

**CABINET**

Minutes of a meeting held on 20 November, 2017.

Present: Councillor J. Thomas (Chairman), Councillor H. Jarvie (Vice – Chairman)  
Councillors: J. Bird, G. Cox, G. Kemp, A. Parker and B. Penrose.

Also Present: Councillors: L. Burnett, I. J. Johnson and N. Moore.

**C133 MINUTES –**

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

**C134 DECLARATIONS OF INTEREST –**

No declarations were received.

**C135 VALE OF GLAMORGAN LOCAL ACCESS FORUM -**

The minutes of the Vale Local Access Forum meeting held on 1 November, 2017 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, Mr. R. Simpson and Mr. G. Thomas.

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

(a) Apology for Absence -

This was received from Ms. E. Nash.

(b) Minutes -

AGREED - T H A T the minutes of the meeting held on 31<sup>st</sup> July, 2017 be approved as a correct record.

It was noted that, in accordance with the discussion at the above meeting, the Secretary had submitted the comments of the Forum in respect of the Consultation Paper: "Taking Forward Wales' Sustainable Management of Natural Resources". Certain individual Members of the Forum confirmed they had also submitted comments.

(c) Draft Annual Report 2016/17 -

The Secretary presented the draft Annual Report 2016/17 for consideration. Mr. Coleman pointed out a small change to be made under 'Meetings', in that the three meetings held had all taken place in 2016.

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

(d) 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 | Cowbridge               | Drainage scheme alongside Waitrose                               | Awaiting outcome of enforcement by NRW. Reallocation to improvement of Romilly Park Road path.           |
| VG2 | Countywide              | Adopt a path coordination of works                               | Continuing to identify structure works and issue maintenance instructions on promoted routes via survey. |
| VG3 | Countywide              | Definitive Map anomalies – resolve long standing issues by order | To be reallocated to improvement of path at Romilly Park Road                                            |
| VG4 | 30km of priority routes | Vegetation clearance                                             | Second round of annual clearance cuts complete                                                           |

VG1 provided for the design and implementation of a drainage scheme to relieve flooding of Footpath 6, Cowbridge, which led from Waitrose to the park and childrens play area.

VG2 would support the coordination 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 indicated that ROWIP funding would be discontinued with effect from 2018/19. No indication was currently available as to what, if anything, would replace the current ROWIP funding provision.

The Vice-Chairman enquired as to the effect generally on Public Rights of Way service provision as a result of forthcoming Welsh Government funding cuts. Mr. Teague was unaware of such, other than to reiterate the fact that the current £32,000 of ROWIP funding was highly unlikely to be continued. He hoped that, possibly, Welsh Government would consider providing it within an alternative form. The Vice-Chairman asked whether it was felt that the Vale of Glamorgan Council would consider making up the shortfall and, as such, whether the Forum should recommend accordingly to the Council's Cabinet.

During the discussion it was also agreed that representations should be made regarding the fact that, on one hand, Councils were being requested to proceed with the (statutory) requirement to re-publish their Rights of Way Improvement Plans on a ten year basis whilst facing the funding cuts alluded to above.

AGREED -

**(1) T H A T the Vale of Glamorgan Council's Cabinet be requested to consider the Council meeting any gap in ROWIP funding arising as a result of discontinuation of existing funding provision by Welsh Government.**

(2) T H A T the Secretary convey to Natural Resources Wales the Forum's concern regarding the likely discontinuation of ROWIP funding, particularly given the concurrent requirement on the Council to complete the re-publication of its ROWIP.

(3) T H A T the Secretary convey the Forum's comments to the Wales National Access Forum Secretary with a view to alerting Welsh Local Authorities generally of the issue.

