A T an update be received in March 2017.

(3) T H A T the report be referred to Cabinet for consideration.

Reason for recommendations

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

After presenting this item, the Leader highlighted page 2 of the reference, noting that the Committee had requested an update in the New Year in tabular form that would cover the Region and was not specific to the Vale and he looked forward to receiving this report in due course.

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

RESOLVED – T H A T the contents of the report be noted and the further report be presented to Cabinet in the New Year.

Reason for decision

To note the contents of the report.

C3360 ASSISTIVE TECHNOLOGY AND DEMENTIA CARE TASK AND FINISH GROUP UPDATE (REF) -

The Scrutiny Committee Healthy Living and Social Care on 10 October, 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 Members on progress made in delivering the action plan developed through the Assistive Technology Task and Finish Group.

The former Scrutiny Committee (Social Care and Health) set up a Task and Finish Group to examine the potential contribution that Assistive Technology could make in developing a dementia-supportive community in the Vale of Glamorgan and to help enable people to live independently and with a better quality of life. The Group comprised six Members and was politically balanced.

During the course of the review, the Task and Finish Group was able to complete a thorough investigation and to make well considered recommendations for improving the responsiveness of the service. The Group also recognised that further work was needed before major decisions could be taken in relation to longer-term planning.

Overall, the Group concluded that Assistive Technology could be of considerable help to people experiencing dementia and also to their carers. However, national research, information from partners and data from existing services did not provide conclusive evidence that it was likely to deliver significant savings. Given the budgetary pressures that the Council faced, the Group made recommendations for improvements which it regarded were realistic and measured and which identified the further work required to develop the service for the future. A detailed action plan was agreed, to ensure that the recommendations were implemented and that progress could be measured.

The plan contained 15 action areas. An updated version was attached at Appendix 1 to the report. The report advised that the progress made against each action indicated that the majority were either complete or had become part of ongoing business.

In terms of staffing arrangements, the report advised that due to the small size of the Telecare team, an ongoing review was being undertaken to ensure that the Directorate had a resilient and effective team model fit for future delivery.

Since the plan was agreed, the numbers of people receive Telecare had grown for service users of both Tele V and Tele V+. As of August 2016, there were 730 active Tele V users and 137 Tele V + users. Committee noted that the rate of growth had slowed during this financial year, with an additional five Tele V+ users and no increase in the number of Tele V users.

The Committee was advised that the service had purchased equipment to support people with dementia. This included bespoke decoration and two reminiscence pods for use at Rondel House day service. Tablet computers were also made available for the care homes managed by the Council and the older people’s day service, to support communication and provide additional activities. Specifically they were being used to allow video contact with relatives living in other countries, choosing items of clothing, accessing games and to store photos at events that would be viewed by residents and their families.

The Chairman commented that one of the main challenges was in relation to staff resilience and the size of the Telecare team and he queried whether this had resulted in the low take-up of Telecare services seen so far during the current financial year. In reply, the Head of Adult Services stated that this had had a small impact but there were other challenges such as issues around the Supporting People grant. He also alluded to the opportunity of working on a regional basis with Cardiff Council, and that there was a need to regroup and consider future possibilities.

In terms of identifying savings, the Head of Adult Services explained that during the review it was recognised that Telecare was unlikely to provide real savings but it did provide a lot of reassurance. Detailing savings was a complicated undertaking, and he alluded to the possible savings within the area of domiciliary care.

The Committee agreed that as a document, the action plan could be closed off and it was also agreed that the Committee would receive an update on an annual basis.

RECOMMENDED –

(1) T H A T the report be accepted and referred to Cabinet for consideration.

(2) T H A T an update report be provided in 12 months' time.

Reason for recommendations

(1&2) To apprise Members of the progress made.

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

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

Reasons for decisions

To note the contents of the report.

C3361 TREASURY MANAGEMENT (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Cabinet was provided with a mid year report on the Authority's treasury management operations for the period 1 April, 2016 to 30 September, 2016 which was a requirement of the 2011 edition of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice.

The Authority's existing borrowing strategy estimated that it would borrow £24,879k of new loans to support the capital programme for 2016-2017. The sum would fluctuate dependent on the delivery of the Capital Programme, particularly Welsh Housing Quality Standard (WHQS). Given the current and projected level of Council reserves it was likely that the sum required would be internally borrowed during 2016/17.

The Council officers in conjunction with the treasury advisors had and would continually monitor the prevailing interest rates and the market forecasts and adopt a pragmatic approach to changing circumstances in respect of its borrowing needs.

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

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

Loan Type	Opening Balance	Received	Repaid	Closing Balance
	01/04/2016			30/09/2016
	£'000	£'000	£'000	£'000
PWLB	151,211	0	(698)	150,513
Other Long Term Loans	6,000	0	0	6,000
Temporary Loans	100	0	0	100
WG Loans	2,100	0	0	2,100
Totals	159,411	0	(698)	158,713

- Loans borrowed from the Public Works Loan Board (PWLB) were intended to assist Local Authorities in meeting their longer term borrowing requirements. The above loans were all at fixed rates of interest. The rate paid on each loan was largely dependent upon the original duration of the loan and date taken out. The loans taken out for the Housing Revenue Account Subsidy buyout were at a predetermined range of rates specified by HM Treasury.

- Other long term loans represented those non-PWLB loans that were repayable at least 1 year or more from the date they are advanced. The bulk of this debt was represented by two market loans of £2,000,000 and £4,000,000.

- Temporary Loans represented those loans that were borrowed for a period of less than 1 year. They were borrowed on 7 day notice.

- WG Loan was an interest free loan provided by WG to progress the Barry Island Link Road Scheme.

External interest at an average rate of 4.76% and amounting to £3,804,024 had been paid on these loans during the first 6 months of 2016/2017. This sum represented an increase on the equivalent 2015/16 sum due to the additional £63m borrowed under the arrangements for the Housing Subsidy Buyout.

The Authority had made the following investments for the period 1 April. 2016 to 30 September, 2016 as set out below:-

Borrowing Institution	Opening Balance	Invested	Returned	Closing Balance
	01/04/2016			30/09/2016
	£'000	£'000	£'000	£'000
UK Local Authorities	48,000	69,000	(72,000)	45,000
Debt Management Office	30,600	904,300	(897,100)	37,800
Totals	78,600	973,300	(969,100)	82,800

Interest, at an average rate of 0.38% and amounting to £146,897, had been received from these investments for the first 6 months of 2016/2017.

As could be seen from the table above the Authority had invested with the Debt Management Office (DMO) or UK Local Authorities. This strategy was considered prudent considering the continued pressures in the financial markets. The Head of Finance (Section 151 Officer) always had regard to the security and liquidity of the investments before seeking the highest rate of return, or yield.

The Council worked with the Investment Adviser to consider other Investment tools to increase return without otherwise compromising security.

In light of the very low level of short term investment interest rates available, internal funds had continued to be used to finance capital expenditure to date. Given the significant level of borrowing in the Capital Programme borrowing arrangements would need to be kept under review.

The Authority measured its exposure to treasury management risks using the following indicators. Council was asked to note the following indicators as at 30 September, 2016.

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

	Limit	Actual	Met
Upper limit on fixed rate exposures	219m	153m	✓
Upper limit on variable rate exposures	0m	0m	✓

Fixed rate investments and borrowings were those where the rate of interest was fixed for the whole financial year. Instruments that either matured during the financial year or had a floating interest rate were classed as variable rate.

This indicator was set to control the Authority's exposure to refinancing risk. The maturity date of borrowing was the earliest date on which the lender could demand repayment. The maturity structure of fixed rate borrowing as at 30 September, 2016 was:

	Upper Limit	Lower Limit	Actual	Met
Under 12 months	20%	0%	0.93%	✓
12 months and within 24 months	20%	0%	1.15%	✓
24 months and within five years	30%	0%	3.00%	✓
Five years and within 10 years	40%	0%	24.24%	✓
10 years and above	100%	0%	70.68%	✓

This indicator was to control the Council's exposure to the risk of incurring losses by seeking early repayment of its long term investments. The total principal sums invested to final maturities beyond the period end were:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£15M	£15M	£15M
Actual principal invested beyond year end	0	0	0
Within limit?	✓	✓	✓

The Leader and Section 151 Officer confirmed that training on Treasury Management had been arranged in the New Year for Members of the Cabinet, Corporate Performance and Resources Scrutiny Committee and Audit Committee.

