

**CABINET**

Minutes of a meeting held on 9 January, 2017.

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

**C3405 MINUTES –**

RESOLVED – T H A T the minutes of the meeting held on 12 December, 2016 be approved as a correct record.

**C3406 DECLARATIONS OF INTEREST –**

No declarations were received.

**C3407 VALE OF GLAMORGAN LOCAL ACCESS FORUM -**

The minutes of the Vale of Glamorgan Local Access Forum meeting held on 23 November, 2016 were submitted.

Present: Councillor E. Williams (Chairman) ; Mr. R. Traherne (Vice-Chairman) ;  
Mr. F. Coleman, Mr. J.J. Herbert, Ms. C. Lucas, Mr. H.S. McMillan, Mr. R. Pittard and  
Mr. G. Thomas.

Mr. J. Wyatt, Mr. S. Pickering, Mr. G. Teague and Mrs. S. Thomas (Vale of Glamorgan Council).

**1. Apologies for Absence –**

These were received from Ms. E. Nash and Ms. M. Miyata-Lee (Natural Resources Wales).

Whilst informing the Forum of Ms. Miyata-Lee's apologies, the Secretary also referred to an e-mail he had received from Natural Resources Wales referring to recent restructurings and loss of posts within the Access and Recreation Division. NRW had indicated that they still planned to attend LAFs at least once a year.

2. Minutes –

AGREED – T H A T the minutes of the meeting held on 27<sup>th</sup> July, 2016 be approved.

3. Local Access Forum Conference : 19<sup>th</sup> October 2016

Mr. J.J. Herbert had attended the Conference on behalf of the Forum. He also pointed out that Mr. R. Pittard and Mr. R. Simpson had also attended in their capacity as Members of the Bridgend and Cardiff Local Access Forums respectively.

Mr. Herbert referred in particular to two presentations given at the Conference, viz

1. A presentation from Ms. Rachel Lewis-Davies, National Farmers Union Cymru based on looking at access issues from a landowner perspective. He considered the presentation to have been extremely interesting and hoped that it would be issued in due course along with the minutes of the Conference. The presentation had given attendees a good understanding of the need to understand and achieve a balance between access for users and landowners' needs.

2. A presentation from a representative of Cycling UK, which Mr. Herbert felt, unfortunately, illustrated a desire for users to be able not to be restricted to cycling on Rights of Way, but where ever they wished to. He also referred to a recent press article regarding an increase in illegal off-road biking within the South Wales Valleys and to NRW concerns regarding such.

Mr. Pittard indicated he would like to allude to various issues regarding Natural Resources Wales, some of which were linked to the Conference. He also alluded to the fact that he would be producing a newsletter regarding the Conference in his capacity as a Member of the Youth Hostel Association, which he would be happy to forward to the Secretary for distribution to Forum Members. He also pointed out that the next LAF Chairs' meeting was to take place on 8<sup>th</sup> December, 2016.

As far as NRW was concerned, Mr. Pittard referred to there being a lack of representation at the Conference, despite there being several current NRW workstreams which could affect LAFs and/or Local Authorities' work. He considered that it would be advantageous if there was, at least, a periodic report from NRW as to the potential impact on LAFs and/or Local Authorities of their various workstreams. He was fully aware that they had been subject to cutbacks, but, nevertheless, alluded to their statutory requirements in certain aspects.

Mr. Pittard also referred to the development (following on from the Environment Act)

of a Statement of Natural Resources in Wales, which would become an annual publication. The hope was that the state of natural resources would improve, not deteriorate, over time. He alluded to the fact that there appeared to be many elements being dealt with by the Environment Sections of NRW, but that, arguably, there should be more involvement of the Access Sections.

Mr. Pittard also informed the Forum that there was also an NRW workstream underway in terms of looking at how to mitigate against factors effecting natural resources (e.g. climate change). He also referred to an open meeting taking place in Cardiff on 7<sup>th</sup> December 2016 regarding Sustainable Land Management and he considered that LAF representation would be useful. Members were able to register to attend on an individual basis.

Finally, Mr. Pittard referred to the development of Local Service Boards and their replacement by Public Service Boards. He suggested that NRW staff (given the pressures on resources) might find it difficult to be able to give advice to a Board given its extremely wide remit. He mentioned the development of Area Statements, but suggested that the actual areas had yet to be identified.

Mr. Teague acknowledged the importance of the issues alluded to above, particularly, for example given the requirement on all Local Authorities to rewrite their Rights of Way Improvement Plans.

Mr. Herbert felt that NRW was beginning to establish itself as an organisation, but pointed out that it was being affected by significant external factors such as the Wales Bill, the effect of the Welsh Government elections and Brexit.

Mr. Traherne concurred with many of the sentiments expressed and felt there were clearly resource implications affecting NRW.

Mr. Pittard suggested that, given the external factors alluded to earlier, the issue of 'access' was potentially way down the relevant Minister's agenda.

AGREED - T H A T the Secretary convey to Natural Resources Wales the points raised during the Forum's discussion and invite a representative of NRW to address the next meeting of the Forum.

4. Draft Annual Report 2015/16 –

The Secretary presented the draft Annual Report 2015/16 for consideration.

Mr. Coleman pointed that there was a small element of duplicated text on page 4 of the report. The Secretary also undertook to (prior to publication) review/identify the small number of photographs contained in the report.

AGREED – T H A T the draft Annual Report be endorsed for publication.

5. Rights of Way Improvement Plan (ROWIP): Grant Update –

The project comprised a number of programme actions aiming to assist in the delivery of ROWIP Objectives.

| Ref | Location                | Brief Details of Programme Action                                | Update  |
|-----|-------------------------|--|---|
| VG1 | Summerhouse Point       | Dedication of rights at Summerhouse                              | Approval to proceed with an Order had been granted by Committee. Instructions were with Legal Services regarding compensation, due imminently.  |
| VG2 | Countywide              | Adopt a path co-ordination of works                              | Instructions for maintenance issues on adopt a path routes had been issued for Six Village Walk; Warlow Walk; Bonvilston Circular; In and about Welsh St. Donats; Castle Court and Wells. |
| VG3 | Countywide              | Definitive Map anomalies – resolve long standing issues by order | Commencement of project delayed whilst staffing confirmed. Likely to be rescheduled for 2017/18.  |
| VG4 | 30km of priority routes | Vegetation clearance   | Annual clearance cuts complete.   |

VG1 provided for the dedication of public footpath rights along a track between Boverton Mill and Summerhouse Point. The grant allocation reflected anticipated compensation figures in addition to legal costs.

VG2 would support the co-ordination and resolution of maintenance issues on promoted routes that were part of the Adopt a Path scheme.

VG3 would begin to address long-standing issues identified during the quality

assurance of the Definitive Map process. This was likely to be through a mix of Orders, negotiations and / or enforcement where appropriate.

VG4 would support the annual clearance of inland routes.

Mr. Teague anticipated that ROWIP funding would continue in 2017/18, albeit he was uncertain as to what would happen after that.

#### 6. Coastal Access Improvement Programme: Background and Update –

The Coastal Access Improvement Programme (CAIP) was a scheme funded by the Welsh Government via Natural Resources Wales and delivered through Local Authorities.

Since the Wales Coast Path officially opened on 5<sup>th</sup> May, 2012 the scheme, which initially ran from 2007-2013, had continued to fund the development and improvement of the route. Following completion of the initial project further funding was made available; this ran from 2013-2015.

The current programme was initiated by a Ministerial announcement that committed £900,000 worth of funding per annum for the next five years to the Path. The current scheme differed from the previous inasmuch as funding was divided between improvements and maintenance, to reflect the maturing nature of the Coast Path.

Offers of grant had been received and accepted for the following improvement projects. Updates on each were included below. It was also anticipated that a further project at Sully Playing Fields would continue, though funding had yet to be confirmed for 2016-17 in respect of this.

| <b>Code</b> | <b>Location</b> | <b>Details</b>   | <b>Update</b>   |
|-------------|-----------------|--|-----------------|
| VG1601      | Dimhole         | Path close to edge requires cutting back into cliff and provision of level surface as it ascends from Cwm.     | Works complete. |
| VG1501      | Ogmore Down     | Conclude outstanding creation agreement on path, formalising new alignment that avoids needs for road walking. | Order drafted.  |

|        |                      |  |   |
|--------|----------------------|--|---|
| VG1502 | Traeth Mawr          | Missing link currently available on permissive basis only. Previously submitted as Creation Order. Landowner has indicated willingness to revert to agreement. | Agreement issued for completion.  |
| VG1505 | Cwm Colhuw West      | Improve surface by addition of loose stone (type 1).   | Works complete.   |
| VG1507 | Gileston             | Creation of missing link. Previously submitted as Creation Order. Landowner has indicated willingness to revert to agreement.                                  | To be completed as concurrent Order and agreement. Consultation complete on both. Agreement ready to be issued. |
| VG1602 | Sully Playing Fields | Provision of 530 metres ultitrec path at width of 1.2m along south of playing fields. Timber edging.   | Contractor appointed. Survey delayed, though anticipated shortly.   |

In addition, an allocation for coast path maintenance via grant and at 75% grant rate had been advised. In the Vale for 2015-16 this amounted to £19,230 of grant to be matched by £6,410. It was anticipated that this would be issued each year over the life of the Programme:

| Code  | Description                     | Details   | Update  |
|-------|---------------------------------|---|---|
| Maint | Maintenance Projects on VoG WCP | Vegetation cut back, maintenance of furniture and surfaces. | Seasonal cuts complete. Fencing around cliff fall installed. Reallocation to assist with Sully Playing Field spend. Coast path markers to be installed. |

There was general agreement that the amended format of the report was to be welcomed.

Mr. Pittard asked as to progress regarding the appointment of a Coastal Access Officer. Mr. Teague confirmed the post had been advertised externally, with shortlisting to be undertaken on 28<sup>th</sup> November and interviews to be held on

14<sup>th</sup> December, 2016.

7. Maintenance Reports –

The Forum was provided with an update in relation to maintenance work carried out across the Vale of Glamorgan from March 2011 to November 2016. The report also detailed the maintenance issues that had been logged and received from March 2011.

Mr. Teague reminded the Forum of the day of practical/volunteer work which had been arranged (as alluded to at the last meeting). This would take place on 6<sup>th</sup> December, 2016, commencing at 10.30 a.m. at the Porthkerry Country Park Lodge. The Secretary undertook to remind the Forum by e-mail of the event and that, if they wished to attend, they should inform Mr. Teague direct.

8. Legal Orders and Evidential Modification Orders Updates –

Mr. Traherne declared an interest in Legal Order 80 (St. Nicholas) and took no part in the discussion on this item.

The Forum was presented with an update on the Legal Orders and Evidential Modification Orders across the Vale of Glamorgan. (It being noted that the dates in respect of Legal Order 70 (Wenvoe) and Modification Order 10 (Romilly Park Road), Barry) should, in fact, read 2017, not 2016).