**(4) T H A T the Secretary liaise with relevant officers to ascertain whether a presentation could be made to Cabinet on general ROWIP achievements in order to inform consideration of the issue of ongoing funding provision.**

(e) 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 May 5th 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 5 years to the path. The current scheme differed from previous in so much as funding was divided between improvements and maintenance, to reflect the maturing nature of the Coast Path.  
CAIP Funding 2017-18

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 2017-18 in respect of this

| Code   | Location    | Details                                                                                                                                                       | Update   |
|--------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| VG1502 | Traeth Mawr | Missing link currently available on permissive basis only. Previously submitted as creation order, landowner has indicated willingness to revert to agreement | Complete |

|        |                       |                                                                                                                          |                                                                                                         |
|--------|-----------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| VG1503 | East of Nash Point    | Rollback of path to mitigate cliff undercutting                                                                          | Referred to consultant – site visits and landowner contact undertaken                                   |
| VG1504 | West of Tresilian Bay | Formalisation of rollback following coastal erosion                                                                      | Referred to consultant – site visits and landowner contact undertaken.                                  |
| VG1506 | Summerhouse           | legal orders to formalise clifftop rollback                                                                              | Referred to consultant – site visits and landowner contact undertaken                                   |
| VG1507 | Gileston              | Creation of missing link. Agreement complete and works agreed. Creation order underway in respect of final part of land. | Dedication agreement concluded & outstanding order progressed. Works associated with agreement complete |
| VG1701 | Monknash              | Improvement of drainage, surface and crossing                                                                            | Topo survey complete, heritage survey complete, design work commissioned                                |

In addition an allocation for coast path maintenance via grant and at 75% grant rate had been advised. In the Vale for 2017-18 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 | Vegetation cut back, maintenance of | Seasonal cuts complete. Report into |

|  |     |                        |                                                                                    |
|--|-----|------------------------|------------------------------------------------------------------------------------|
|  | WCP | furniture and surfaces | cliff erosion near Rhoose received. Contract for ancillary works at Sully invited. |
|--|-----|------------------------|------------------------------------------------------------------------------------|

The Chairman referred to the obvious progress that had been made on various schemes and hoped that the Council would be able to eventually publicise such (e.g. on its website).

(f) Maintenance Reports -

The Forum was provided with an update in relation to maintenance work carried out up to 24<sup>th</sup> October, 2017.

Responding to a question as to whether areas of high density of “issues” had any correlation with low prioritisation of paths, Mr. Teague considered that it was likely to simply be the density itself, rather than any prioritisation, to be causing a concentration of issues. He also confirmed that there were no particular individuals or organisations generating a particularly large number of specific issues.

The Vice-Chairman asked whether the number of issues requiring attention had increased year on year. In response, Mr. Teague alluded to a figure of approximately 1,600 existing in 2011. That figure had reduced, albeit a change-over of staff in 2015 had resulted in an increase in the logging of issues, which, in turn, had led to an increase in the total number. However, that number had now again dropped considerably. Mr. Coleman asked whether the picture regarding promoted routes only would look better if it was not combined with non-promoted routes. In response, Mr. Teague suggested that, in reality, some non-promoted routes may themselves have issues requiring attention, but that these were not known due to the significantly lower level of use of such paths.

(g) Legal Orders and Evidential Modification Orders Updates -

The Forum was presented with an update on the Legal Orders and Evidential Modification Orders across the Vale of Glamorgan. Many of the Orders in the list had now been closed off and the associated electronic mapping updated. The most prominent Order awaiting completion was Wenvoe 21 and 22 path, which, again, was due to be completed imminently.

As far as Modification Orders were concerned, Mr. Teague indicated that the

process relating to Romilly Road was almost complete.

(h) Rights of Way Improvement Plan (ROWIP): Republication -

A series of workshops were to be held to help inform the review of the Vale of Glamorgan Council's Rights of Way Improvement Plan (ROWIP).

It was 10 years since the first publication of the ROWIP, and there was now a statutory obligation on the Council to carry out this review, and to republish its ROWIP.