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 Treasury Management mid year report for the period 1 April, 2016 to 30 September, 2016 be noted.

(2) T H A T the latest Treasury Management Indicators be noted.

Reasons for decisions

(1) To present the Treasury Management mid year report as required by the CIPFA Treasury Management in the Public Services: Code of Practice.

(2) To present an update of the Treasury Management Indicators which are included in the treasury management strategy.

C3362 INITIAL REVENUE BUDGET PROPOSALS 2017/18 (L) (SCRUTINY COMMITTEE - CORPORATE PERFORMANCE AND RESOURCES) -

Approval was sought for the amended revenue budget for 2016/17 and to commence consultation on the initial revenue budget proposals for 2017/18.

The Council's budget was determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement was received from WG on the 19 October, 2016. The final settlement would be received in December 2016.

Appendix 1 attached to the report set out the Amended Budget for 2016/17, together with the necessary adjustments to be made to the original budget.

Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - These adjustments had no overall effect on the net budget of the Council. These were accounting adjustments largely outside the control of services that reflected charges for the use of capital assets, changes to inter-service recharges and transfers and pensions adjustments to comply with accounting standards. Also included were transfers of functions and responsibilities between Directorates.

Cabinet on 6 June, 2016 approved the transfer of £62k from Development Management to Resources as a result of the transfer of the Drawing Office.

Cabinet on 20 June, 2016 agreed the senior management restructure of the Learning and Skills Directorate, which was implemented on 1 September, 2016. In order to make efficiencies within senior management, a number of changes had been made to the structure of the directorate which needed to be reflected in the budget. As a result, the Learning and Skills budget would now be reported under the following headings:-

- Schools
- Strategy, Culture, Community Learning & Resources
- Strategy and Regulation
- Achievement for All
- School Improvement

The following table compared the amended budget with the projected outturn for 2016/17. The Learning and Skills Directorate was projecting an adverse variance of £716k at year end and the Social Services Directorate was anticipated to outturn with an adverse variance of around £600k. It was proposed that reserves would be used to mitigate this position in 2016/17 as outlined later in the report.

	2016/17	**2016/17**	**Variance**
	Amended	**Projected**	**(+)Favourable**
Directorate/Service	**Budget**	**Outturn**	**(-) Adverse**
	£'000	**£'000**	**£'000**
Learning and Skills			
Schools	81,009	81,009	0
Strategy, Culture, Community Learning & Resources	13,233	13,029	+204
Strategy and Regulation	250	218	+32
Achievement for All	3,573	4,403	-830
Transfer from Reserves	0	-716	+716
School Improvement	1,241	1,363	-122
Social Services			
Children and Young People	14,913	14,513	+400
Adult Services	40,096	41,096	-1,000

Business Management and Innovation	276	276	0
Youth Offending Service	701	701	0
Transfer from Reserves	0	-600	+600
Environment and Housing			
Visible Services	20,335	20,405	-70
Transportation	4,836	4,766	+70
Building Services	0	0	0
Regulatory Services	2,218	2,218	0
Council Fund Housing	988	988	0
Managing Director & Resources			
Resources	269	269	0
Regeneration	2,123	2,123	0
Development Management	962	962	0
Private Housing	11,021	11,021	0
General Policy	16,744	16,744	0
Total	**214,788**	**214,788**	**0**
Met from General Reserve	(1,500)	(1,500)	0
Grand Total	**213,288**	**213,288**	**0**

Learning and Skills

The projected outturn for the Learning and Skills Directorate was an adverse variance of £716k when compared to the amended budget. The paragraphs below highlighted variances within each service and detailed the proposed use of reserves to fund any adverse variance at year end.

Schools - The delegated budget related to schools was expected to balance as any under/over spend was carried forward by schools.

Strategy, Culture, Community Learning & Resources - This service was projected to outturn with a favourable variance of £204k after a transfer from reserves of £446k. The net underspend was as a result of early implementation of 2017/18 savings, a reduction in the number of supported non-maintained nursery settings, a number of vacancies throughout the department, an increase in ICT support packages purchased by schools and a projected underspend on the catering service of £71k. This catering underspend was based on projected school meal take up which could change throughout the year. The transfer from reserves would be £251k from the Libraries reserve to cover any legal costs and costs related to the implementation of the service review, £43k from the Adult Community Learning reserve to assist with the new Welsh for Adults contract and a previous years funding reduction in Schedule 2/Cardiff and Vale College Franchise and £152k from the Early Retirement and Voluntary Redundancy Reserve to fund redundancy and retirement costs in schools.

Strategy and Regulation - This service was projected to outturn at a favourable variance of £32k due to salary underspends and reductions in office expenses for the Directorate.

Achievement for All - This service was projected to outturn with an adverse variance of £114k after a transfer from reserves of £716k. This was as a result of an adverse variance of £822k on the recoupment income budget and an adverse variance on pupil placements of £268k. This position could be partly offset by projected salary underspends of £260k which were due to vacant posts in the service as a result of early implementation of 2017/18 Reshaping Services savings. The service had a £2.4m recoupment income budget in respect of out of county pupil placements purchased at Ysgol y Deri. Over the last few years a trend had occurred where more out of county pupils had left Ysgol y Deri than new pupils had enrolled. In the current financial year it was anticipated that 15 out of county pupils would leave the school and only 4 new starters would enrol, in the previous financial year there were 17 leavers and 3 new out of county enrolments. The main reason for this reduction in out of county pupils was due to other local authorities seeking to educate their children within county and to source cheaper alternatives due to budget reductions. However the school was still operating near to capacity due to an increase in demand from Vale pupils requiring placements. Whilst the Directorate had been successful in identifying reshaping savings for the Inclusion Service, the Directorate had been unable, to date, to identify further savings to cover this gap on recoupment income. The pupil placements budget was a volatile budget that could be significantly impacted with changes to packages of one or two pupils. Therefore, as an initial measure £500k had already been set aside in a Schools Placements reserve. This sum would be used as a one off contribution in 2016/17 to mitigate part of the shortfall while further Reshaping Services work was undertaken by the Directorate. However, if the shortfall of £216k could not be mitigated further in the year, other reserves could be utilised to balance the shortfall made up of £93k from the Excluded Pupils reserve, £45k from the Youth Service reserve and £78k from the Adult Community Learning reserve.

School Improvement - This service was projected to overspend by £122k as a result of redundancy and pension strain costs as a result of restructuring.

Provision had been made within the budget to make unsupported borrowing debt repayments in relation to the Schools Investment Strategy of £698k per annum. Any favourable variance on debt repayments would be directed into the Schools Investment Strategy reserve.

Social Services

The projected outturn for the Social Services Directorate was an adverse variance of £600k when compared to the amended budget. The paragraphs below highlighted any variances within each service and detailed the proposed use of reserves to fund any adverse variance at year end.

Children and Young People's Services - It was projected that this service would outturn with an underspend of £400k. Work had been ongoing to ensure that children were placed in the most appropriate and cost effective placements. This had included the Council’s success in significantly reducing the number of children placed in residential care, from an average of 23 in 2014/15 to a current average of 10. It was however noted that the number of looked after children had increased during the course of the year, placing considerable pressure on the Council’s in-house fostering resources and increased our reliance on independent fostering placements. Given this pressure and the complexity of some of these children, the outturn position could fluctuate with a change in the number of looked after children and/or their need for independent fostering or residential placements.

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

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

Environment and Housing

The projected outturn for the Environment and Housing Directorate was a balanced budget when compared to the amended budget. The paragraphs below highlighted any variances within each service.

Highways & Engineering – It was anticipated that this section would have a favourable variance of £230k at year end. It was projected that the employee's budget would be £366k underspent due to vacant posts currently within the service. Due to the slight delay in rolling out the LED replacement programme there would be an overspend on Energy costs of around £80k. Vehicle costs were projected to be £100k over budget which was mainly due to the increased cost of the newer Winter Maintenance fleet. Due to the high number of schemes undertaken for other departments, the anticipated spend on subcontractors and materials were over budget by around £282k, however, this would be offset by higher than anticipated income of £326k.