9. Member Briefing: Recording the Network :

Mr. Teague indicated that the presentation would, in fact relate to Recording the Network, as opposed to Enforcement (as indicated on the agenda). The presentation included reference to the following areas:

- Background
- Definitive Map and Statement
- PROW Origins
- Modifying Record – Legal Event
- Modifying record – Evidential Event
- Adding or Upgrading a Path by Definitive Map Modification Order (DMMO)
- Removing or Downgrading a Path by DMMO
- DMMO Process.

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RESOLVED – T H A T the minutes of the Vale of Glamorgan Local Access Forum meeting held on 23 November, 2016 be noted.

Reason for decision

To note the minutes.

**C3408 CORPORATE RISK REGISTER UPDATE (REF) -**

The Audit Committee on 21 November, 2016 considered the above report of the Managing Director.

The Committee was apprised of the current position of the Council's Corporate Risk Register by the Head of Performance and Development.

Details regarding each Corporate Risk, which number totalled 13, were set out in the Risk Register attached at Appendix A to the report. This had been updated to ensure that the relevant mitigating actions outlined in Service Plans were reflected in actions within the Register. The purpose of this was to strengthen the connection and monitoring of risk at service and corporate levels as contained as a proposal for improvement in the WAO Corporate Assessment of the Council. Appropriate linkages had also been made with any regulatory reports / reviews, by ensuring that any improvement proposals / recommendations outlined in the report from the Inspectorates had also been appropriately referenced in the Register (where applicable to a Corporate Risk).

In terms of risk status, three Risks were medium / high, seven Risks were medium and three Risks were medium / low. In terms of direction of travel, two Risks were increasing, eight Risks were unchanged and two Risks were decreasing. The risk score had been reviewed for two risks in the Register. The Reshaping Services Risk had changed from 6 to 9 on the Risk matrix and the Waste Risk had changed from 4 to 6 on the Risk matrix.

The following provided the Committee with a description of the Risks where changes had been made or proposed.

The Climate Change risk had been broadened and renamed to become Environmental Sustainability.

In concentrating on those areas identified as Red direction of travel, the Head of Performance and Development specifically referred to the following matters:

Reshaping Services Risk had two aspects to it. The first was the risk of failure to deliver the Reshaping Services Programme (and therefore not realise the benefits associated with it). Secondly, a risk associated with pursuing such a programme which brought with it the need to deploy resources and develop new skills at a time when these were under pressure for the Council and its partners. In reviewing this Risk, the likelihood of both of these risks materialising was considered to have increased to probable (a score of 3) whilst the impact remained at high (a score of 3). This re-categorised the Risk as a medium / high risk. The ongoing period of austerity and the impact upon the Council's resources and those of its partners looked to remain and as such, it was considered prudent to suggest that the likelihood of this Risk materialising would continue upwards in the future. In response, the Council was considering the nature of projects that would contribute to the Programme in future years and the balance between Reshaping Services projects and other financial savings as part of the Council's budget setting process.

In regards to Waste Management, it was anticipated that the direction of travel would be in an upward direction due to a possible Welsh Government directive in regard to co-mingled waste, which was awaited. Although the Council had achieved a recycling rate of 58% (above the national average) for the 2015/16 financial year, the ongoing Waste Resource Action Programme (WRAP) process with Welsh Government had resulted in a reviewed risk score of 6 and a direction of travel that remained as increasing.

Following the positive outcome of Estyn's Inspection of the Central South Consortium Joint Education Service in February 2016, it was considered that the risk of the Joint Education Service failing to deliver statutory school improvement functions was unlikely. As a result, both the Interim Director of Learning and Skills and the Head of Performance and Development felt that the regular monitoring of this Risk through the Corporate Risk Register no longer added value. Subject to the approval of the Committee, it was suggested that this risk be removed from the Register.

A Member considered that there were specific problems with the Register in that he felt that "counter measures" specified were potentially outdated over the life of the Register. He also considered that many of the mitigation actions lacked focus and insufficient detail to anticipate difficulties that may "trip" the Council up at a later date. The Head of Performance and Development acknowledged the point raised, agreeing that the matter would be addressed going forward; however, he was

satisfied that the methodology for identifying and dealing with corporate risks was sound.

Discussion ensued with a number of Members of the Committee making a case for the inclusion of additional perceived risks to the Register i.e. Aberthaw Power Station and risks relating to its potential decommissioning, economic development at St. Athan and Cardiff Airport Enterprise Zone, the Council's Contracts management arrangements and Brexit implications for the Council.

RESOLVED –

- (1) T H A T the current position in relation to the Council's Corporate Risks be noted.
- (2) T H A T the key recent developments and changes to Corporate Risks be noted.
- (3) T H A T the suggested removal of the risk relating to the School Improvement Joint Education Service be recommended to Cabinet.
- (4) T H A T the disbanding of the Corporate Risk Management Group following its amalgamation with the Council's Insight Board from September 2016 be noted.
- (5) T H A T the change to the Climate Change risk to reflect a wider focus on Environmental Sustainability be noted.
- (6) T H A T in the light of the issues raised within the report relating to Contracts Management, Cabinet be recommended to include the subject in the Corporate Risk Register.
- (7) T H A T although the inclusion of Brexit in the Corporate Risk Register was not considered appropriate, Cabinet should agree to maintaining a watching brief over developments.
- (8) T H A T the report on the Corporate Risk Register update be referred to Cabinet for consideration.

Reasons for decisions

- (1) In acknowledgement of the current position of Corporate Risks for the Council.

- (2) In acknowledgement of the Committee's responsibility to effectively monitor all Corporate Risks for the Council so that they are addressed, reviewed and updated on a regular basis.
- (3) In acknowledgement of the reduced risk.
- (4) In acknowledgement of changes in the Corporate Governance arrangements and the establishment of the Insight Board.
- (5) To raise Audit Committee's awareness of the proposed change.
- (6) The Committee acknowledged the proposed action to be taken by the Managing Director, nonetheless, it was considered that the weaknesses identified were significant to merit inclusion in the Register and the allocation of an appropriate risk score.
- (7) Having regard to the potential implication for the Council in relation to loss of EU funding, impact on revenue / income streams and wider implications for citizens and businesses of the County.
- (8) To ensure the Cabinet was aware of and endorsed the Corporate Risk Register and the actions being taken in mitigation.



After this item had been presented, the Cabinet Member for Visible, Leisure and Regulatory Services noted that the second page of the reference stated that "the Council had achieved a recycling rate of 58% (above the national average)". This was inaccurate, as the Council achieved a recycling rate of 64.5%, exceeding the Welsh Government target which was 58%. It was important that the report offered a true reflection of the Council's performance and he would like this corrected for the record.

Cabinet, having considered the recommendations of the Audit Committee

RESOLVED –

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

- (2) T H A T in light of the issues raised within the report relating to Contracts Management, it be recommended to include Contracts Management in the Corporate Risk Register.
- (3) T H A T the recycling figure of 58% referred to in page 2 of the reference and page 4 of the report be noted as inaccurate, given that the Council actually achieved a rate of 64.5%.
- (4) T H A T the risk rating for Waste Management be reconsidered by Audit Committee in due course, bearing in mind the recent guidance received from Welsh Government.

#### Reasons for decisions

- (1) To note the contents of the report.
- (2) To consider the weaknesses identified for inclusion in the Corporate Risk Register and to enable the allocation of an appropriate risk score.
- (3) To ensure the Council's performance was truly reflected.
- (4) To update the Risk Register following the latest information received from Welsh Government.

#### **C3409 CHILDREN'S COMMISSIONER FOR WALES – INTRODUCTION (REF) -**

The Scrutiny Committee (Healthy Living and Social Care) on 22 November, 2016 considered the above report of the Director of Social Services.

The Committee welcomed the Children's Commissioner for Wales, Sally Holland, who had been invited to provide an overview of the role as Commissioner and to detail her work programme.

The Commissioner began by outlining that her main role was around promoting and safeguarding the rights of children and young people. She advised that she was responsible for three individual teams, these being the 'Policy and Public Affairs Team', an 'Investigation Team' and a 'Participation Team'.

With regard to the Policy and Public Affairs Team, she advised that this team's purpose was to examine key service areas and to lobby Public Sector organisations

on behalf of children and young people, an example of this being; the need for greater advocacy support, work in relation to promoting safeguarding in cases of physical and mental health abuse and around curriculum reforms in schools in order to promote the wellbeing of children and young people. This team would work to gather evidence which would be reported to Welsh Government and would be responsible for responding to new legislation to ensure that the rights of young children were at the heart of any new Acts or Bills.

The Commissioner stated that there was also an 'Investigation Team'; its role related to individuals accessing their rights, for which, officers from her team would engage with Public Sector organisations. Children were able to contact this team directly.

The third team was responsible for greater participation of children and young people at a strategic level. This related to areas such as the development of youth panels within Local Authorities. The Commissioner highlighted that the Vale of Glamorgan had a good record in the area of participation and she referred to the Vale's Youth Cabinet and the level of training on children's rights. She also cited the example of St. Joseph's Primary School, where the rights of children had been well embedded in the school.

In terms of going forward into the forthcoming year, the Commissioner highlighted some of the key priority areas. The first related to mental health with a particular focus on bullying around which a lot of work was ongoing with schools. The Commissioner was also keen to promote access to play and culture in order to enhance children's social opportunities and she would also be focusing on care leavers. The Commissioner also highlighted her residential care report and she was pleased with the response provided by Welsh Government and the Care and Social Services Inspectorate for Wales (CSSIW). She advised that she was keen to see improvements in the way that planning for Looked After Children was implemented, particularly in terms of cross-border work between English and Welsh Authorities.

In outlining some projects of interest, the Commissioner referred to the work being undertaken following the introduction of the Well-being of Future Generations Act. For this, the Commissioner and her teams were working closely with Public Service Boards and Local Authorities to ensure that there was a cohesive approach in which children's rights were fully embedded into the process. The Commissioner advised that some Local Authorities had formally adopted the United Nations Convention on the Rights of Children, although this did not necessarily mean that those Local Authorities were fully following them. It was therefore important for the Commissioner to look at how Local Authorities were implementing the UN Convention and whether children's rights were fully embedded into their plans.

Another key project related to the transition into adulthood of care leavers. The Commissioner advised that her widespread consultation had highlighted that transition was a key issue. For this, an important consideration was the change in legal status when a young person turned 18 years of age, but it was also important to recognise that the young person would still be the same individual whose care needs would continue. The Commissioner also referred to the ongoing engagement project with care leavers in order to understand what worked and what did not. She advised that a key element to come out of this was the number of care leavers who were not in education, employment or training (NEET). The Commissioner outlined the importance of meeting the holistic needs of these young people, which related to having a stable place to live and having emotional support available. She added that many young people found it difficult to interact socially or hold down a college place if they were worried about paying rent, which was why a lot of care leavers returned to their birth parents.