The three workshop-type events (for which invitations had been issued) would take place as follows:

| Date               | Time                      | Location                                                                  |
|--------------------|---------------------------|---------------------------------------------------------------------------|
| 21st November 2017 | Morning (10:30 – 12:30)   | Porthkerry Park Wooden Lodge (next to Porthkerry Park Café)               |
| 21st November 2017 | Evening (18:00 – 20:00)   | Cowbridge Old Hall<br>North East Corner of<br>Cowbridge Physic<br>Gardens |
| 22nd November 2017 | Afternoon (14:00 – 16:00) | Heritage Coast Centre<br>Southerndown                                     |

Arrangements were being made to receive further views by telephone for anyone unable to make the events and who wished to contribute.

AGREED - T H A T the Secretary forward the e-mail containing the invitation to/information on the ROWIP Re-Publication workshops to Forum Members.

(i) Vale of Glamorgan Council Response to Chapter 4 of "Taking Forward Wales' Sustainable Management of Natural Resources" -

A copy of the Council's response to the above Consultation Paper had been included on the agenda. The general theme of the response was that the Council was generally opposed to the more "controversial" proposals and wished to raise the

potential implications if objections to such were ignored. Most of the more technical proposals had been supported.

Mr. Pittard suggested that the questions themselves had been somewhat narrowly framed and Mr. Teague concurred with that view, adding that the Council had, therefore, included a more detailed Appendix with its response to the actual questions.

AGREED - T H A T the Forum place on record its view that the Council's response had been excellent and was endorsed by the Forum.

(j) Member Briefing: Protecting the Network -

The Forum received a presentation from Mr. Teague, which covered topics relating to the protection of the network, specifically the following areas:

- Highway authority Responsibilities
- Enforcement methods
- Animals
- Obstructions
- Damage
- Hazards
- Deterrence
- Traffic Regulation Orders.

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RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the Cabinet Member for Neighbourhood Services and Transport write to the Cabinet Secretary for Energy, Planning and Rural Affairs seeking assurances of the future of the Rights of Way Improvement Plan Funding.
- (3) T H A T following a response from Welsh Government concerning the letter sent in resolution 2, above, Cabinet receive a report on general Rights of Way Improvement Plan achievements in order to inform consideration of the issue around the on-going funding provision.



Reasons for decisions

- (1) To note the contents of the report.
- (2) To address concerns regarding the gap in Rights of Way Improvement Plan Funding arising as a result of discontinuation of existing funding provision by Welsh Government.
- (3) To inform consideration of the issue of on-going funding provision.

**C136           SCHOOLS' BALANCES AS AT 31ST MARCH 2017 (REF) -**

The Scrutiny Committee Learning and Culture on 16 October, 2017 considered the above report of the Director of Learning and Skills.

The report provided Committee with details of the level of school balances as at 31<sup>st</sup> March, 2017 and the measures put in place to reduce excessive balances held by individual schools and as part of the Committee's work programme. The funding framework for schools was outlined within the Vale of Glamorgan Council Fair Funding Scheme for Schools, the School Funding (Wales) Regulations 2010 and the School Standards and Framework Act 1998. The funding framework provided for maximum delegation of school budgets; however the Local Authority could suspend the governing body's right to a delegated budget in the case of financial mismanagement.

Individual schools were permitted to carry forward from one financial year to the next any underspend on its budget share plus / minus any balance brought forward from the previous year.

Governing bodies were also required to report to the Director of Learning and Skills on the planned use made of surplus balances that exceeded 5% or £10,000, whichever was greater.

The 2016/17 delegated schools budget totalled £81,009,000 and a further £14,245,000 was allocated to schools via grants from the Welsh Government.

The overall level of school balances on 1<sup>st</sup> April, 2016 was £2,946,348 which decreased to £2,321,817 by 31<sup>st</sup> March, 2017. This decrease to school balances of £624,531 was due to a net overspend against the schools' 2016/17 budget and equated to a decrease of 21.2% on the schools' opening balances.