Waste Management - It was projected that the Waste Management section would have an adverse variance of £300k at year end. This would however be covered by anticipated favourable variances within other sections in Visible & Transport services. As reported in previous months, there had been a slight delay in rolling out changes to waste collection routes and therefore it was anticipated that employee costs would be £255k higher than budget and transport costs £435k higher than budget. To offset this, an underspend of £295k was expected on waste disposal costs. Departmental support costs recharged to Waste Management were also around £50k lower than budgeted. Anticipated income for the department was also around £45k greater than estimated.

Leisure – It was anticipated that this service would achieve a breakeven position at year end. Employee costs within Grounds Maintenance were projected to be £114k under budget due to vacant posts, however, this had been offset by increased supplies and services costs which were £34k over budget. Transport costs were projected to be £80k over budget due to high repair costs early in the financial year, however, Grounds Maintenance were currently reviewing the level of vehicles they required and had identified those that were surplus to requirements. Within the Leisure & Play team employee costs were projected to be £74k higher than budget. £30k of this additional employee cost was for additional summer play schemes which would be funded from reserves. There was also a further £30k additional estimated income into the section for the Teenscheme project. Other grant income had also increased by approximately £32k. There had also been an increase in supplies and services costs of £18k mainly due to an increase in insurance costs.

Transportation - It was anticipated that there would be a favourable variance of £70k within this service. This was due to staff vacancies and additional income relating to concessionary fares.

Building Services – The Building Maintenance and Building Cleaning & Security Services were presently expected to outturn on target.

Regulatory Services - The allocation of £2.218m represented the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS). A separate set of accounts was maintained for the SRS and was periodically reported to the Shared Regulatory Service Joint Committee. At this stage in the year it was anticipated that the SRS would outturn on target.

Council Fund Housing - It was anticipated that this budget would outturn on target, however this was after a planned transfer from reserves to fund specific posts and issues arising as a result of the introduction of the Housing Act.

Managing Director and Resources

The projected outturn for the Managing Director and Resources was a balanced budget when compared to the amended budget. The paragraphs below highlighted any variances within each service.

Resources - The service was anticipated to outturn within budget although there was a possibility of a shortfall on Council Tax court income. The service would manage any shortfall from within existing resources. There was also a pressure due to increased administration costs on the Electoral Services Division following the introduction of Individual Electoral Registration. The service was able to manage any shortfall from within existing resources this financial year.

Regeneration - This budget covered Economic Development, Countryside and Tourism & Events functions. The budget was anticipated to outturn on target. The income from the Vale Enterprise Centre workshops was under budget as it was proving difficult to let the persistently vacant units as they were in need of some refurbishment. To that end, a capital bid had been submitted, in order to invest in the fabric of the buildings with a view to achieving the income targets set. The service had elsewhere identified additional income streams which were anticipated to mitigate the loss of workshop income.

Private Housing - It was still anticipated that this service would outturn on target. There was a small favourable variance as a staff vacancy was aiding the adverse variance on Renewal Area fee income. Disabled Facility Grant fee income however remained above profile to assist the overall position.

Development Management - It was anticipated that this service would outturn on target. There was an adverse variance relating to the Local Development Plan (LDP) as expenditure was delayed from 2015/16, however, funding was set aside in reserves for this purpose in the last financial year and would therefore be drawn down to offset this position. Planning fee income was less than the anticipated profile for September. This was considered to be due to uncertainty in the construction market as a result of the referendum for the United Kingdom's exit from the European Union.

General Policy

The projected outturn for Policy was a favourable variance of £4m when compared to the amended budget.

It was projected that there would be a favourable variance of £2m related to capital charges and given that the collection of Council Tax continues to be effective, a positive variance of £2m was predicted. It was considered that the Council Tax collection rate should be reviewed for 2017/18, however the impact of new legislative changes, such as the reduction in the benefits cap, may have an adverse effect which would be difficult to quantify. Proposals would be outlined to Cabinet in a separate report in the coming weeks.

The initial written report proposed that £3m be transferred into the Visible Services reserve. £1.927m would be used to fund the Gypsy/Traveller site scheme, £73k for the Dinas Powys Library Road Bridge scheme and £1m would be used to carry out additional road and pavement resurfacing works over the next 2 years. The report also proposed that £1m would be placed in the Council Building Fund to generally finance schemes included in the proposed capital programme. However, at the meeting the Leader indicated that he would amend this proposal and would present new recommendations in relation to this matter after summarising the report.

Savings 2016/17

As part of the Final Revenue Budget Proposals for 2016/17, a savings target of £9.289m was set for the Authority. Attached at Appendix 2 to the report was a statement detailing all savings targets for 2016/17 and the projected outturn. Services were working towards fully achieving their savings targets, however at this stage of the year it was anticipated that not all the savings would be made and there could be a shortfall of £680k.

Learning and Skills - There was a saving target of £292k to be found from the Inclusion Service budget. It was anticipated that this level of saving could be achieved during the year, however, there were further pressures on the budget which would result in an overspend as already detailed above.

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

Environment and Housing - While progress had been made towards achieving the savings, there had been a delay in commencing some of the schemes and therefore the full year target was not anticipated this financial year. £1.2m had been included in the capital programme for the installation of LED lighting. Installation would be undertaken this year however a full year saving would not be achieved until 2017/18. Also as previously stated, waste collection rounds had been revised from 1 August, 2016 with the aim of reducing the resources required. However it was unlikely that the full saving would be made in 2016/17. The £50k saving related to Public Conveniences would not be achieved this year as options were being explored, however, Prosiect Gwyrdd was anticipated to make a higher saving than required and this was partly offsetting the shortfall on other savings. As stated earlier in the report, Leisure Services were reviewing their vehicle requirements and were not anticipating the achievement of the full saving this year. Where savings would not be achieved in year, services would seek to cover the shortfall on a one off basis from other areas.

Managing Director and Resources - There had been a delay in the exit from the JobFit contract which had resulted in a predicted shortfall against the savings target for Regeneration. Savings required from the Vale Enterprise Centre workshops were not being realised as some units were difficult to let due to their poor condition and investment would be required in the building to achieve this saving in future years. As detailed earlier in the report, income from planning fees was lower than anticipated this year and as a result the Reshaping savings target under Development Management would not be achieved. Human Resources and Performance and Development had a small level of further savings to achieve however the shortfall would be accommodated from within other budgets this year.

Budget Strategy

Cabinet approved the Budget Strategy on 25 July, 2016 (min no. C3257 refers).

The Budget Strategy for 2017/18 outlined that in order to establish a baseline, services should prepare initial revenue budgets based on the cost of providing the existing level of service and approved policy decisions and including the existing savings target. This meant the cost of price increases and any allowable pay awards should be included as advised by the Head of Finance.

Increases to budgets approved during the course of a financial year could restrict the freedom the Council had to allocate its resources to priorities during the following budget cycle when it was aware of all the competing demands. Consequently:

- Supplementary estimates would only increase the base budget if Council had given specific approval to this effect. Increases met by virement within a year would not be treated as committed growth.

- Directors should find the cost of increments and staff changes from their base budget unless the relevant specific approval had been given for additional funding.

- The effect of replacing grant from outside bodies that had discontinued would not be treated as committed growth. In addition, before any project or initiative that was to be met either wholly or partly by way of grant may proceed, the exit strategy must be approved.

- Certain items of unavoidable committed growth would continue and these included the effect of interest changes and the financing cost of the capital programme, increases in taxes, increases in levies and precepts charged by outside bodies and changes to housing benefits net expenditure.

- Services would be expected to achieve savings already approved by Cabinet as part of the 2016/17 final budget proposals and Directors were asked to continue work on achieving their Reshaping Services savings targets.

- It was envisaged that the costs of service development would need to be met from within the respective directorates.

Having regard to the above, it was therefore proposed in respect of the 2017/18 Budget Process that Directors be instructed to prepare initial revenue budgets in accordance with a timetable agreed by the Head of Finance. Preparation should be on the following basis:

- Capital charges, central accommodation costs and central support costs to be estimated centrally.