Furthermore, the Commissioner also highlighted the importance for a whole Council approach and she hoped that by Spring next year she would be able to outline to all Councils her aspirations for care leavers. Welsh Government was keen for this and had proposed that additional resources should be allocated. The Commissioner would also be looking to share best practice among Local Authorities and she was keen for Local Authorities to act like a family, treating Looked After Children as their own children and creating the right opportunities for them.

The Chairman, in referring the work to improve Child and Adolescent Mental Health Services, commented that this was something that the Scrutiny Committee had been monitoring for the past three years. It had been reported that improvements were being progressed and the Chairman asked whether the Commissioner had any observations on this issue. In reply, the Commissioner stated that she had seen a mixed picture across Wales and she referred to a slow fall in the waiting lists and the challenge of recruiting to key staffing positions. She expressed the view that more work needed to be progressed in regard to early intervention and preventative work. She also referred to the new performance targets in respect of waiting times which were the most ambitious in the UK, which all Health Boards had hoped to meet by April 2017. She also indicated the need for more work to be undertaken around wellbeing and early intervention in respect of schools.

A Committee Member asked the Commissioner whether she would be in agreement with the lowering of the voting age to 16. In reply, the Commissioner stated that she was in support of this. She added that most young people would be more likely to vote if the chance was offered to them at an earlier age and she stated that the

lowering of the voting age would encourage MPs and local Councillors to address the needs and concerns of the younger age group.

In reply to a question relating to the reduction in the provision of Youth Services, the Commissioner stated that Youth Services were a vital strand in prevention and in reducing the rate of mental health referrals. She added that Youth Services played an important role and the more that services were reduced, the more disadvantaged young people would be.

With regard to the role of Super Ambassadors in the Vale of Glamorgan, the Commissioner informed the Committee that there had been an excellent response with one of the highest take ups in Wales. She added that children rights had been well embedded into schools in the Vale and she highlighted St. Josephs, St. Helens and Barry Island Primary schools as some good examples.

The Commissioner, responding to a question relating to improved play areas, advised that this would be younger people having more places to play and for older children having places to 'hang out'. She added that Wales had the most progressive legislation on play in the UK and she would be also considering how children with a disability would be able to access areas of play.

The Chairman highlighted concerns in relation to training of residential care staff. In reply, the Commissioner stated that there was a recommended minimum standard that the Care Council would expect, but this was difficult to achieve because of the high turnover of staff. She stated that good staff training was key and the quality of staff made a big difference to the experiences of children and young people. The Commissioner also highlighted that lottery funding had been made available which had been used to develop a training course called 'Confidence to Care' that would be launched across Wales. This was evidence based and it was hoped that this would help train a large proportion of the workforce.

A Committee Member queried the work being undertaken in conjunction with the Older People's Commissioner. He referred to the interaction between different generations, and in particular to NEETs, who would face similar challenges to Older People struggling to find work. The Member stated that we should not forget the 50plus forum and the possibility of sharing experiences. He also referred to Young Carers and he felt that more could be done to identify this group and he queried whether the Commissioner was able to share best practice. In response to the Member's comments, the Commissioner stated that in her role she would work with all the other Commissioners. Best practice was something that she was trying to highlight and a film on NEETS would be available next year. In terms of sharing of

intergenerational experiences, she advised that there were a number of potential benefits to those who felt isolated or lonely, with some children missing out on having a father figure and older people who may have missed out on having children.

With regard to Young Carers, the Commissioner advised that she had not been able to speak to a Young Carer in the Vale. However, feedback from other parts of Wales had shown the need to have support and available for their social and wellbeing needs to be recognised. She also alluded to many Young Carers not wanting to be negatively labelled. She advised that she would share best practice where she could.

#### RECOMMENDED -

- (1) T H A T the role of the Commissioner and her work programme be noted.
- (2) T H A T the report be referred to Cabinet, the Learning and Culture Scrutiny Committee and the Corporate Parenting Panel for their consideration.

#### Reasons for recommendations

- (1) To ensure that Members continue to have a good understanding of the context within which the Council delivers its statutory responsibilities to children and families.
- (2) To ensure collective oversight of this shared corporate responsibility.

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After this item had been presented, the Director of Social Services commented that there had been a positive dialogue with the Children's Commissioner who was impressed with the input to Scrutiny by Elected Members. The Director further noted that a commitment had been made to provide a report to Cabinet in February regarding support to Care Leavers, one of the Commissioner's main priorities for the coming year.

The Cabinet Member for Regeneration and Education highlighted page 3 of the reference, as she was pleased to see the Commissioner commend the Vale of Glamorgan for its work in encouraging Super Ambassadors and accessible Play Areas.

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

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T Cabinet look forward to receiving a report in February regarding Care Leavers.

Reasons for decisions

- (1) To note the contents of the report.
- (2) To apprise Cabinet of this important issue.

**C3410 CABINET QUARTERLY WORK PROGRAMMING AND MONITORING (L) (SCRUTINY COMMITTEE – ALL) -**

Cabinet presented a progress update against the last Cabinet Quarterly Work Programme from September 2016 to December 2016, and agreement was sought for the next Cabinet Quarterly Work Programme of the Cabinet / Council for the period January 2017 to April 2017.

The Cabinet Quarterly Work Programme attached at Appendix A to the report set out matters that were included in the Strategic Work Programme as well as other specific items that the Executive and Full Council were planning to consider during January 2017 to April 2017.

Appendix B attached to the report provided an update on the previous Quarterly Work Programme September 2016 to December 2016, and highlighted those reports that were not submitted to Cabinet with the reasons for non-submission supplied by officers.

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 progress against the last Cabinet Quarterly Work Programme from September 2016 - December 2016 attached at Appendix B to the report be noted.
- (2) T H A T the Quarterly Work Programme of the Cabinet / Council for the period January 2017 to April 2017 attached at Appendix A to the report be approved.

Reasons for decisions

- (1&2) To comply with the requirements of the Local Government Act 2000, subordinate legislation and the Council's Constitution.

**C3411 QUARTER 2 (2016-17) CORPORATE PLAN PERFORMANCE REPORT (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was presented with the performance results for quarter 2, 1 April - 30 September, 2016 for the Corporate Plan Well-being Outcomes and overall Corporate Health.

As approved by Cabinet, from 2016-17, the Corporate Plan was being monitored on a quarterly basis by an overall Corporate Health Performance Report reported to the Corporate Performance & Resources Scrutiny Committee. It was supplemented by specific quarterly performance reports for each of the four Well-being Outcomes.

New report formats had been designed to make it easier to assess overall progress in each objective/outcome, whilst continuing to provide detailed supporting information related to actions and indicators.

The performance report used the traffic light system, that was, a Red, Amber or Green (RAG) status and a Direction of Travel (DOT) to aid performance analysis. Progress was reported for all key performance indicators by allocating a RAG performance status. Green related to performance that had met or exceeded target, Amber related to performance within 10% of target and Red related to performance that had missed target by more than 10%. A DOT arrow was also attributed to each measure indicating whether current performance had improved, stayed static or declined on last year's first quarter performance. An upward arrow (↑) indicated that performance had improved on the same quarter last year, a static arrow (↔) indicated performance had remained the same and a downward arrow (↓) showed performance had declined compared to the same quarter last year.

For actions, a Green status related to a completed action or one that was on track to be completed in full by the due date. An Amber status related to an action where there had been a minor delay but action was being taken to bring this back on track by the next quarter. A Red status related to an action where limited progress had been made, and an explanation had to be provided including any planned remedial action(s) and where appropriate a revised completion date.

**Section 1: Outcomes Summary** - Provided an overall summary of performance and highlighted the main developments, achievements and challenges for the quarter for each of the Council's four Well-being Outcomes and Corporate Health priorities. It included an evaluation of the progress made against actions and performance indicators as well as corporate health (resource) impacts which supported the overall RAG status for our Corporate Health priorities.

**Section 2: Performance Snapshot** - Provided an overview of the progress at the end of Q2 in delivering each of the Corporate Plan Well-being Outcomes and Corporate Health priorities. It also provided an evaluation of the Corporate Plan actions and performance indicators attributed to each of the Well-being Outcomes and Corporate Health and a RAG status was attributed to reflect overall progress to date.

**Section 3: Key Achievements and Challenges** - This section highlighted the key achievements and challenges to date in relation to each of the four Well-being Outcomes and Corporate Health priorities.

**Section 4: Corporate Health: Use of Resources and Impact on Improvement** - Provided a summary of the key issues relating to the use of resources and the impact on delivering improvement during the quarter. The focus was on key aspects relating to staffing, finance, assets, ICT, customer focus and risk management.

Appendix 1 provided detailed information relating to the Service Plan actions which had contributed to Corporate Plan actions.

Appendix 2 attached to the report provided detailed performance indicator information relating to each of the Well-being Outcomes and the Corporate Health priorities. It was noted that new annual and quarterly reported performance indicators had been introduced as part of the Council's revised Performance Management Framework and for a number of these data would not be available as this year would be used to establish baseline performance. A Not Available (N/A) status would be attributed to all such measures with commentary provided

confirming this status. Where possible, cumulative data would be provided in future quarterly reports as this became available.

Good progress had been made at Q2 towards delivering the key outcomes as outlined in the Corporate Plan 2016-20, giving an overall RAG status of AMBER.

3 out of 4 of the Corporate Plan Well-being Outcomes were attributed an overall RAG status of GREEN and the 4th reporting an AMBER performance status.

An overall GREEN RAG status had been attributed to Corporate Health reflecting the positive progress made to date in integrating the Council's business planning practices at a corporate level and in promoting a 'one Council' approach, to maximising limited resources to deliver the Well-being Outcomes. These developments had contributed to the achievements reported at Q2 and in the long term to achieving improved outcomes for Vale of Glamorgan citizens.

The Council's performance against the four Corporate Plan Well-being Outcomes and Corporate Health priorities including key achievements and challenges, had been reported to the relevant Scrutiny Committees for their consideration.