Total school balances had decreased by 41.3% over the six year period from April 2011 to March 2017. A full list of schools' balances over the last seven financial years was included at Appendix A to the report and a further analysis was included at Appendix B.

Four schools ended the 2016/17 financial year in a deficit position:

- St. Cyres Comprehensive School ended the financial year in a deficit of £141,388. The school had an approved recovery plan in place which would eradicate this deficit over the next four financial years
- Ysgol Gymraeg Sant Baruc had ended the 2016/17 financial year in a deficit of £8,390. The school had an approved recovery plan in place which would eradicate this deficit over the next three financial years
- Fairfield Primary School had ended the 2016/17 financial year in a deficit of £35,471. The school had an approved recovery plan in place which would eradicate this deficit over the next three financial years
- Pendoylan Church in Wales Primary School ended the 2016/17 financial year in a deficit of £40,573. This deficit was unlicensed as there was no approved recovery plan in place. This was the fourth consecutive year that the school had outturned in an unlicensed deficit position. The Governing Body was in the process of completing a recovery plan with the new Headteacher.

In referring to the deficit for Pendoylan CiW Primary School, a Member queried what would happen if the school's plan was not agreed by the Department. In response, the Finance Manager for Learning and Skills advised that the plan was in place but that the school required a registration certificate from CSSIW in respect of nursery provision which had not yet been received. It was anticipated that this would be received but at this particular moment in time, the plan could not be agreed as a result of this registration being awaited.

The Chairman, in referring to the recommendation in the report that where schools did not comply with the Council's direction to spend, clawback would take place, queried whether this was an approach that was warranted and whether a more collaborative approach would be more suitable. The Head of Strategy, Community Learning and Resources commented that the Council was trying to establish transparency on how budgets would work and how schools would be held to account. The detail in the report referred to a mechanism for checks and balances to be put in place and each school must complete an index proforma of their intentions. The Finance Manager had worked closely with schools and open and honest conversations had been held and that a collaborative approach was being pursued. The Head of Service further stated that the Vale was in a unique position

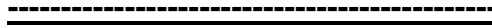
with regard to its work with Head teachers in that it had a good, honest relationship and open and honest discussion took place.

Following consideration of the report, it was subsequently

RECOMMENDED – T H A T Cabinet be informed that the Scrutiny Committee notes the level of school reserves, but that the ability to clawback should be coupled with the desire to work collaboratively with schools to use the limited resources they had to best effect.

Reason for recommendation

Having considered the level of schools reserves and the desire for a collaborative approach to continue in working with schools to use the limited resources to best effect.



Cabinet having considered the recommendations of the Scrutiny Committee  
Learning and Culture

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

Reason for decision

To note the contents of the report

**C137 ECONOMIC VALUE OF VOLUNTEERING WITHIN THE VALE OF GLAMORGAN (REF) -**

The Voluntary Sector Joint Liaison Committee on 25 October, 2017 considered the above report.

Consideration was given to an Annual Report on the Economic Value of Volunteering within the Vale of Glamorgan.

Ms. Connor advised that the audit of voluntary activity was firstly undertaken by the Vale Volunteer Bureau (VVB) in 2000, when the monetary value of volunteering was calculated to be £8,207,136. Since the merger of the VVS with the Vale Centre for Voluntary Services to form Glamorgan Voluntary Services (GVS) in 2015, this annual

undertaking to provide a monetary value for the voluntary effort in the Vale had continued.

Last year a figure of £37,085,568 was calculated as the average monetary value of voluntary activity in the Vale of Glamorgan. In comparison with the previous year, the monetary value of volunteering had risen from £37,085,568 to £39,102,861. This was an increase of £2,017,293. The growth could be attributed to the increase in the number of organisations recruiting volunteers.