- Services to prepare baseline budgets on current service levels as set out in the 2016/17 Final Revenue Budget report.

- Budgets to be broken down subjectively and objectively in as much detail as deemed appropriate by the Head of Finance.

- Budget reports to include revised estimates for 2016/17.

- Full account to be taken of the revenue costs, other than debt charges, of new capital schemes coming into use.

- Minimum savings targets to be met initially as detailed in the 2016/17 Final Revenue Budget report. Any savings made directly by services over and above individual service targets to count towards future saving targets or to meet unavoidable service cost pressures.

- Directors would continue to draw up Service Plans that set out the aims and objectives for the service and any possible future developments and efficiencies.

- As stated previously, it was expected that the revenue costs of service development would need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids were initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

Medium Term Financial Plan

The Medium Term Financial Plan (MTFP) 2016/17 to 2019/20 was presented to Cabinet on 26 September, 2016 (minute no. C3330 refers).

It assumed a reduction in Welsh Government (WG) funding of 3% for the years 2017/18, 2018/19 and 2019/20. This resulted in the requirement to find savings of £24.146m over this period, with £7.783m currently being identified. There was therefore further savings to be identified of £16.363m over the 3 year period. The latest Plan factored in a managed level of cost pressures, a notional increase in council tax of 2% each year, price inflation of 1% and annual pay awards of 1% each year from 2017/18.

In 2016/17, the Minimum Funding Commitment (MFC) for schools, equivalent to 1% above the WG's block grant settlement was an increase of 1.8%. The Plan stated that if the Council's funding from WG reduced by 3% in 2017/18, it would expect the MFC to be at a lower level and included a figure similar to the 2015/16 MFC which was based on an increase of 0.6%.

Budget Consultation with Stakeholders

To ensure that the budget set for 2017/18 continued to address the priorities of Vale residents and the Council's service users, the budget setting process would take into account the results of the Lets Talk consultation which was currently being undertaken. As part of this consultation, partners from the public and voluntary sectors in Cardiff and the Vale of Glamorgan were working together to find out more about what matters to residents and what affected their well-being and quality of life.

In addition, consultation with town and community councils, the voluntary sector and our Public Service Board partners would also take place, in order to inform the final budget proposals.

Provisional Settlement 2017/18

The Council's provisional settlement was announced by WG on 19 October, 2016.

WG had advised the Council that its provisional SSA (Standard Spending Assessment) for 2017/18 was £215.917m. SSA represented WG's view of the relative resources needed to provide a standard level of service in each local authority in Wales and its primary use was to allocate RSG to these authorities.

The Council would receive from WG Revenue Support Grant of £109.193m and a share of the Non- Domestic Rates (NDR) of £40.976m. Together these figures constituted the Council's provisional Aggregate External Finance (AEF) of £150.169m. WG reported that this represented a cash reduction of 0.2% (£0.352m) for 2017/18. However, when taking into account new responsibilities, this actually represented a cash reduction of 0.35% (£0.53m). This was a smaller reduction than the 3% projected in the MTFP.

Additional funding was provided through the RSG for new responsibilities as follows:

- Increased Capital Limits for Residential Care (from £24k to £30k) - £167k
- War Disablement Pension Disregard in financial assessments for social care charging - £11k

There were transfers into the RSG settlement for 2017/18 as follows:

- Delivering Transformation Grant - £106k
- Deprivation of Liberty Standards - £8k
- Food Hygiene Rating Schemes - £2k

There was a transfer out of the RSG settlement for 2017/18 as follows:
- Education Workforce Council Teachers Registration Fees - £43k

This year WG had not afforded protection to schools via the setting of a Minimum Funding Commitment.

2017/18 Initial Budget Proposals

As part of these initial proposals, it had been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council and an updated list was shown in Appendix 3 as attached to the report. These were not shown in any order of priority. The final proposal for the increase in the National Living Wage from 1 April, 2017 had yet to be announced, however, it was considered that the 2017/18 pay rates used in these budget proposals for Vale of Glamorgan staff should cover the potential increase. Any further increase would have a significant effect on services the Council commissions from external organisations. The main area affected was Social Services and a cost pressure had been included to reflect this.

Details of the proposed areas for savings for 2017/18 to 2018/19 were attached at Appendix 4 to the report. The savings did not include the cost of any potential redundancies. As part of the Budget Strategy 2017/18, Directors were requested to continue to progress the Reshaping Services Programme. As part of the 2016/17 budget setting process it was recommended that Tranche 3 of the Reshaping Services programme should commence. A review was being undertaken in order to identify future projects and the Council was developing proposals.

A summary of the overall base budget for 2017/18 was attached at Appendix 5 to the report. This had been arrived at by adjusting the 2016/17 budget for items such as inflation and unavoidable growth, but did not include identified cost pressures or savings. These were shown as a note to the table and were further detailed in Appendix 3 and 4 attached to the report respectively.   Adjustments shown included the following:

Asset Rents, International Accounting Standard (IAS) 19 - Related to accounting items outside the control of services. They reflected charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards.

Recharges/Transfers - Related to changes in inter-service and inter Directorate recharges. The budget transfers that related to the reorganisation of the Learning and Skills Directorate were shown in a separate column.

Budget Adjustment - There was a £320k increase in budget due to the change in the use of the Social Services Fund in 2017/18.

Inflation - The total figure for inflation of £1.637m related to general price increases (£844k) and a 1% allowance for pay awards (£793k). These figures did not include schools inflation which was included in Appendix 3 as attached to the report as a cost pressure.

Committed Growth - This totaled £1.751m and related to the £1.5m reduction in use of the Council Fund. It also included the net transfers into the RSG of £73k and WG funding provided for new responsibilities of £178k as previously detailed.

Once the base budget for 2017/18 had been established, it must then be compared to the funding available to identify the extent of any shortfall. With a projected AEF of £150.169m and Council Tax at a level of £62.84m, total available funding would be £213.009m. When compared to a base budget of £216.996m, this would result in a funding deficit for 2017/18 of £3.987m. This deficit was mainly attributable to the allocation of committed growth and pay and price inflation.

If all identified cost pressures were funded, this would increase the shortfall to £11.447m. If all proposed savings were achieved, the shortfall would be reduced to £4.426m as shown in the table below.

Projected Budget Shortfall 2017/18	
	£000
Funding Available	
Provisional AEF	**150,169**
Council Tax (Assumes no increase) *	**62,840**
Projected Funding Available	**213,009**
Base Budget	216,996
Projected Shortfall Against Base Budget	3,987
Assume all Cost Pressures Funded	7,460
Projected Shortfall with Cost Pressures funded	11,447
Assume all Savings Achieved	(7,021)
Projected Shortfall for 2017/18	4,426

This shortfall was based on the assumption that the savings target set for 2017/18 would be achieved in full. However, a high proportion of these savings related to Reshaping Services schemes which reflected a new way of working and therefore required a lengthy period of time to implement. While all services were working towards achieving their 2017/18 targets, not all savings may be achieved in full from 1 April, 2017.

The above projections included an assumed pay award of 1% for 2017/18 and the possible impact of the National Living Wage. Any changes to the current assumptions would be assessed as part of the Final Budget Proposals report.

Further work would be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2017/18. This would include a review of the use of reserves, a possible increase in council tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies. The BWG would also consider the results of the budget engagement process in determining priorities for future savings and service delivery. It would also ensure that budget proposals considered the requirements of the Well-being of Future Generations Act and the Council's 4 well-being outcomes as detailed in the Corporate Plan.

There would be difficulties in maintaining the quality and quantity of services in the future without exploring opportunities for collaboration and alternative forms of service delivery. The Council would continue to develop its Reshaping Services programme via Tranche 3 schemes.

Next Steps

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Committees were asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and/or mitigated. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees had made. The responses of Scrutiny Committee had to be made no later than the 13 December, 2016.