The table below provided an overview of progress for each of the Corporate Plan Well-being Outcomes and Corporate Health at Q2. The RAG performance status attributed to the four Well-being Outcomes and Corporate Health priorities allowed an overall conclusion to be drawn on progress in relation to the delivery of year one priorities (2016-17) as outlined in the Corporate Plan. The RAG status in brackets highlighted the previous quarter's performance in relation to the respective Well-being Outcomes and gave an indication of the direction of travel.

|  |  |  |  |  |  |
|--|---|---|--|---|---|
|  | Well-being Outcome 1  | Well-being Outcome 2  | Well-being Outcome 3   | Well-being Outcome 4  | Corporate Health  |
| Overall RAG Status                               | GREEN (GREEN)   | GREEN (GREEN)   | AMBER (GREEN)  | GREEN (AMBER)   | GREEN (AMBER)   |
| Objective RAG                                    | 1: AMBER (GREEN)  | 3: GREEN (GREEN)  | 5: AMBER (GREEN)   | 7: GREEN (AMBER)  | N/A   |
|  | 2: GREEN (AMBER)  | 4: GREEN (GREEN)  | 6: AMBER (GREEN)   | 8: GREEN (AMBER)  | N/A   |
| Overall Delivery: Year 1 Corporate Plan Outcomes |   |   | <b>AMBER (AMBER)</b>   |   |   |

A detailed report outlining the progress at the end of quarter 2 towards achieving our Corporate Plan Wellbeing Outcomes and Corporate Health priorities was provided at Appendix 1. The report could be viewed at the following link:

[www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2017/17-01-09/Appendices/Quarter-2-2016-17-Corporate-Plan-Performance-Report-Appendix-1.pdf](http://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2017/17-01-09/Appendices/Quarter-2-2016-17-Corporate-Plan-Performance-Report-Appendix-1.pdf)

A hard copy was also available in the Members room for information.

At the meeting, the Cabinet Member for Regeneration and Education was pleased to highlight the following from the report: paragraphs 24 and 25 which discussed the high numbers and satisfaction of visitors to the Barry Island resort; some of the projects discussed in paragraph 32 were now progressing; the development of Schools and Learning Centres as discussed in paragraph 39 were on track; and finally, with reference to Ysgol Y Deri the school had recently been inspected by Estyn and received an excellent report.

The Cabinet Member Housing and Social Care & Health was pleased to highlight paragraph 17 of the report, which stated that “Significant progress has been made in mitigating the impact of welfare reform on availability of accommodation for under 35 year olds in the Vale. In partnership with the Registered Social Landlord Sector (RSL) we are piloting ‘shared room’ housing provision under the Rooms4U project. This will be extended to all Homes4U partners and private landlords with the aim of maximising the use of shared accommodation for under 35 year olds in the Vale.”

Finally, the Cabinet Member for Visible, Leisure and Regulatory Services highlighted paragraph 14 of the report, which noted the “launch of a new single telephone number for Shared Regulatory Service customers across Bridgend, Cardiff and Vale of Glamorgan areas. This will ensure consistency of experience and allow for the deployment of a single point of contact for all Shared Regulatory Services.” The Cabinet Member also noted the Council’s good performance in clearing fly tipping incidents as discussed in paragraph 30 of the report, and he further noted the Council’s exceptionally good performance highlighted in paragraph 54 of the report: “We continue to work with sports clubs to increase the number offering either inclusive or specific disability opportunities. During Quarter 2, 47 clubs were offering a variety of opportunities for disabled people to participate in sporting activities, exceeding our target of 24 for the quarter.”

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 progress to date in achieving key outcomes in line with the Corporate Plan Well-being Outcomes and Corporate Health be noted.
- (2) T H A T the performance results and remedial actions to be taken to address areas of underperformance and to tackle the key challenges identified be noted.

Reasons for decisions

- (1) To ensure the Council clearly demonstrated the progress being made towards achieving its Corporate Plan Well-being Outcomes aimed at making a positive difference to the lives of Vale of Glamorgan citizens.
- (2) To ensure the Council was effectively assessing its performance in line with the requirement to secure continuous improvement outlined in the Local Government Measure (Wales) 2009 and reflecting the requirement of the Well-being of Future Generations (Wales) Act that it maximised its contribution to achieving the well-being goals for Wales.

**C3412 TIMETABLE OF MEETINGS: MAY 2017 – MAY 2018 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) –**

Cabinet was asked to consider a draft timetable of meetings for the period May 2017 - May 2018, which was attached at Appendix A to the report.

This was a matter for Executive decision

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

RESOLVED – T H A T the timetable of meetings for May 2017 - May 2018, as set out in Appendix A attached to the report be approved, subject to any future changes in arrangements for meetings deemed appropriate by the Mayor of the Council or the relevant Committee Chairman.

Reason for decision

To approve / publish a calendar of meetings for the 2017/18 municipal year.

**C3413      REVIEW OF ICT SYSTEMS FOR ELECTED MEMBERS (L)  
(SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet approval was sought for the provision of upgraded ICT hardware for all Members in May 2017.

There were Local Government Elections in May 2017 and it was important that Members were provided with appropriate ICT equipment to enable them to carry out their roles effectively and efficiently. Currently elected Members were provided with a Council laptop, home broadband and a printer when required.

Cabinet on 14 March, 2016 resolved "That the Council pursue the wider use by Elected Members of tablet computers, specifically in terms of Committee papers, and a future report be brought back to Cabinet and the Democratic Services Committee."

Recent meetings of the Democratic Services Committee included a standing Agenda item - Member ICT Update - and the approach to the provision of ICT equipment for Members for May 2017 onwards had been discussed on several occasions.

At a meeting in July 2016, the Head of Democratic Services suggested that the report to Cabinet on this issue should be widened to encompass options in terms of the Council's strategy for the provision of ICT equipment to new, and returning, Members following the election. At that meeting, reference was also made to the amount of recycled equipment issued at the time of the last Council elections in 2012 and to the different types of equipment issued to Members. A comprehensive discussion ensued and the general consensus of the Democratic Services Committee was as set out in Appendix A attached to the report.

In response to a specific query raised at the above meeting, the Head of Democratic Services agreed with the general view expressed that electronic distribution to Members of agendas / reports should be encouraged and that it could be accommodated within existing legislative requirements, subject to Members' preferences regarding the preferred means of receipt being clearly recorded.

Increased electronic distribution of information would result in financial savings in terms of printing and postal costs.

Members of the Democratic Services Committee had been shown a typical device that would be available for Members. This was a modern Windows 10 Tablet with detachable keyboard and a touch screen with the ability to annotate documents

through the use of a digital pen. This was being tested by officers and a number of issues and concerns (in terms of its capabilities) have been raised.

A visit had been made to look at a system that was used by Aneurin Bevan Health Board and how that might be adapted for the Council. The system in place there was a result of the Health Board having commissioned a software package specifically designed for / tailored to its specifications and required functionality. The system had been positively received within that organisation and Council officers would continue to explore software packages aimed at enabling the most effective and efficient use by Members of the ICT equipment provided.

Although the proportion of mono to colour printing had been reduced to around 86% - 14% there was still room to reduce the overall volume of printing and the amount of colour printing even further. The Council's draft Digital Strategy would be driving towards a paperless service wherever possible and the introduction of tablet computers for Members would reflect and help to promote the Digital Strategy and, over time, effect financial savings.

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 subject to appropriate testing, the procurement of ICT hardware for new, and returning Members in May 2017 be approved.
- (2) T H A T all Members be encouraged to access Council, Committee and Cabinet papers electronically, rather than by means of hard copies.

Reasons for decisions

- (1) To have an appropriate ICT System in place for Members in May 2017.
- (2) To effect savings on printing costs.

**C3414        BRYN-GLAS, LITTLEHILL, BARRY – DISPOSAL OF COUNCIL LAND (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet approval was sought to dispose of a small parcel of land located next to Brook Street open space subject to agreeing a suitable sale value together with terms and conditions.

The Council owned a parcel of land adjacent to the residential property, Bryn Glas, Little Hill, Cadoxton as shown at Appendix A attached to the report.

The owners of the neighbouring property to the land, Bryn Glas, had written to the Council to formerly request that they be allowed to purchase the piece of land. The applicants advised that the land had been maintained by them for a period of more than 12 years and the applicants now would like to purchase the piece of land before carrying out any improvements. The applicants would like to incorporate the land into their garden. They stated that they had no present or future intention of building on the land and would be agreeable to a clause / covenant being included in any transfer agreement restricting the future use of the land to garden use. Planning permission may be required for a change of use to allow garden land, however this would be a matter for the applicants to seek and obtain as necessary.

The area of land was extremely difficult for the Council to maintain given access difficulties and topography of the land.

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 land identified at Appendix 'A' attached to the report be declared surplus to the Council's requirements and sold to adjacent property owners, at market rate, subject to covenants restricting future development on the land being included in the terms of sale.
  
- (2)    T H A T the Head of Finance be authorised to appoint an external valuer to provide a market valuation report for the land referred to in Appendix A

attached to the report and agree Heads of Terms for the sale in consultation with the Director of Environment and Housing Services.

- (3) T H A T the Head of Legal Services be authorised to complete all necessary legal documentation required to dispose of the land.

#### Reasons for decisions

- (1) To allow a parcel of land to be formerly transferred to the occupier of the neighbouring property.
- (2) To ensure the Council's fiduciary and statutory obligations were met within the transaction.
- (3) To ensure legal procedures were followed.

#### **C3415 RESHAPING SERVICES – REVIEW OF MEALS ON WHEELS SERVICE (L&HSCH) (SCRUTINY COMMITTEE – HEALTHY LIVING AND SOCIAL CARE) -**

Cabinet approval was sought on the way in which the Meals on Wheels service was delivered.

In the Vale of Glamorgan, the number of people who used the Meals on Wheels service had decreased in recent years. The service delivered approximately 45 meals each weekday. This was a significant reduction from the average of 112 meals per day which were provided in 2012. At weekends, a reduced service operated and approximately 23 meals on each weekend day were delivered to customers in the central and eastern areas of the Vale of Glamorgan.

Cabinet considered a report detailing potential options for the provision of the Meals on Wheels service on 28 November, 2016. At the meeting Cabinet referred the report to Scrutiny Committee (Healthy Living and Social Care) and this was considered at the Committee's meeting on 8 December, 2016. The minutes of the Committee meeting could be found in Appendix B attached to the report.

The report set out the results from the review process and outlined a number of options for the future delivery of the service. The report identified a preferred option for the service, which was to cease to provide the Council's internal Meals on Wheels service and signpost to alternatives, including a new Social Enterprise.

The options had been appraised against a series of criteria for the way in which the service was delivered. The options outlined in the report were as follows;

### **Option 1 – Continue with the Current Service**

The first option for consideration was to continue with the service as it currently operated. The current service provided a hot meal to those who had been assessed as being unable to undertake this task for themselves and who do not have this need met in another way as part of a care package (for example, a meal being provided by a domiciliary carer). The service was not available to those who did not meet the eligibility criteria for social services in the Vale of Glamorgan.

### **Option 2 – Increase Revenue to Meet Costs**

This option considered the potential for the Council's Meals on Wheels service to increase revenue based on the existing client base in order to meet the costs of operating the service.

### **Option 3 – Increase Demand to Maximise Capacity & Reduce Costs**

The third option that should be considered was to increase the demand for Meals on Wheels in order to generate additional revenue for the service with the aim of covering its costs.