Questionnaires were sent out to all volunteer recruiting organisations based in the Vale and registered with GVS. The questionnaire asked for the number of volunteers involved in the organisation and the number of hours per week that they volunteered.

Ms. Connor highlighted the fact that the statistical figures provided in her report demonstrated an average figure of “formal volunteering”, this being volunteering that was undertaken through the auspices of a formal arrangement with a voluntary organisation and, as such, only provided a snapshot of the voluntary activity taking place in the Vale of Glamorgan. Informal volunteering was doing something unpaid as an individual for a neighbour or friend or member of the community, who was not a close family member.

Ms. Connor concluded her presentation of the report by stating that more progress and work was to be done in the future and that the Third Sector, as well as the Local Authority, needed to engage more with young people to ensure engagement in the future. Part of this process was changing the mind-set from “having to do” something to “wanting to do” something.

The Chairman again thanked Ms. Connor for her detailed report and the excellent work taking place to promote the benefits of volunteering within the community. The Chairman agreed that the profile of volunteering needed to be raised and the work of the GVS was an excellent example of how to do this.

#### RECOMMENDED –

- (1) T H A T the 78 fold return on the voluntary activity investment be acknowledged and the information contained within the report be noted.
- (2) T H A T the report and the information contained therein be referred to the Cabinet and other Members of the Council for information.

Reason for recommendations

(1&2) To acknowledge the contribution that volunteers made to the Vale of Glamorgan and to provide an annual update on the Compact Action Plan.

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 Cabinet having considered the recommendations from the Voluntary Sector Joint Liaison Committee

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

Reason for decision

To note the contents of the report.

**C138 TREASURY MANAGEMENT (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was provided with a mid-year report on the Authority's treasury management operations for the period 1 April, 2017 to 30 September, 2017.

The Authority's existing borrowing strategy estimated that it would borrow £14,769k of new loans to support the capital programme for 2017/2018. The sum would fluctuate dependent on the delivery of the Capital Programme, particularly WHQS. Given the current and projected level of Council reserves it was likely that the sum required would be internally borrowed during 2017/18.

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

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

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

| <b>Loan Type</b>             | <b>Opening Balance</b> | <b>Received</b> | <b>Repaid</b>  | <b>Closing Balance</b> |
|------------------------------|------------------------|-----------------|----------------|------------------------|
|                              | <b>01/04/2017</b>      |                 |                | <b>30/09/2017</b>      |
|                              | <b>£'000</b>           | <b>£'000</b>    | <b>£'000</b>   | <b>£'000</b>           |
| <b>PWLB</b>                  | 148,999                | 0               | (1,138)        | 147,861                |
| <b>Other Long Term Loans</b> | 6,000                  | 0               | 0              | 6,000                  |
| <b>Temporary Loans</b>       | 100                    | 0               | 0              | 100                    |
| <b>WG Loans</b>              | 2,100                  | 0               | 0              | 2,100                  |
| <b>Totals</b>                | <b>157,199</b>         | <b>0</b>        | <b>(1,138)</b> | <b>156,061</b>         |

- Loans borrowed from the PWLB were intended to assist Local Authorities in meeting their longer term borrowing requirements. The above loans were all at fixed rates of interest. The rate paid on each loan was largely dependent upon the original duration of the loan and date taken out. The loans taken out for the HRAS buyout were at a predetermined range of rates specified by HM Treasury.
- Other long term loans represented those non-PWLB loans that were repayable at least 1 year or more from the date they were advanced. The bulk of this debt was represented by two market loans of £2,000,000 and £4,000,000.
- Temporary Loans represented those loans that were borrowed for a period of less than 1 year. They were borrowed on 7 day notice.
- WG Loan was an interest free loan provided by Welsh Government to progress the Barry Island Link Road Scheme.

External interest at an average rate of 4.72% and amounting to £3,705,836 had been paid on the loans during the first 6 months of 2017/2018.