The BWG would hold a series of meetings in November 2016 with the relevant Cabinet Members and officers to consider the budget proposals and they would submit their recommendations so that the Cabinet may make its final budget proposal. Before making its recommendation, the BWG would consider the comments made by Scrutiny, together with the results of consultation. The final proposals to Cabinet would include a review of the financial strategies required to achieve a balanced budget, which was sustainable in future years. Currently, the approved timetable required Cabinet to approve the final budget proposals by no later than 20 February, 2017 and that Cabinet’s final budget proposals would be considered by Council at a meeting to be held on 1 March, 2017 to enable the Council Tax to be set by 11 March, 2017.

After presenting this item, the Leader highlighted paragraph 34 of the report which referred to the transferring of money into the Visible Services Reserve and the Building Fund. He considered this recommendation to be premature, given the context of the budget as outlined at paragraph 66 of the report.

He therefore proposed that the predicted £4m underspend in Policy be transferred to the General Fund and noted that this would allow consultation to take place with Scrutiny Committees and the Budget Working Group, before a final decision was made on the allocation of money and whether some of this money should be given over to capital and on what basis and priority. The Leader considered that to take the decision now would prejudge the consultation that was due to take place, and as a result would be premature.

The Leader further noted that there would be a knock on effect on the initial capital proposals which would need to be picked up under item 9 of the Agenda, however this meant that decisions on funding the Gypsy and Traveller site, the Dinas Powys Library bridge, additional road and pavement resurfacing and increasing the Building Fund would be set aside for the time being.

Finally, the Leader noted that Appendix 6 as attached to the report would also change accordingly: On page 1 the Council General Fund would be increased by £4 million to £12.572 million, on page 3 the Visible Services Reserve would remain at £4.009 million and finally on page 6 the Council Building Fund would remain at £5.375 million.

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 amended revenue budget for 2016/17 as set out in Appendix 1 attached to the report be approved.

(2) T H A T sum of £4 million be set aside to the General Fund and consideration be given for that allocation to be used to offset the shortfall in the revenue budget and/or used for capital schemes, the details of which will be considered by the budget working group before the final revenue proposals are presented to Cabinet and Council for approval.

(3) T H A T in pursuance of resolution (2) above, the initial revenue budget proposals for 2017/18 be approved for consultation with the relevant Scrutiny Committees and other consultees.

(4) T H A T the recommendations of Scrutiny Committees be passed to Scrutiny Committee Corporate Performance and Resources as the lead Scrutiny Committee in order for their views to be forwarded to Cabinet.

(5) T H A T the £72k transfer between the Disabled Facilities reserve and the Temporary Empty Homes Officer reserve be noted.

Reasons for decisions

(1) To incorporate changes to the 2016/17 budget.

(2) To allow further consideration and consultation by the Budget Working Group and Scrutiny Committees.

(3) In order to gain the views of Scrutiny Committees and other consultees.

(4) In order that Cabinet be informed of the recommendations of Scrutiny Committees before making a final proposal on the budget.

(5) In order for Cabinet to be aware of transfers between reserves.

C3363 INITIAL CAPITAL PROGRAMME PROPOSALS 2017/18 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) –

Cabinet was advised of the progress on the 2016/17 Capital Programme for the period 1 April, 2016 to 30 September, 2016 and, where necessary, to request changes to the Programme.

Appendix 1 attached to the report detailed financial progress on the Capital Programme as at 30 September, 2016.

Director of Learning and Skills

St Brides Expansion - An emergency power was approved on 17 October, 2016 to increase the budget to £510k in order for the scheme to proceed. This was funded from s106, and included £10k brought forward from 2017/18.

Victorian Schools - External consultants were being appointed to project manage this scheme with the aim of appointing contractors in March 2017 for works to start during Easter 2017. The project would be split between a number of contractors to ensure that the high priority repairs were completed as early as possible and all works were completed by March 2018. Therefore it was requested that £1.2m was slipped from 2016/17 to 2017/18.

Director of Environment and Housing

The proposal to amend the funding for the 2016/17 Housing Improvement Programme was set out in paragraph 55 of the report and included those amendments listed in paragraphs 8 – 12 of the report.

WHQS Externals - There had been delays in undertaking work this year due to difficulty in sourcing suitably skilled labour, ecology issues such as nesting birds and bats, and leaseholder issues. It was anticipated that work would be completed in the next financial year and it was therefore requested that £7.23m be carried forward into 2017/18.

Aids and Adaptions - There had been an increase in demand in this area and to cover required works it was requested that the budget for 2016/17 be increased from £400k to £500k.

Common Parts - As a result of the delay in undertaking the externals works, the start of works under this heading had been delayed as the external works needed to be completed first. Work was now due to commence however it was requested that £1.7m be carried forward into 2017/18.

Environmental Improvements - In a similar manner to the Common Parts work, the delay in external works had delayed the commencement of this scheme. Work would commence this year and a programme of works was being prepared for 2017/18. It was therefore requested that £400k be carried forward to 2017/18.

New Build - Proposals for new build schemes were being developed and work on site was due to commence prior to the end of the financial year, however a full spend was not anticipated and it was requested that £1.4m be carried forward into 2017/18 to allow schemes to be undertaken.

Ashpath Footpath Improvements - It was requested that £73k be slipped from 2016/17 to 2017/18 as this scheme would not be completed in year due to ongoing land issues.

Managing Director and Resources

Maendy Pedestrian Sustainable Transport Improvement - It was requested that £80k be slipped from 2016/17 to 2017/18 as scheme options were being considered and land availability was minimal.

Barry Regeneration Partnership - It was requested that £29k be slipped from 2016/17 to 2017/18 as the fixed term post in the Economic Development Unit had not yet been filled, and was being advertised.

Lighting Scheme for Zig Zag Path - Due to a change in specification of lights, the columns cost less than the original proposal and therefore it was requested that the balance of £37k be slipped into 2017/18 for general sustainable transport improvements in the area. It was requested to rename the scheme Sustainable Transport Improvements Penarth Heights.

Regeneration Fund - A 2017/18 capital bid had been received related to renovation works for the Vale Enterprise Centre. As the Regeneration Fund scheme was unallocated in the 2016/17 capital programme, it was proposed that this funding was utilised to progress the renovations where possible during 2016/17, however, the budget may need to be reprofiled once a programme of works was finalised. The scheme would be renamed accordingly.

CASH Community Grants - As per the Cabinet report on 25 July, 2016, CASH grants totalling £23,508 had been approved. The balance of £6,492 was requested to be vired to a new Community Initiatives scheme in 2016/17.

All Services Asset Renewal - As this sum had not yet been allocated to specific schemes during 2016/17 it was proposed that the funding of £484k be removed from the 2016/17 capital programme and was reallocated to other schemes during the five year capital programme

Regulation 14 Workplace Health and Safety Glazing - The full budgeted sum of £50k was not required for safety glazing and it was requested that the sum of £32k was removed from the 2016/17 capital programme and was reallocated to other schemes during 2017/18.

2017/18 to 2021/22 Capital Programme

The Welsh Government (WG) announced the provisional 2017/18 General Capital Funding, on 19 October, 2016. The 2017/18 Capital Settlement was a flatlined capital settlement which for the Vale of Glamorgan Council equated to General Capital Funding of £5.405m which was made up of £2.045m General Capital Grant and £3.360m Supported Borrowing.

There was no indication of the level of funding likely beyond 2017/18 and therefore in line with the approach adopted in the Medium Term Financial Plan the proposals assumed a reduction of 10% for each year of the programme from 2018/19.

Appendix 2 as attached to the report set out the Initial Proposals for the Capital Programme between 2017/18 and 2021/22.

The Council would seek to mitigate the projected deteriorating funding situation by looking to progress only those schemes which was deemed to be a key Corporate Priority and make a clear impact to the Wellbeing and Future Generation priorities. The Council would seek assurances that schemes included in the capital programme could be delivered on time and within budget.

The Major Repairs Allowance (MRA), which was the grant that provided capital funding to the Housing Revenue Account (HRA), had not yet been announced by the Welsh Government for 2017/18. Cabinet would be advised once the announcement was made. An assumption had been made in Appendix 2 attached to the report that the grant would continue at the allocation reflected in the existing business plan of £2.76m in 2017/18 and throughout the period of the Capital Programme.

In addition to external funding, the Council would finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.