### **Option 4 – Cease Internal Service and Signpost to Alternatives, including a new Social Enterprise**

The final option for consideration would be to cease the Council run Meals on Wheels service entirely and signpost to alternatives. There was no statutory requirement for the local authority to provide the Meals on Wheels service. However, the Council had to assess the needs of individual people and then ensure that, where there were eligible risks to independence, these risks were mitigated through the provision of services. Those who experienced risks associated with potential malnutrition would be eligible for a service to ensure that their needs were met. This could be done in various ways and not just through the delivery of a hot meal by the local authority.

Each of these options had been evaluated against the following criteria:

- Availability of a hot meal to those who had been assessed as being unable to undertake this task for themselves

- The service should be provided in a way that leads to improved congruence with the Social Services and Wellbeing Act 2014
- The service should provide coverage across the Vale of Glamorgan
- The service should operate cost neutrally

At the meeting of the Scrutiny Committee (Healthy Living and Social Care) on 8 December, 2016 the Committee discussed the report and also heard from a member of the public who had registered to speak at the meeting. Following consideration of the report, the Scrutiny Committee resolved: that the contents of the report be noted; that the Committee supported the implementation Option 4, (Cease the Internal Service and to signpost to Alternatives, including a new Social Enterprise) and that the views of the Committee, as outlined in the minutes, be referred to Cabinet for its consideration. These minutes could be found in Appendix B attached to the report.

In order to implement this option, all existing service users would need to be contacted for reassessment, with signposting information provided to ensure their needs continued to be met. This would include entering into written communication with each service user in order to explain what the changes were, the reason for making them explaining the options that were available to them. These letters would be followed up with a phone call or home visit where necessary to ensure service users were appropriately informed and arrangements put in place. Where an alternative was chosen to Meals on Wheels (and with their permission) the client's details would be passed on to the relevant organisation to enable them to initiate contact and to arrange a visit to discuss their service offering and the process for handover as required.

It was proposed that the Council would work with the Food Shed to begin the provision of services as soon as possible in the western area of the Vale of Glamorgan. This would result in an additional available service to residents in that area in the short term. The Food Shed would seek to expand (via marketing and logistically) across the Vale in parallel with the changes that the Council would make to the Meals on Wheels service. Legally, the Council was under no obligation to enter into a contract with the Food Shed to provide meals to clients (in the same way as there was no commissioned arrangement with other providers, such as Wiltshire Farm Foods). Information and advice services offered from Contact OneVale would be amended to reflect the new arrangements and facilitate the signposting of potential clients to the range of providers described in the report.

After this item had been presented, the Director of Social Services commented that this report was part of the Council's Reshaping Services Programme and so it reflected the Council's commitment to well-evidenced service change where there

was a robust case which demonstrated that cutting costs did not jeopardise the quality of the service provided.

The Leader also commented that this approach supported the Council's Equality duties as an equality impact assessment had been undertaken and a copy was included in Appendix A attached to the report. Paragraph 60 of the report noted that "This identifies that the proposals will have some adverse impact upon service users, staff and carers but it includes mitigating actions which are also referenced in the body of this report."

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T the contents of the report and the minutes of the Scrutiny Committee (Healthy Living and Social Care) meeting of 8 December, 2016 (attached at Appendix B to the report) be noted.
- (2) T H A T the preferred option as outlined in the report, which was to cease to provide the Council's internal Meals on Wheels service and signpost to alternatives, including a new Social Enterprise be endorsed.
- (3) T H A T delegated authority be granted to the Director of Social Services in consultation with the Leader, Cabinet Member for Housing and Social Care, the Managing Director and Head of Adult Services to undertake and conclude all necessary actions, including staff consultation, as described in the report in order to implement the preferred option.

#### Reasons for decisions

- (1) To ensure that the process for taking forward any changes to the service was undertaken effectively in accordance with the Council's policies and procedures and that the views of the Scrutiny Committee were taken into account when reaching a decision about how to progress.
- (2) To ensure that the availability of a hot meal to those who had been assessed as requiring prepared food remained available and was cost effective and that

the Council continued to develop its arrangements under the Social Services & Well-being (Wales) Act 2014 to support Social Enterprises.

- (3) To ensure that the process for progressing any changes was undertaken efficiently and effectively in accordance with the Council's policies and procedures.

**C3416 INNOVATION QUARTER (IQ), BARRY WATERFRONT – IQ SOUTHERN DEVELOPMENT SITE & IQ HOOD ROAD GOODS SHED SITE (RE) (ENVIRONMENT AND REGENERATION) -**

Cabinet was apprised of the outcome of the marketing of the IQ Southern Development Site in accordance with Cabinet Minute C2550, and were asked to consider the next steps in seeking the disposal of the site.

The Innovation Quarter was a 19-acre mixed use urban quarter located within Barry Waterfront (depicted in Appendix A attached to the report) that was being regenerated by the Vale of Glamorgan Council by way of a joint venture with the Welsh Government. To date a number of development projects had been facilitated with various developers at the Innovation Quarter including the award winning grade II Listed Barry Pumphouse conversion with its 15 Live/Work units and ground floor restaurant (Hangfire Southern Kitchen), coffee house (Academy Espresso Bar) and fitness studio/gym (Snap Fitness), a Premier Inn hotel and Brewers Fayre Restaurant, West Quay Medical Centre, the Business Service Centre (with its 18 offices and 8 workshops), and proposals were in the pipeline to convert the IT Skills Training Centre into a second Business Services Centre (in accordance with Cabinet Minute C3241, subject to Welsh Government consent).

The report proposed to re market the IQ Southern Development Site (circa 2.9 acre site indicatively edged in Appendix B attached to the report) and to dispose of the land by way of a 999 year leasehold for a mixed use development opportunity for two or more of the following revised range of uses: Food and Drink (Use Class A3), Business (Use Class B1), Financial and Professional Services (Use Class A2), Assembly and Leisure (Use Class D2), Shops (Use Class A1 as an enabler), Residential (Use Class C3 as an enabler), Live/Work (as an enabler) and market, subject to planning and Welsh Government consent.

The report also proposed to simultaneously market the IQ Hood Road Goods Shed Site (circa 1 acre site indicatively edged in Appendix C attached to the report) and to dispose of the land by way of a 999 year leasehold for a mixed use development opportunity, subject to Welsh Government consent, for two or more of the same

range of uses. The Hood Road Goods Shed (aka Gwalia Buildings) accommodated two existing tenants and the property would be marketed and disposed with the tenants in situ.

The Project Board recommended the marketing and disposal of the IQ Southern Development Site and the IQ Hood Road Goods Shed Site not only as single development sites but also combined to offer a larger mixed use development site opportunity, subject to Welsh Government consent. Combined both sites comprised circa 3.9 acres of prime development land in the heart of the mixed use Innovation Quarter within Barry Waterfront.

The disposal and redevelopment of the IQ Southern Development Site and the IQ Hood Road Goods Shed Site would assist the continued delivery of the Innovation Quarter, regenerate brown field land, enhance a local historic building, boost the local economy by securing investment, create new jobs and improve the environment for the benefit of the wider community. Jones Lang LaSalle (JLL) had been retained as marketing agents to market the IQ Southern Development Site.

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T delegated authority be granted to the Head of Regeneration and Planning (in consultation with the IQ Project Board) to market and dispose by way of a 999 year leasehold the IQ Southern Development Site (indicatively edged in Appendix B attached to the report) as a mixed use development opportunity, for two or more of the following revised range of uses: Food and Drink (Use Class A3), Business (Use Class B1), Financial and Professional Services (Use Class A2), Assembly and Leisure (Use Class D2), Shops (Use Class A1 as an enabler), Residential (Use Class C3 as an enabler), Live/Work (as an enabler) and market, subject to Welsh Government consent.
- (2) T H A T delegated authority be granted to the Head of Regeneration and Planning (in consultation with the IQ Project Board) to market and dispose by way of a 999 year leasehold the IQ Hood Road Goods Shed Site (indicatively edged in Appendix C attached to the report) as a mixed use development opportunity, for two or more of the following range of uses: Food and Drink (Use Class A3), Business (Use Class B1), Financial and Professional

Services (Use Class A2), Assembly and Leisure (Use Class D2), Shops (Use Class A1 as an enabler), Residential (Use Class C3 as an enabler), Live/Work (as an enabler) and market, subject to Welsh Government consent.

- (3) T H A T delegated authority be granted to the Head of Regeneration and Planning (in consultation with the IQ Project Board) to market and dispose the IQ Southern Development Site and the IQ Hood Road Goods Shed Site not only as single development sites but also combined as a larger mixed use site development opportunity, subject to Welsh Government consent.
- (4) T H A T delegated authority be granted to the Head of Regeneration and Planning to retain JLL as marketing agents for the IQ Southern Development Site and, by way of an exemption from Financial Regulations, to broaden the scope of the commission to include the marketing and disposal of the IQ Hood Road Goods Shed Site and both sites combined and/or to appoint other consultants as may be required to achieve project delivery.
- (5) T H A T delegated authority be granted to the Head of Legal Services to prepare, execute and complete all legal documentation required to facilitate the disposal of the IQ Southern Development Site and the IQ Hood Road Goods Shed site as individual disposals or as a combined disposal, subject to the consent of the Welsh Government.

#### Reasons for decisions

- (1) To authorise the marketing and disposal of the IQ Southern Development Site.
- (2) To authorise the marketing and disposal of the IQ Hood Road Goods Shed Site.
- (3) To authorise the marketing and disposal of the IQ Southern Development Site and the IQ Hood Road Goods Shed Site as either single site disposals or combined as one larger development site disposal.
- (4) To authorise JLL as marketing agents for this enhanced marketing agent commission and/or other consultants as may be required to achieve project delivery.
- (5) To enable the legal execution and completion of the disposal of the two named sites as single sites or as one combined larger site.

**C3417 HOUSING DEVELOPMENT PROGRAMME – FRANCIS ROAD  
UPDATE AND APPROPRIATION AND DEVELOPMENT OF LAND AT HOLM  
VIEW, SKOMER ROAD, GIBBONSDOWN, BARRY (HSCH) (SCRUTINY  
COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Authority was sought to proceed with the appropriation of Leisure Services land to the side of Holm View Leisure Centre, Skomer Road, Barry, to the control of Housing Services, to enable the development of new homes which met the specific needs of families in gold status on the housing register.

The proposed development site required the appropriation of two small areas of land, which were under the control and management of Leisure Services (see the supporting plan attached at Appendix A to the report).

Cabinet approval was required to appropriate the Leisure Services land to Housing Services. Part of the Leisure Services land had the characteristic of open space/amenity land and therefore a notice of appropriation would need to be publicised prior to transfer and consideration given to any objections received.

New planning legislation had now come into force which required major developments over 10 units to undertake public consultation one month prior to submission of a formal planning application. To meet this consultation requirement a site notice board would be erected informing local residents of the proposal, a leaflet drop would also be undertaken informing local residents of the development proposal and the plans would be made available for inspection at key public buildings. In order to commence the build in spring 2017, it was necessary to submit the planning application and tender the Design and Build contract for the scheme in January 2017.