As at 30 September, 2017 it was estimated that the Authority had internally borrowed in excess of £39million to finance the capital programme. Interest had been charged at the average 3 month LIBID rate which for 2017-18 to date equated to 0.38% .This was a far cheaper alternative to borrowing externally and was affordable given the projected level of reserves. The estimated total interest to be charged to revenue for internal borrowing for 2017-2018 was £150,030.

Pooling the interest charges for external and internal borrowing, the average rate charged to the Council to deliver the capital programme was estimated to be 3.99%

The Authority had made the following investments for the period 1 April, 2017 to 30 September, 2017 as set out below:-

| <b>Borrowing Institution</b>  | <b>Opening Balance</b> | <b>Invested</b> | <b>Returned</b>  | <b>Closing Balance</b> |
|-------------------------------|------------------------|-----------------|------------------|------------------------|
|                               | <b>01/04/2017</b>      |                 |                  | <b>30/09/2017</b>      |
|                               | £'000                  | £'000           | £'000            | £'000                  |
| <b>UK Local Authorities</b>   | 65,500                 | 69,000          | (87,500)         | 47,000                 |
| <b>Debt Management Office</b> | 4,250                  | 904,300         | (888,150)        | 20,400                 |
| <b>Totals</b>                 | <b>69,750</b>          | <b>973,300</b>  | <b>(975,650)</b> | <b>67,400</b>          |

Interest, at an average rate of 0.30% and amounting to £62,176 had been received from the investments for the first 6 months of 2017/2018.

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

The Council would continue working with the Investment Adviser to consider other Investment tools such as Treasury Bills to increase return without otherwise compromising security.

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

The Authority measured its exposure to treasury management risks using the following indicators:

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

|                                               | <b>Limit</b> | <b>Actual</b> | <b>Met</b> |
|-----------------------------------------------|--------------|---------------|------------|
| <b>Upper limit on fixed rate exposures</b>    | 190.400M     | 157.199       | ✓          |
| <b>Upper limit on variable rate exposures</b> | 0m           | 0m            | ✓          |

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

Maturity Structure of Borrowing - This indicator was set to control the Authority's exposure to refinancing risk. The maturity date of borrowing was the earliest date on which the lender could demand repayment. The maturity structure of fixed rate borrowing as at 30 September, 2017 was:

|                                        | <b>Upper Limit</b> | <b>Lower Limit</b> | <b>Actual</b> | <b>Met</b> |
|----------------------------------------|--------------------|--------------------|---------------|------------|
| <b>Under 12 months</b>                 | 20%                | 0%                 | 0.10%         | ✓          |
| <b>12 months and within 24 months</b>  | 20%                | 0%                 | 0.47%         | ✓          |
| <b>24 months and within five years</b> | 30%                | 0%                 | 7.76%         | ✓          |
| <b>Five years and within 10 years</b>  | 40%                | 0%                 | 27.07%        | ✓          |
| <b>10 years and above</b>              | 100%               | 0%                 | 64.60%        | ✓          |

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

|                                             | 2017/18 | 2018/19 | 2019/20 |
|---------------------------------------------|---------|---------|---------|
| Limit on principal invested beyond year end | £10M    | £5M     | £5M     |
| Actual principal invested beyond year end   | 0       | 0       | 0       |
| Within limit?                               | ✓       | ✓       | ✓       |

This was a matter for Executive decision

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

RESOLVED –



- (1) T H A T the Treasury Management mid-year report for the period 1 April, 2017 to 30 September, 2017 be noted.
- (2) T H A T the latest Treasury Management Indicators be noted.
- (3) T H A T the report be forwarded to the next Corporate Performance and Resources Scrutiny Committee for consideration alongside relevant reports relating to Initial Revenue and Capital Budgets for 2018/19.