The table below detailed the General Capital Funding and internal resources required to fund the proposed schemes which were detailed in Appendix 2 as attached to the report.

Analysis of Net Funding Required for the Indicative 2017/18 Capital Programme		
GENERAL FUND	**£'000**	**£'000**
Welsh Government Resources		
Supported Borrowing	3,360	
General Capital Grant	2,045	
Total Welsh Government Resources		**5,405**
Council Resources		
General Capital Receipts	1,006	
Reserves/Leasing	9,642	
Total Council Resources		**10,648**
Net Capital Resources		**16,053**

HOUSING REVENUE ACCOUNT		
Housing Reserves	3,631	
Housing Unsupported Borrowing	12,473	
Net Capital Resources		**16,104**
Total Net Capital Resources		**32,157**

The indicative 2017/18 Capital Programme shown in Appendix 2 as attached to the report included allocations already approved by Council. Appendix 2 also reflected the amendments requested within the report.

Capital Bids 2017/18 to 2021/22

New capital bids were invited for return by 30 September, 2016 and the number of bids received was in line with previous years since the 5 year capital programme was introduced (2 from Learning and Skills, 11 from Environment and Housing and 3 from Managing Director and Resources) in addition a joint bid was submitted from Housing and Planning. Departments were requested to rank their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Group for evaluation.

The bids were also reviewed for the contribution that they made to the Wellbeing and Future Generations criteria as set out below;

- Long Term
- Integration
- Collaboration
- Prevention
- Involvement

Each scheme was awarded one point for every one of the outcomes that it met to a maximum of 5.

Only those schemes assessed as corporate priority 1 or higher and medium risk or higher were included in these proposals. In addition the schemes put forward should contribute to at least three Wellbeing and Future Generations outcomes and should have a scheme priority factor of either A/B/Ci/Cii/Ciii. The bids that did not meet these criteria were excluded from consideration as there was insufficient funding available and these bids were detailed in Appendix 3 as attached to the report with a reason for their exclusion.

The bids that had been funded were set out below with the proposed funding profile;

Successful Bids	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**Total**
	£'000	£'000	£'000	£'000	£'000
Additional Road and Pavement Resurfacing	0	500	500	0	1,000
Street Lighting Replacement (includes £50k from Visible Services Asset Renewal)	0	100	100	0	200
Murchfield Access Bridge	0	44	0	0	44
Dinas Powys Library Road Bridge	0	170	0	0	170
Gypsy Traveller Site	0	1,927	0	0	1,927
Leisure Works - Capital Bids	0	758	0	0	758
Nell's Point Former Toilet Block (includes £100k from Barry Regeneration Partnership)	0	255	0	0	255
Housing Regeneration Area	0	150	300	300	750
Vale Enterprise Centre Renovations	100	0	0	0	100
Total	**100**	**3,904**	**900**	**300**	**5,204**

It was proposed that the Additional Road and Pavement Resurfacing (£1m) and Gypsy Traveller Site (£1.927m) and a contribution (£73k) to the Dinas Powys Library Road Bridge scheme were funded from a projected underspend in the revenue budget (£3m) during 2016/17 which would be transferred into the Visible Services Reserve.

It was proposed that the existing Regeneration scheme was utilised to fund the bids for schemes that made a contribution to the regeneration of the Vale of Glamorgan. The Vale Enterprise Centre Renovations should be progressed where possible during 2016/17 as set out in paragraph 17 to the report. In addition it was proposed that £100k of the Barry Regeneration Partnership funding was utilised towards the Nell's Point Toilet block scheme in 2017/18.

Further to the £50k allocation for the maintenance of street lighting columns that had been awarded in 2017/18 and 2018/19, it was proposed that £50k of the Visible Services Asset Renewal was ring-fenced for these purposes.

The changes detailed above had been reflected in Appendix 2 as attached to the report.

In addition to bids meeting the criteria for inclusion in the Capital Programme, there had been a number of changes approved by Cabinet since the final budget proposals 2016/17 to 2020/21 were approved in February 2016. These changes included capital sums carried forward; changes to the School Investment Programme and Housing Improvement Plan. These changes had been included in Appendix 2 as attached to the report.

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 Band A of the 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. The Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield schemes were now complete and Llantwit Learning Community was on track to complete in September 2018.

In October 2016 the Vale of Glamorgan Council received notification from WG that the funding envelope for 21st Century Schools would in principle be increased from £30.848m to £32.048m pending the receipt of a satisfactory business case. This included funding for a new Band A scheme Romilly Primary permanent structure, a scheme which was expected to cost £1.2m, funded by £600k WG Grant and £600k contribution from the School Investment Strategy Reserve.

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.

During 2016/17 reports were taken to Cabinet regarding two key schemes to be progressed under Band B

- Proposal to establish new Mixed Sex Secondary Schools in Barry - estimated cost £44m.
- Proposal to Increase Welsh Medium Secondary School Places - estimated cost £19.3m

Given the extremely high level of Council funding committed to these schemes any other proposals progressed as part of Band B would need to be fully funded by Capital Receipts, S106 and WG funding. If WG funding was not available at 50%, the scale of these schemes would need to be reviewed by the Council.

It was proposed that the Band B schemes be funded as follows;

Band B Scheme	**WG Grant**	**S106**	**GCF**	**Capital Receipts**	**Cont. from Reserves**	**Unsupp Borrowing**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Welsh Medium Secondary	9,650	1,037	2,598	514	3,501	2,000	19,300
Mixed Sex Secondary School	22,000	986	1,036	11,685	8,293	-	44,000

The level of funding committed to Band B from 2019/20 had necessitated a reduction in Education Asset Renewal to £600k from 2019/20 to provide funding for the Band B schemes.

In 2016/17 a sum of £1.2m was set aside towards medium schemes for schools. £600k of this sum had been allocated to the Romilly scheme referred to in paragraph 45 of the report, the balance of this funding was unallocated and a further report would be brought to Cabinet detailing the proposals for this sum.

The following table showed the planned spend on the Education capital programme from 2017/18 to 2021/22 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme. Gross Expenditure totalled £75.772m.

By Scheme	17/18	18/19	19/20	20/21	21/22	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Band A Llantwit Major Learning Community	1,240	29	0	0	0	1,269
Band A Colcot Primary	125	0	0	0	0	125
Band A Romilly Primary	1,200	0	0	0	0	1,200
Medium Schools Projects to be allocated	600	0	0	0	0	600
Eagleswell Marketing & Disposal	5	0	0	0	0	5
Schools Asset Renewal/Other	600	600	600	600	600	3,000
Additional Schools Asset Renewal	400	400	0	0	0	800
Education Asset Renewal - contingency	50	50	0	0	0	100
Rhoose Primary New School	1,500	1,762	0	0	0	3,262
Victorian Schools	2,000	0	0	0	0	2,000
Gwenfo Primary Expansion	11	0	0	0	0	11
Band B Welsh Medium	0	250	5,650	10,500	2,600	19,000
Band B Co Ed	0	500	12,900	24,000	6,000	43,400
Schools IT Loans	200	200	200	200	200	1,000
Total	**7,931**	**3,791**	**19,350**	**35,300**	**9,400**	**75,772**

The total cost for Band B schemes was projected to be £63.3m (£31.650m WG Funding), however of this total £62.4m related to costs up to and including 2021/22 which was the period covered by the report and was therefore included in Appendix 2 as attached to the report.