The development scheme would be procured as a JCT Design and Build contract and would be advertised through Sell2Wales. The procurement process would be undertaken in accordance with the Council's Contract Procedure Rules and Procurement Code of Practice.

At the meeting, the Cabinet Member for Housing and Social Care & Health noted that the previous report that had been taken to Cabinet on this issue (referred to in paragraph 4 of the report) had been submitted to Cabinet on the 11th July and not the 4th, so the records should be amended accordingly.

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 progress made to date in relation to the Council Housing Development Programme be noted.
- (2) T H A T the Head of Legal Services be authorised to advertise, by way of public notice, the appropriation of the Leisure Services land to Housing Services in respect of that part of the land identified in Appendix A attached to the report that consisted of open space.
- (3) T H A T subject to Resolution 2 above (and no objections being received to the public notice) the appropriation of the areas of land outlined on the plan attached at the Appendix A to the report, from Leisure Services purposes to the Housing Services (HRA) purposes be approved.
- (4) T H A T subject to no objections received to the public notice referenced in Resolution 2 the combined Housing Services and former Leisure Services land (referred to in Resolution 3 above) be developed for a specialist housing scheme and that delegated authority be granted to the Director of Environment and Housing Services to progress the planning application for this scheme.
- (5) T H A T the progression of the development scheme to formal tender stage be approved.

Reasons for decisions

- (1) To update Cabinet on the Council Housing Development Programme.
- (2) To comply with the requirements of the Section 122(2A) of Local Government Act 1972.
- (3) To comply with the requirements of the Section 122 of Local Government Act 1972 and to allow the formal appropriation of the Leisure Services land to housing purposes to take place.
- (4) To progress the planning application for the development scheme.

- (5) To allow the progression of formal tendering arrangements for the development scheme in order that construction works may commence at the earliest opportunity during 2017.

**C3418 HOUSING DEVELOPMENT PROGRAMME (HSCH) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Cabinet was provided with an update on the Council Housing Development Programme and authority was sought to appoint a suitable contractor for the construction of 3 bungalows at Francis Road, Gibbonsdown.

Francis Road was granted planning permission in September 2016 with no onerous conditions. Pre commencement conditions in relation to materials had already been formally discharged. There were no other pre commencement conditions. The report and the subsequent Part II report later on the agenda sought to progress construction of the first new properties as part of the Council's Housing Development Programme.

At the meeting, the Cabinet Member for Housing and Social Care & Health noted that the previous report that had been taken to Cabinet on this issue (referred to in paragraph 3 of the report) had been submitted to Cabinet on the 11th July and not the 4th, so the records should be amended accordingly.

This was a matter for Executive decision

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

RESOLVED – T H A T the contents of the report be noted and considered alongside the Part II report later on the agenda.

Reason for decision

To consider the report alongside the Part II report later on the agenda.

**C3419 MATTERS WHICH THE CHAIRMAN HAD DECIDED WERE URGENT**

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

**C3420 INITIAL CAPITAL PROGRAMME PROPOSALS 2017/18 (REF) –****Matter which the Chairman had decided was urgent by reason of need to inform Cabinet of the Scrutiny Committees' responses to the initial budget proposals**

The Scrutiny Committee (Corporate Performance and Resources) on 13 December, 2016 considered the above report of the Managing Director.

Set out at Appendix 1 to the report were details of the progress on the Capital Programme as at 30<sup>th</sup> September, 2016. In addition, the report also addressed the following changes to the Programme:

St. Brides Expansion – An emergency power was approved on 17<sup>th</sup> October, 2016 to increase the budget to £510,000 in order for the scheme to proceed. This was funded from S106, and included £10,000 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. It had been requested that £1.2m be 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 52 of the report and included the adjustments detailed below.

WHQS Externals – There had been delays in undertaking work this year due to difficulty in sourcing suitably skills 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 had been 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 had been requested that the budget for 2016/17 be increased from £400,000 to £500,000.

Common Parts – As a result of the delay in undertaking the external 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 had been 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 had been requested that £400,000 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 this financial year however a full spend was not anticipated and it had been requested that £1.4m be carried forward into 2017/18 to allow schemes to be undertaken.

Ashpath Footpath Improvements – It had been requested that £73,000 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 had been requested that £80,000 be slipped from 2016/17 to 2017/18 as scheme options were being considered and land availability was minimal.

Barry Regeneration Partnership – It had been requested that £29,000 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 currently 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 had been requested that the balance of £37,000 be slipped into 2017/18 for general sustainable transport improvements in the area. It had been requested to rename the scheme Sustainable Transport Improvements Penarth Heights.

Regeneration Fund – A 2017/18 capital bid had been received relating to renovation works for the Vale Enterprise Centre. As the Regeneration Fund scheme was unallocated in the 2016/17 Capital Programme, it had been 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.

CASH Community Grants – As per the Cabinet report 25<sup>th</sup> July, 2016, CASH grants totalling £23,508 had been approved. The balance of £6,492 had been 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 had been proposed that the funding of £484,000 was removed from the 2016/17 Capital Programme and reallocated to other schemes during the five year Capital Programme

Regulation 14 Workplace Health and Safety Glazing – The full budgeted sum of £50,000 was not required for safety glazing and it had been requested that the sum of £32,000 be removed from the 2016/17 Capital Programme and reallocated to other schemes during 2017/18.

The Welsh Government (WG) announced the provisional 2017/18 General Capital Funding, on 19<sup>th</sup> 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 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 were 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 WG for 2017/18. Cabinet would be advised once the announcement was made. An assumption had been made in Appendix 2 that the grant would continue at the allocation reflected in the current 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 set out Appendix 2.

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                 | 7,142  |        |
| Total Council Resources          |        | 8,148  |
| Net Capital Resources            |        | 13,553 |
| HOUSING REVENUE ACCOUNT          |        |        |
| Housing Reserves                 | 3,631  |        |
| Housing Unsupported Borrowing    | 12,473 |        |
| Net Capital Resources            |        | 16,104 |
| Total Net Capital Resources      |        | 29,657 |

New capital bids were invited for return by 30<sup>th</sup> September, 2016 and the number of bids received was in line with previous years. 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 Insight Group used a number of criteria to assess the Capital Bids. The first criteria used was to classify the nature of the bids, the criteria used is set out below:

| Priority Level | Criteria                                |
|----------------|---|
| A              | Health and Safety legislation           |
| B              | Other Legislation/Statutory Requirement |
| Ci             | Economic Sense/Invest to Save           |
| Cii            | Corporate Plan                          |

|      |                               |
|------|-------------------------------|
| Ciii | Sufficiency                   |
| D    | Condition/Suitability         |
| E    | Welsh Government Requirements |
| F    | Low Priority                  |

Where bids were rated an A or B there would clearly be a legal obligation to ensure that works were progressed in a timely manner within the confines of the funding available. Schemes that represented an invest to save opportunity or support the achievement of corporate priorities should also be prioritised.

In addition, in accordance with the criteria set out in the Budget Strategy, the bids were prioritised in terms of their corporate priority and the risk they posed to the Council if they were not pursued. The risk assessment element was undertaken in line with the Council's Corporate Risk Management Strategy.

The bids were also reviewed for the contribution that they made to the Wellbeing and Future Generations criteria.

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 with a reason for their exclusion.

The bids that have been funded are set out below with the proposed funding profile:

| Successful Bids  | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total |
|--|---------|---------|---------|---------|-------|
|  | £'000   | £'000   | £'000   | £'000   | £'000 |
| Street Lighting Replacement (includes £50,000 from Visible Services Asset Renewal)       | 0       | 100     | 100     | 0       | 200   |
| Murchfield Access Bridge   | 0       | 44      | 0       | 0       | 44    |
| Dinas Powys Library Road Bridge  | 0       | 97      | 0       | 0       | 97    |
| Leisure Works - Capital Bids   | 0       | 758     | 0       | 0       | 758   |
| Nell's Point Former Toilet Block (includes £100,000 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 | 1,404 | 400 | 300 | 2,204 |

It was proposed that the existing Regeneration scheme was utilised to fund the bids for schemes that make 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 16 to the report. In addition, it was proposed that £100,000 of the Barry Regeneration Partnership funding be utilised towards the Nell's Point Toilet block scheme in 2017/18.

Further to the £50,000 allocation for the maintenance of street lighting columns that had been awarded in 2017/18 and 2018/19, it was proposed that £50,000 of the Visible Services Asset Renewal be ring-fenced for these purposes.

The changes detailed above had been reflected in Appendix 2.

The 21st Century Schools Programme was the WG'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 run 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 £600,000 WG Grant and £600,000 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 WG. Based on latest indications, it had been assumed that 50% funding would be available from WG to fund these schemes. However, there was no guarantee that this funding would be available from WG 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 were 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 £600,000 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. £600,000 of this sum had been allocated to the Romilly scheme referred to in paragraph 42 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 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 | 1,240  | 29     | 0      | 0      | 0      | 1,269  |

|   |       |       |        |        |       |        |
|---|-------|-------|--------|--------|-------|--------|
| Community                               |       |       |        |        |       |        |
| 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 and 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    |
| Rhose 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.

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 |

The 2016/17 Housing Improvement Programme budget currently totalled £34.147m. It had been requested above that £10.73m be carried forward into 2017/18. The amended programme also reflected the £100,000 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<br>£'000 | Amended 2016/17<br>£'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                   |

As in the case of the consideration of the Initial Revenue Budget Proposals, similar arrangements were in place for the Scrutiny Committees to pass their comments this Scrutiny Committee who would, on behalf of the other Council's Scrutiny Committees, form the response to Cabinet by no later than 13<sup>th</sup> December, 2016. Each of the Council's Scrutiny Committees had been previously asked during their consideration of the Council's Initial Budget Proposals to first consider the Initial Capital Programme Proposals as shown in Appendix 2 to the respective reports presented to those Committees and to make any recommendations for changes. If they wished to make a change, the reason for this need was required to be recorded in order to assist the Cabinet and Budget Working Group in drawing up the Council's final budget proposals.

Managers would be asked to revisit the schemes included in Appendix 2 and to confirm final costs and spend profile prior to the final proposals being presented to Cabinet in early 2017. The Cabinet's final Capital Programme Budget Proposals would be considered by the Council no later than 11<sup>th</sup> March, 2017.

If the schemes proposed in Appendix 2 were approved, the effect on the General Fund usable receipts was as follows:

| Capital Receipts | General<br>£000's | Ringfenced<br>Social<br>Services<br>£000's | Ringfenced<br>Education<br>£000's |
|------------------|-------------------|--|-----------------------------------|
|------------------|-------------------|--|-----------------------------------|

|  |         |         |         |
|--|---------|---------|---------|
| Anticipated Balance as at 1 <sup>st</sup> April 2017 | 2,343   | 1,327   | 1,299   |
| Anticipated Requirements – 2017/18                   | (1,006) | 0       | 0       |
| Anticipated Receipts – 2017/18                       | 0       | 0       | 0       |
| Balance as at 31 <sup>st</sup> March 2018            | 1,337   | 1,327   | 1,299   |
| Anticipated Requirements – 2018/19                   | 0       | (1,327) | 0       |
| Anticipated Receipts – 2018/19                       | 0       | 0       | 8,414   |
| Balance as at 31 <sup>st</sup> March 2019            | 1,337   | 0       | 9,713   |
| Anticipated Requirements – 2019/20                   | (405)   | 0       | (3,764) |
| Anticipated Receipts – 2019/20                       | 0       | 0       | 1,875   |
| Balance as at 31 <sup>st</sup> March 2020            | 932     | 0       | 7,824   |
| Anticipated Requirements – 2020/21                   | (659)   | 0       | (7,824) |
| Anticipated Receipts – 2020/21                       | 0       | 0       | 0       |
| Balance as at 31 <sup>st</sup> March 2021            | 273     | 0       | 0       |
| Anticipated Requirements – 2021/22                   | 0       | 0       | 0       |
| Anticipated Receipts – 2021/22                       | 0       | 0       | 0       |
| Balance as at 31 <sup>st</sup> March 2022            | 273     | 0       | 0       |
| Anticipated Requirements – 2022/23                   | 0       | 0       | 0       |
| Anticipated Receipts – 2022/23                       | 0       | 0       | 0       |
| Balance as at 31 <sup>st</sup> March 2023            | 273     | 0       | 0       |

The Education Capital Programme utilised general capital receipts in addition to capital receipts ringfenced for Education.

The capital receipt balance for Social Services had been ringfenced for Social Services capital expenditure. Options were being explored by the Council however, it had been assumed that the full capital receipt of £1.327m would be utilised for older persons' accommodation in 2018/19.

In line with the overall strategy and specific suggestions proposed by the BWG, in order to resource the Capital Programme, reserves would be utilised over the period of the Capital Programme 2017/18 to 2021/22.

The Project Fund would be used to fund schemes assessed on an invest to save basis, and in certain circumstances business critical schemes may also be funded from this reserve with the prior approval of the Head of Finance. The projected usage of this reserve over the period of the Capital Programme was:

| Project Fund   | £'000 |
|--|-------|
| Anticipated Balance as at 1 <sup>st</sup> April 2017 | 2,749 |
| Anticipated Requirements – 2017/18                   | (530) |
| Anticipated Receipts – 2017/18                       | 0     |
| Balance as at 31 <sup>st</sup> March 2018            | 2,219 |
| Anticipated Requirements – 2018/19                   | 0     |
| Anticipated Receipts – 2018/19                       | 0     |
| Balance as at 31 <sup>st</sup> March 2019            | 2,219 |
| Anticipated Requirements – 2019/20                   | 0     |
| Anticipated Receipts – 2019/20                       | 0     |
| Balance as at 31 <sup>st</sup> March 2020            | 2,219 |
| Anticipated Requirements – 2020/21                   | (212) |
| Anticipated Receipts – 2020/21                       | 0     |
| Balance as at 31 <sup>st</sup> March 2021            | 2,007 |
| Anticipated Requirements – 2021/22                   | 0     |
| Anticipated Receipts – 2021/22                       | 0     |
| Balance as at 31 <sup>st</sup> March 2022            | 2,007 |

The above forecast balances needed to be seen in the context of significant pressures for spending which were not yet included in the Capital Programme. These included the backlog of school, highways and buildings improvements.

Having fully considered the report, and in light of the Council's budget situation, it was subsequently

#### RECOMMENDED –

- (1) T H A T the Initial Capital Budget Proposals for 2017/18 be endorsed and Cabinet informed accordingly.
- (2) T H A T the following changes to the 2016/17 and 2017/18 Capital Programme as outlined below be noted:
  - St. Brides Expansion – An emergency power was approved on 17<sup>th</sup> October, 2016 to increase the 2016/17 budget to £510,000.
  - 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 (£400,000) and New Build (£1.4m).
- Housing Improvement Programme – To increase the Capital Programme in 2016/17 by £100,000 to fund increased demand for aids and adaptations.
- Ashpath Footpath Improvements – The carry forward of £73,000 from 2016/17 to 2017/18
- Maendy Pedestrian Sustainable Transport Improvement – The carry forward of £80,000 from 2016/17 to 2017/18.
- Barry Regeneration Partnership – The carry forward of £29,000 from 2016/17 to 2017/18.
- Lighting Scheme for Zig Zag Path – The carry forward of £37,000 from 2016/17 to 2017/18 and to change the scheme description to Sustainable Transport Improvements Penarth Heights.
- Regeneration Fund – The £100,000 is utilised to progress works at the Vale Enterprise Centre during 2016/17 and the scheme is renamed accordingly.
- CASH Community Grants – The virement of £6,492 to a new Community Initiatives scheme in 2016/17.
- All Services Asset Renewal – That £484,000 is 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 £32,000 is unallocated in 2016/17 to allow the funding to be utilised for other schemes during 2017/18.

#### Reasons for recommendations

- (1) In acknowledgement of Cabinet’s consultation on the future Capital Programmes.
- (2) In acknowledgement of the current position with regard to the 2016/17 and 2017/18 Capital Programmes.

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Cabinet, having considered the recommendations of the Scrutiny Committee (Corporate Performance and Resources)

RESOLVED – T H A T the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2017/18.

Reason for decision

To note the contents of the report and progress the budget setting process.

**C3421 INITIAL HOUSING REVENUE ACCOUNT BUDGET PROPOSALS  
2017/18 (REF) –**

**Matter which the Chairman had decided was urgent by reason of need to inform Cabinet of the Scrutiny Committees' responses to the initial budget proposals**

The Scrutiny Committee (Corporate Performance and Resources) on 13 December, 2016 considered the above report of the Managing Director.

As in previous years the Scrutiny Committee was now considering this matter as the lead Scrutiny Committee overseeing the Council's initial budget process.

The Committee considered the below table which compared the original budget with the proposed amended budget.

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

The net operational budget for 2016/17 had changed from a surplus of £22,000 to a deficit of £768,000. 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 £400,000 which partly related to an external painting programme which was now due to commence in 2017/18 following the completion of the WHQS external works programme. A reduction in Capital Financing Costs of £649,000 was anticipated, there had been an adjustment in central recharges resulting in a decreased charge of £269,000 and the projected charge for Council

Tax at void properties was £40,000 less than anticipated. Other budgets that were anticipated to outturn with an underspend were Incentive to Move £20,000, survey costs £65,000, compliance costs £42,000 and software costs of £40,000. There were other minor reductions of £68,000. These savings had been offset by a reduction in expected rental income from dwellings of £101,000.

The balance on the HRA reserve brought forward as at 1<sup>st</sup> 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 £700,000, which was in line with the minimum amount required which had been assessed as at least £600,000.

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 to the report.

The charges for rent and other services provided by the Housing Service were reviewed annually. These would be subject to a future report. Set out below was a table summarising the original budget for 2016/17, with the proposed budget for 2017/18:

| 2016/17<br>Original<br>Budget<br>£000 | Inflation /<br>Pay<br>Award<br>£000 | Committed<br>Growth /<br>(Savings)<br>£000 | Estimated<br>Rent<br>Increase<br>£000 | Increase/<br>(Decrease)<br>in CERA<br>£000 | 2017/18<br>Proposed<br>Budget<br>£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 £26,000.

The net saving of £138,000 was due to a number of factors:

- An increase in Capital Financing charges of £223,000 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 £79,000.
- A reduction of £290,000 in central recharges.
- A reduction in the cost for Council Tax at void properties of £67,000.
- Various other minor savings of £83,000.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £700,000 had been assumed. The amount of revenue contribution required was dictated by available revenue balances and the value of the Housing Improvement Programme. Adjusting the level of CERA by this amount would leave a balance on the HRA Reserve of £603,000, which was in line with the current minimum requirement.

As in the case of the other initial budget proposals considered by this Scrutiny Committee, any comments by the Council's Scrutiny Committees were required to be made by no later than 13<sup>th</sup> December, 2016. The Budget Working Group would consider any subsequent recommendations and would be submitted to Cabinet to enable its final Initial Budget proposals by no later than 20<sup>th</sup> February, 2017.

Having considered the report, it was subsequently

#### RECOMMENDED -

- (1) T H A T the revised Housing Revenue Account budget for 2016/17 be noted.
- (2) T H A T the Initial Housing Revenue Account Budget Proposals for 2017/18 be noted.

#### Reasons for recommendations

- (1) In order to monitor the amended Housing Revenue Account Budget.
- (2) To inform Cabinet of the Scrutiny Committees' deliberations before making their final proposal on the Initial Housing Revenue Account Budget for 2017/18.

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Cabinet, having considered the recommendations of the Scrutiny Committee (Corporate Performance and Resources)

RESOLVED – T H A T the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2017/18.

Reason for decision

To note the contents of the report and progress the budget setting process.

**C3422 INITIAL REVENUE BUDGET PROPOSALS 2017/18 (REF) –**

**Matter which the Chairman had decided was urgent by reason of need to inform Cabinet of the Scrutiny Committees' responses to the initial budget proposals**

The Scrutiny Committee (Corporate Performance and Resources) on 13 December, 2016 considered the above report of the Managing Director.

The Committee was informed that the Scrutiny Committees of the Council had previously considered the Initial Revenue Budget Proposals on the following dates:

- Environment and Regeneration - 6<sup>th</sup> December, 2016
- Homes and Safe Communities - 7<sup>th</sup> December, 2016
- Healthy Living and Social Care - 8<sup>th</sup> December, 2016
- Learning and Culture - 12<sup>th</sup> December, 2016.

Details of each of the Scrutiny Committees recommendations on the Initial Revenue Budget Proposals were tabled for consideration of the Committee. In particular, the Healthy Living and Social Care Scrutiny Committee had recommended

**“(2) That the Corporate Performance and Resources Scrutiny Committee be made aware that it was the view of this Committee that all the cost pressures detailed in Appendix 3 should be fully funded.”**

The Council is required under statute to fix the level of Council Tax for 2017/18 by 11<sup>th</sup> March, 2017 and in order to do so, would have to agree a balanced revenue budget by the same date. To be in a position to meet the statutory deadlines and the requirements for consultation set out in the Council's Constitution, much of the work on quantifying the resource requirements of individual services was required to be carried out before the final RSG settlement was notified to the Council.

Appendix 1 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 have no overall effect on the net budget of the Council. These were accounting adjustments largely outside the control of services. Also included were transfers of functions and responsibilities between Directorates. Cabinet on 6<sup>th</sup> June, 2016, approved the transfer of £62,000 from Development Management to Resources as a result of the transfer of the Drawing Office.