The Education capital programme was funded as follows;

	17/18	18/19	19/20	20/21	21/22	Total
	£000's	£000's	£000's	£000's	£000's	£000's
General Capital Funding/General Capital Receipts	3,605	1,785	2,354	2,200	1,147	11,091
Education Capital Receipts	0	0	3,764	7,824	0	11,588
Other Reserves and Revenue Contribution	0	0	2,428	1,543	0	3,971
School Investment Reserve	1,390	444	954	2,260	3,753	8,801
IT Fund	200	200	200	200	200	1,000

Prudential Borrowing	0	0	0	2,000	0	2,000
Total Internal Funding	**5,195**	**2,429**	**9,700**	**16,027**	**5,100**	**38,451**
S106 Agreements	1,011	1,362	0	2,023	0	4,396
Welsh Government Grant	1,725	0	9,650	17,250	4,300	32,925
Total Funding	**7,931**	**3,791**	**19,350**	**35,300**	**9,400**	**75,772**

Housing Improvement Plan

The 2016/17 Housing Improvement Programme budget totalled £34.147m. It had been requested above that £10.73m was carried forward into 2017/18. The amended programme also reflected the £100k increase in the Aids and Adaptations budget. The funding of the 2016/17 programme had therefore been amended as set out in the table below: -

Funding	Current 2016/17 £'000	Amended 2016/17 £'000
Major Repairs Allowance Grant	2,770	2,770
Other Grant	251	251
Housing Capital Receipt	0	0
Housing Reserves	2,931	6,231
Unsupported Borrowing	28,195	14,265
Total	34,147	23,517

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Each Scrutiny Committee would be asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 attached to the report and to make any recommendations for changes. If they wished to make a change, the reason for this needed to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny Committees had made. The responses of Scrutiny Committee had to be made no later than 13 December, 2016.

Managers would be asked to revisit the schemes included in Appendix 2 attached to the report and to confirm final costs and spend profile prior to the final proposals being presented to Cabinet.

Currently, the approved timetable required Cabinet to approve the final budget proposals by no later than 20 February, 2017 and that Cabinet's final Capital Programme proposals would be considered by Council at a meeting to be held on 1 March, 2017 to enable the Council Tax to be set by 11 March, 2017.

At the meeting, the Leader commented that recommendation 1 of the report would need amending to reflect the changes and approach taken on Agenda Item 8.

As a result of the changes to Agenda Item 8, the Leader referred to paragraph 37 of the report and the table therein. He proposed that until the Budget Working Group had met and the final recommendations had been considered, the following amendments would have to be made to the table:-

- the additional road and pavement resurfacing would default to zero
- The Dinas Powys Library road bridge would default to £97,000
- The Gypsy Traveller site would default to zero

He further noted that there would be consequential changes to the totals in the table, as well as within Appendix 2 as attached to the report. Paragraph 38, which was a written outline of the use of the underspend in the revenue budget in so far as it related to the proposed capital programme, would no longer apply at this juncture.

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 Initial Capital Programme Proposals for 2017/18 to 2021/22, as amended by reason of resolution (2) of the Initial Revenue Budget Proposals 2017/18 report, be approved for consultation with the relevant Scrutiny Committees.

(2) T H A T any recommendations of Scrutiny Committees be passed to Scrutiny Committee Corporate Performance and Resources as the lead Scrutiny Committee in order for their views to be forwarded to Cabinet.

(3) T H A T the following change to the 2016/17 Capital Programme be noted:

- St Brides Expansion - An emergency power was approved on 17 October, 2016 to increase the 2016/17 budget to £510k.

(4) T H A T the following changes to the 2016/17 and 2017/18 Capital Programme be approved:

- Victorian Schools - The carry forward of £1.2m from 2016/17 to 2017/18.

- Housing Improvement Programme - The carry forward of £10.730m from 2016/17 to 2017/18 for WHQS Externals (£7.23m),Common Parts (£1.7m), Environmental Improvements (£400k) and New Build (£1.4m).

- Housing Improvement Programme - To increase the capital programme in 2016/17 by £100k to fund increased demand for aids and adaptations.

- Ashpath Footpath Improvements - The carry forward of £73k from 2016/17 to 2017/18.

- Maendy Pedestrian Sustainable Transport Improvement - The carry forward of £80k from 2016/17 to 2017/18.

- Barry Regeneration Partnership - The carry forward of £29k from 2016/17 to 2017/18.

- Lighting Scheme for Zig Zag Path - The carry forward of £37k from 2016/17 to 2017/18 and to change the scheme description to Sustainable Transport Improvements Penarth Heights.

- Regeneration Fund - The £100k be utilised to progress works at the Vale Enterprise Centre during 2016/17 and the scheme be renamed accordingly.

- CASH Community Grants - The virement of £6,492 to a new Community Initiatives scheme in 2016/17.

- All Services Asset Renewal - That £484k be unallocated in 2016/17 to allow the funding to be utilised for other schemes during the five year capital programme.

- Regulation 14 Workplace Health and Safety Glazing - That the sum of £32k is unallocated in 2016/17 to allow the funding to be utilised for other schemes during 2017/18.

Reasons for decisions

(1) In order to gain the views of Scrutiny Committees.

(2) In order that Cabinet be informed of the comments of Scrutiny Committees before making a final proposal on the 2017/18 Capital Programme.

(3) To make Cabinet aware of changes to the 2016/17 Capital Programme.

(4) To amend the 2016/17 and future years Capital Programme and to seek approval from Cabinet.

C3364 INITIAL HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2017/18 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Approval was sought for the Housing Revenue Account amended budget for 2016/17 and the initial budget proposals for 2017/18, so that they may be submitted to Scrutiny Committee for consultation.

During the course of the year, local authorities had to review their HRA expenditure and income. If on the basis of the information available, the balance of the HRA reserve was heading for a deficit, then steps had to be taken as were reasonably practical to prevent this 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.

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

The level of rent increase was based on a rent policy introduced by the Welsh Government. At the time of writing the report, an announcement had not yet been made, therefore, an average rent increase of 3.5%, had been included in the 2017/18 initial budget proposals, which was equivalent to the proposals in the Housing Business Plan - February 2016.

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

	2016/17 Original Budget	2016/17 Proposed Amended Budget	Variance Favourable (-) Adverse (+)
	£'000	£'000	£'000
Housing Revenue Account	(22)	768	+790

The net operational budget for 2016/17 had changed from a surplus of £22k to a deficit of £768k. A review of the current budget had found potential net savings for the year of £2.51m. The main reason for this was that the estimated increase in the provision for bad and doubtful debts had been reduced by £1.018m as the Universal Credit and its effects were not likely to impact on Housing rent collection in 2016/17. There had been little increase in the actual level of rent arrears in this financial year and it was not anticipated that the provision would need to be substantially increased.

In addition, there had been a reduction in the Repairs and Maintenance budget of £400k which partly related to an external painting programme which was due to commence in 2017/18 following the completion of the WHQS external works programme. A reduction in Capital Financing Costs of £649k was anticipated, there had been an adjustment in central recharges resulting in a decreased charge of £269k and the projected charge for Council Tax at void properties was £40k less than anticipated. Other budgets that were anticipated to outturn with an underspend were Incentive to Move £20k, survey costs £65k, compliance costs £42k and software costs of £40k. There were other minor reductions of £68k. These savings had been offset by a reduction in expected rental income from dwellings of £101k.

The balance on the HRA reserve brought forward as at 1 April, 2016 was £1.468m and was higher than required. In order to minimise the amount of unsupported borrowing required in year to fund the Housing Improvement Programme, it was prudent to use HRA revenue reserves up to a minimum balance. The level of Capital Expenditure funded from the Revenue Account (CERA), had been recalculated at £6.231m, which was an increase of £3.3m. This would leave a balance on the HRA reserve at year end of £700k, which was in line with the minimum amount required which had been assessed as at least £600k.

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

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

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

- Supervision & Management (General) - This budget related to the general management of the Council's housing stock, for work carried out within the Housing service and for various issues related to the Council tenancies excluded the repairs and maintenance function.
- Supervision & Management (Special) - This budget related to the running expenses and the cost of staff employed directly within the Housing service, in relation to functions such as sheltered housing schemes, running the hostel and temporary accommodation.
- Repairs and Maintenance - This budget related to the revenue repairs and maintenance service for the Council Housing Stock.
- Capital Financing Costs - This related to costs associated with financing HRA debt.
- Rents, Rates, Taxes and Other Charges - This budget 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 or decreased in year.
- Contribution from Revenue Account to Capital (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.

The charges for rent and other services provided by the Housing Service were reviewed annually. These would be subject to a future report once the guidance had been received from WG regarding the setting of rents for 2017/18. Set out below was a table summarising the original budget for 2016/17 with the proposed budget for 2017/18.