Cabinet on 20<sup>th</sup> June, 2016, agreed the senior management restructure of the Learning and Skills Directorate, which was implemented on 1<sup>st</sup> September, 2016. In order to make efficiencies within senior management, a number of changes had been made to the structure of the Directorate which needs to be reflected in the budget. As a result, the Learning and Skills budget will now be reported under the following headings:

- Schools
- Strategy, Culture, Community Learning and 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 is projecting an adverse variance of £716,000 at year end and the Social Services Directorate is anticipated to outturn with an adverse variance of around £600,000. It is proposed that reserves will be used to mitigate this position in 2016/17 as outlined later in this report.

| <b>Directorate/Service</b>                           | <b>2016/17<br/>Amended<br/>Budget<br/>£'000</b> | <b>2016/17<br/>Projected<br/>Outturn<br/>£'000</b> | <b>Variance<br/>(+) Favourable<br/>(-) Adverse<br/>£'000</b> |
|--|---|--|--|
| <b>Learning and Skills</b>                           |   |  |  |
| Schools  | 81,009  | 81,009   | 0  |
| Strategy, Culture, Community<br>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   |
| <b>Social Services</b>                               |   |  |  |
| Children and Young People                            | 14,913  | 14,513   | +400   |
| Adult Services                                       | 40,096  | 41,096   | -1,000   |
| Business Management and<br>Innovation                | 276   | 276  | 0  |
| Youth Offending Service                              | 701   | 701  | 0  |
| Transfer from Reserves                               | 0   | -600   | +600   |
| <b>Environment and Housing</b>                       |   |  |  |
| 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  |
| <b>Managing Director &amp; Resources</b>             |   |  |  |
| 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  |

|                                 |                |                |          |
|---------------------------------|----------------|----------------|----------|
| <b>Total</b>                    | <b>214,788</b> | <b>214,788</b> | <b>0</b> |
| <b>Met from General Reserve</b> | <b>(1,500)</b> | <b>(1,500)</b> | <b>0</b> |
| <b>Grand Total</b>              | <b>213,288</b> | <b>213,288</b> | <b>0</b> |

A detailed explanation was provided on the predicted outturn of each of the Directorates Service Budget headings, to allow the Committee to contextualise the reasons for the forecasted outturn, details of which were set out in paragraphs 8 - 34 of the report.

In regard to savings for the financial year 2016/17, the Committee noted that a savings target of £9.289m was set for the Council. Attached at Appendix 2 was a statement detailing all savings targets for the above period and the projected outturn. Services were working towards currently achieving these savings targets however, at this stage of the year it was anticipated that not all savings would be made and there could be shortfall of £580,000. Specific issues in regard to Learning and Skills, Social Services, Environment and Housing and the Managing Director and Resources saving targets were detailed in paragraphs 36 - 39 of the report.

Having regard to the above it was therefore, proposed in respect of the 2017/18 Budget Strategy that Directors be instructed to prepare Initial Revenue Budget Proposals for 2017/18 based on the cost of providing the current level of service and approved policy decisions, including, the existing savings targets. This meant the cost of price increases and any allowable pay awards should be included as advised by the Head of Finance and preparation would 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 will 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 is expected that the revenue costs of service development will need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids are initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

In regard to the Medium Term Financial Plan (MTFP) for 2016/17 to 2019/20, this had been approved by the Cabinet at its meeting held on 26<sup>th</sup> September, 2016 and at that time, it assumed a reduction in Welsh Government (WG) funding of 3% for the years 2017/18, 2018/19 and 2019/20. This would result in the requirement to find savings of £24.146m over the period, with £7.783m currently being identified. There was therefore further savings to be identified of £16.363m over the three year period. The MTFP 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 for schools, equivalent to 1% above the WG's block grant settlement was an increase of 1.8%. The MTFP 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%.

The Council's provisional settlement was announced by WG on 19<sup>th</sup> October, 2016.

WG had advised the Council that its provisional SSA (Standard Spending Assessment) for 2017/18 is £215.917m.

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 constitute the Council's provisional Aggregate External Finance (AEF) of £150.169m. WG reported that this was a cash reduction of 0.2% (£0.352m) for 2017/18. However, when taking into account new responsibilities, this actually represents a cash reduction of 0.35% (£0.53m). This is a smaller reduction than the 3% projected in the MTFP.

Additional funding was provided through the RSG for new responsibilities were:

- Increasing Capital Limits for Residential Care (from £24,000 to £30,000) - £167,000
- War Disablement Pension Disregard in financial assessments for social care charging - £11,000.

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

- Delivering Transformation Grant - £106,000
- Deprivation of Liberty Standards - £8,000
- Food Hygiene Rating Schemes - £2,000.

There was a transfer out of the RSG settlement for 2017/18 as follows:

- Education Workforce Council Teachers Registration Fees - £43,000.

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

As part of these Initial Budget 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 as set out in Appendix 3. The final proposal for the increase in the National Living Wage from 1<sup>st</sup> April, 2017, had yet to be announced, however, it is 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 is 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. 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 is being undertaken in order to identify future projects and the Council is currently developing proposals.

A summary of the overall base budget for 2017/18 is attached at Appendix 5. This has 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 and related to the following:

Asset Rents, International Accounting Standard (IAS) 19 - Related to accounting items outside the control of services. These 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 relate to the reorganisation of the Learning and Skills Directorate are shown in a separate column.

Budget Adjustment – There was a £320,000 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 (£844,000) and a 1% allowance for pay awards (£793,000). These figures did not include schools inflation which was included in Appendix 3 as a cost pressure.

Committed Growth – This totalled £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 £73,000 and WG funding provided for new responsibilities of £178,000 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 current 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 is 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 relate to Reshaping Services schemes which reflected a new way of working and therefore require a lengthy period of time to implement. While all services are working towards achieving their 2017/18 targets, not all savings may be achieved in full from 1<sup>st</sup> 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 will 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 consider 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.

The Head of Finance indicated that based on the assumption that all cost pressures would be funded in full, the estimated funding shortfall for 2017/18 would be £4.426m, assuming no increase in Council Tax. She also indicated that whilst WG had not issued details regarding the level of funding post 2017/18, it was anticipated that there would be further reductions in funding for local government going forward.

Consequently, it was important that Directors achieved approved savings and looked to mitigate further cost pressures through alternative means of service delivery and collaborative ventures.

Her attention then turned to the Council Fund Reserve which as at 31<sup>st</sup> March, 2017 included a £4m in-year transfer as referred to in paragraph 34 of the report.

Accordingly, the Head of Finance indicated that the Council Fund Reserve as at 31<sup>st</sup> March, 2017 would stand at £12.572m. She also indicated that set out at Appendix 6 of the report was the Authority's actual reserves as at 31<sup>st</sup> March, 2016 and showed the estimated reserve balance for each year up to 31<sup>st</sup> March, 2020. The Council was forecasting the use of general and specific reserves, excluding HRA and schools, totalling circa £38m from 1<sup>st</sup> April, 2016 onwards, which represented approximately 50% of the balance as at 31<sup>st</sup> March, 2016. These levels of reserves were still deemed to be adequate as known risks were largely covered and the Council Fund Reserve did not fall below £7m.

The Head of Finance's attention then turned to the total cost pressures as indicated in the report and updated Members that the total cost pressures in respect of Social Services had slightly reduced to £3.4m.

At this juncture, the Committee gave consideration to the recommendation of the Healthy Living and Social Care Scrutiny Committee, with the Chairman asking the Head of Finance to comment on the Scrutiny Committee's recommendation that all the cost pressures within that service should be fully funded. In response, the Head of Service indicated that most of the Social Services cost pressures were linked to the Community Care budget. In addition, the service had been significantly impacted upon as a consequence of the introduction of the Living Wage. Separately, but also in addition to, the service had been met with significant legislative changes and the service was therefore working to manage these challenges. She acknowledged that the service area was unable to off-set pressures by increasing income and it would be of assistance if the WG raised the ceiling on the Community Care package cap and understood that WG were currently considering proposals to do such. In specifically commenting on the recommendation from the Healthy Living and Social Care Scrutiny Committee, she suggested that the Committee needed to be mindful not to agree budgetary amendments in the budget proposals that may have a knock-on effect in future years' budgets of the Council.

In addition to the above, the Council Leader, with the consent of the Committee, spoke on the matter indicating that he was aware of the future budgetary pressures impacting upon Social Services. He also indicated that Cabinet had agreed to set aside a sum of £4m to the Council Fund Reserve with future consideration being

given as to how that allocation would be used to off-set the shortfall in the Revenue Budget and / or used for capital schemes.

Having regard to the above and having fully considered the report, the references and in light of the Council's budget situation, it was subsequently

**RECOMMENDED -**

- (1) T H A T the recommendation from the Healthy Living and Social Care Scrutiny Committee be noted.
- (2) T H A T the amended Revenue Budget for 2016/17 as set out in Appendix 1 be noted.
- (3) T H A T the Initial Revenue Budget Proposals for 2017/18 be noted.

Reasons for recommendations

- (1) In view of the overall cost pressures facing the Council.
- (2) In order that the changes to the 2016/17 budget can be incorporated.
- (3) To advise Cabinet.

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Cabinet, having considered the recommendations of the Scrutiny Committee (Corporate Performance and Resources)

RESOLVED – T H A T the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2017/18.

Reason for decision

To note the contents of the report and progress the budget setting process.

**C3423 EXCLUSION OF PRESS AND PUBLIC -**

RESOLVED - T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in

Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

**C3424 HOUSING DEVELOPMENT PROGRAMME (HSCH) (EXEMPT INFORMATION – PARAGRAPH(S) 13, 14) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Authority was sought to appoint a suitable contractor for the construction of 3 bungalows at Francis Road, Gibbonsdown.

At the meeting, the Cabinet Member for Housing and Social Care & Health noted that the previous report that had been taken to Cabinet on this issue (referred to in paragraph 3 of the report) had been submitted to Cabinet on the 11th July and not the 4th, so the records should be amended accordingly.

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 current position with the Housing Development Programme be noted.
- (2) T H A T the tender from LCB Construction be accepted as the most economically advantageous tender submitted.
- (3) T H A T delegated authority be granted to the Head of Legal Services, in consultation with the Cabinet Member for Housing, Social Care and Health and the Director of Environment and Housing Services, to prepare and execute a JCT Design and Build Form of Contract with LCB Construction.
- (4) T H A T delegated authority be granted to the Director of Environment and Housing Services in consultation with the Cabinet Member for Housing and Social Care and Health to agree any value engineering proposals identified during construction.

Reasons for decisions

- (1) To note the contents of the report.

- (2) In order to comply with the Council's Contract Standing Orders which required contracts with a value in excess of £300k to be agreed by Cabinet.
- (3) To enable the contract documentation to be finalised and for works to start on site.
- (4) To enable design improvements and cost efficiencies to be realised as the scheme progresses.