2016/17 Original Budget	Inflation / Pay Award	Committed Growth / (Savings)	Estimated Rent Increase	Increase/ (Decrease) in CERA	2017/18 Proposed Budget
£000	£000	£000	£000	£000	£000
(22)	136	(138)	(579)	700	97

A provision for general inflation included an allowance of 1% pay awards in 2017/18. 1% increase in pay amounted to approximately £26k.

The net saving of £138k was due to a number of factors;

- An increase in Capital Financing charges of £223k in relation to unsupported borrowing being taken out in 2016/17 to fund the Housing Improvement Programme.
- An increase in staff costs for increments and staff changes of £79k.
- A reduction of £290k in central recharges.
- A reduction in the cost for Council Tax at void properties of £67k.
- Various other minor savings of £83k.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £700k 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 balance on the HRA Reserve of £603k, which was in line with the current minimum requirement.

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. The Scrutiny Committee Corporate Performance and Resources was the lead Scrutiny Committee and would consider both the Initial Housing Account Revenue Budget Proposals and any comments that other Scrutiny Committees had made. The responses of Scrutiny Committee had to be made no later than 13 December, 2016.

The Budget Working Group would hold a series of meetings in November 2016 with the relevant Cabinet Members and officers to consider the budget proposals. They would submit their recommendations so that the Cabinet may make its final budget proposal no later than 20 February, 2017. Before making its recommendation, the Budget Working Group would consider the comments made by Scrutiny.

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

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 amended Housing Revenue Account budget for 2016/17 as set out in Appendix 1 attached to the report be approved.

(2) T H A T the initial Housing Revenue Account budget proposal for 2017/18 be approved for consultation with the relevant Scrutiny Committee.

(3) T H A T the recommendations of Scrutiny Committees be passed to Scrutiny Committee Corporate Performance and Resources as the lead Scrutiny Committee in order for their views to be forwarded to Cabinet.

(4) T H A T the increase for rent and other services be subject to a future report to Cabinet as soon as the information is available from the Welsh Government.

Reasons for decisions

(1) To facilitate monitoring of the amended Housing Revenue Account budget.

(2) In order to gain the views of Scrutiny Committee regarding the 2017/18 Housing Revenue Account Budget proposals.

(3) In order that Cabinet be informed of the comments of Scrutiny Committee Corporate Performance and Resources before making a final proposal on the budget.

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

C3365 DRAFT WELSH MEDIUM IN EDUCATION STRATEGIC PLAN 2017 – 2020 (RE) (SCRUTINY COMMITTEE – LEARNING AND CULTURE) -

Cabinet was informed of the draft Welsh Medium Education Strategic Plan 2017 - 2020.

In 2010, Welsh Government published the Welsh Medium Education Strategy, outlining 5 outcomes for Local Authorities to enable growth in Welsh medium education.

The guidance formed part of the Council's broad strategy for the Welsh language and contained an action plan for the development of Welsh education in the Vale of Glamorgan.

The last Welsh Medium Education Strategic Plan was published in 2014, outlining the actions the Council would take to support the enhancement of Welsh medium education and improve outcomes.

This year, Welsh Government had outlined a vision to see one million Welsh speakers by 2050. The aim of the Welsh Medium Education Strategy 2017-2020 was to support this by building on the achievements of the previous strategy, and through further promotion of the use and benefits of Welsh medium education in lifelong learning.

The consultation on the draft document opened on 3 November, 2016 and would run up to 29 December, 2016 as part of Welsh Government's statutory consultation process. Members would have the opportunity to comment on and approve a fuller version prior to final submission to Welsh Government in January.

An updated draft copy of the Welsh Medium Education Strategic Plan 2017 - 2020 was due to be submitted to Welsh Government by 20 December, 2016 with an opportunity to further amend and refine the plan as a result of the Consultation exercise.

The Council was required to include data related to performance against the following targets within the Welsh Medium Education Strategic Plan 2017 - 2020 Action Plan:

- more seven-year-old children being taught through the medium of Welsh as a percentage of the Year 2 cohort;
- more learners continuing to improve their language skills on transfer from primary school to secondary school;
- more learners studying for qualifications through the medium of Welsh;
- more learners aged 16-19 studying Welsh and subjects through the medium of Welsh; and
- more learners with improved skills in Welsh.

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 draft Welsh Medium Education Strategic Plan 2017 - 2020 attached at Appendix A (English version) and Appendix B (Welsh version) attached to the report be noted.

(2) T H A T delegated authority be granted to the interim Director of Learning and Skills, in consultation with the Cabinet Member for Regeneration and Education, to make any changes to the Welsh Medium Education Strategy 2017-2020 and its submission to Welsh Government.

(3) T H A T the report be referred to the Scrutiny Committee Learning and Culture for consideration as part of the consultation process.

<u>Reasons for decisions</u>

(1) To note the draft Welsh Medium Education Strategic Plan 2017 - 2020.

(2) To address the requirements of the measure which became statutory in 2012 following consultation on School Standards and Organisation (Wales) Bill; White Paper.

(3) To ensure the Scrutiny Committee Learning and Culture consider the plan during the consultation period.

C3366 CUSTOMER SERVICE STRATEGY (HOUSING) – DRAFT FOR CONSIDERATION (HSCH) (SCRUTINY COMMITTEE - HOMES AND SAFE COMMUNITIES) -

Approval was sought to introduce a Customer Service Strategy for public housing.

There was a strong and well established case for providing high quality customer services. Whilst commercial businesses' survival depended on customer loyalty and repeat business, public sector organisations only continued to expand and improve if they were able to meet the expectations of their customers. Valued, loyal customers were the basis of all strong organisations and the Vale of Glamorgan Council was no exception.

In light of the above, a significant restructure of the Housing team had been carried out over the last 12-18 months. A key aim was to create a customer focussed team able to deliver high quality services to tenants and residents. To facilitate this, a new staff team had been recruited, some of whom did not necessarily have a background in social housing. The rationale being that 'mind-set' and 'attitude' were vital ingredients of an effective team.

The recruitment of the new team had also been supported by the creation of robust induction, training and support mechanisms to ensure staff continued to develop in their roles and deliver first class customer service.

The new staff charter had provided a further opportunity to convey the message and reinforce the importance of positive staff behaviours, through discussions at one to one's and appraisal.

An internal staff working group had met to review current provisions for customer service and consider best practise, not just in other housing teams or councils but in the commercial sector. The themes identified by this group had helped identify the priority areas in the proposed strategy.

The review undertaken by the staff working group identified six priority themes in need of attention. These included: developing a customer first culture; broadening our knowledge about customers in order to deliver tailored services; broadening ways to access our services; improving the quality of services provided and canvassing opinions and using feedback to shape services. There had also been consultation with tenants via the Tenants Working Group which identified key issues and considerations for inclusion in the Strategy.

Six priority themes formed the basis of the Customer Service (Housing) Strategy attached at Appendix A to the report and these gave rise to a range of initiatives and actions to improve the quality of services provided. The case studies within the Strategy gave some examples of the different initiatives, whilst the Operational Delivery Plan at the rear of the document set out more specific details regarding each of the actions designed to achieve the strategic aims.

Progress with implementing the Strategy would be measured via the completion of individual actions contained within the Operational Delivery Plan towards the back of the document. There would also be periodic reports to the Homes and Safe Communities Scrutiny Committee regarding the range of projects and initiatives taking place.

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 new Draft Customer Service Strategy (Housing) attached at Appendix A to the report be endorsed for consideration.

(2) T H A T the Draft Customer Service Strategy (Housing) be referred to the Scrutiny Committee Homes and Safe Communities for consideration and input.

(3) T H A T the Draft Customer Service Strategy (Housing) be referred back to Cabinet for final approval upon receiving the views of the Scrutiny Committee Homes and Safe Communities.

(4) T H A T the Scrutiny Committee Homes and Safe Communities receive six monthly monitoring reports in relation to the Operational Delivery Plan for the Customer Service Strategy.

Reasons for decisions

(1) To ensure that Draft Customer Service continued to be an important priority for all work carried out by the Housing team.

(2) To provide an opportunity for Scrutiny Committee Homes and Safe Communities to make any comments.

(3) To agree the final Strategy document.

(4) To ensure the actions identified are progressed.