Reasons for decisions

- (1) To present the Treasury Management mid-year report as required by the CIPFA Treasury Management in the Public Services: Code of Practice.
- (2) To present an update of the Treasury Management Indicators which were included in the treasury management strategy.
- (3) To present the report to the next Scrutiny Committee (Corporate Resources) for consideration.

**C139 INITIAL CAPITAL PROGRAMME PROPOSALS 2018/19 (L)  
(SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Approval was sought for the Initial Capital Programme Proposals for 2018/19 so that they could be submitted to Scrutiny Committees for consultation.

Appendix 1 attached to the report detailed financial progress on the Capital Programme as at 30 September, 2017.

The changes outlined below were been reflected in Appendix 2 attached to the report.

**Director of Learning and Skills**

Rhoose Primary New School - It was requested that the Rhoose scheme was reprofiled as shown below in line with the 21st Century Schools Band B proposals set out in paragraph 67 of the report:-

| <b>Rhoose Primary New School</b> |                |                |                |                |
|----------------------------------|----------------|----------------|----------------|----------------|
| <b>Year</b>                      | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> |
|                                  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|                                  |                |                |                |                |

|                                   |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|
| <b>Currently Approved Profile</b> | 1,500 | 1,762 | 0     | 0     |
| <b>Proposed Profile</b>           | 0     | 349   | 1,981 | 1,855 |

This would maximise the opportunity to draw down on the available Section 106 and utilise potential 21st Century Schools Band B funding for the scheme.

Llantwit Major Learning Community - The 2018/19 budget for this scheme was £29k, it was requested to bring this budget forward into the 2017/18 Capital Programme as retention had to be accrued into the year that the works were carried out.

Romilly Primary - The design of the new classroom block at Romilly Primary had been delayed due to the discovery that a 200mm water main running under the site was nearly 5m away from the location shown on the Welsh Water plans. The original plans had been completed before this was discovered. The water main runs under the proposed location of the building and due to the need to retain 4.5m distance from the main, the scheme had to be completely redesigned to enable the building to fit on the site. It was therefore requested to carry forward £858k into the 2018/19 Capital Programme.

Victorian Schools - Due to the extent of preparatory investigative works required, the Property Section were not able to undertake the full programme of Victorian Schools works during the 2017 summer holidays. Works at Ysgol St Curig, Romilly, Cogan and Gladstone Primary would be completed by December 2017. It would not be cost effective to undertake the remaining work during the winter due to contractor time lost due to poor weather conditions. The tender documentation for the remaining schemes would be completed during the winter for the schemes to be completed during the summer of 2018. It was therefore requested to carry forward £1,388k from 2017/18 into the 2018/19 Capital Programme.

Cogan Primary Reception Area - Works included the conversion of the Caretaker's house into a new reception area. It was requested that a new scheme be included within the 2017/18 Capital Programme with a budget of £113k to be funded by a revenue contribution from the school.

Holton Primary Outdoor Shelter - Works included the purchase and installation of an outdoor shelter. It was requested that a new scheme be included within the 2017/18 Capital Programme with a budget of £14k to be funded by a revenue contribution from the school.

Wick Primary Nursery and Remodel Building - This scheme would include a new nursery at Wick Primary and would allow for the remodelling of the existing building.

It was requested that a new scheme be included in the Capital Programme with a budget of £800k, split £52k in 2017/18 and £748k in 2018/19. This scheme would be funded from s106 monies.

St Joseph's Nursery and Early Intervention Base - The design process for the scheme had been delayed therefore it was requested to carry forward £964k into the 2018/19 Capital Programme.

Youth Service Software - This scheme was to purchase an add on module to the Council's Management Information System 'One'. The module was called Integrated Youth Support Service (IYSS) and replaced the current Quality Education Systems (QES). It was requested to include a new scheme within the 2017/18 Capital Programme with a budget of £28k to be funded by a contribution from revenue.

### **Director of Social Services**

Southway Asbestos Removal - As part of the scheme catering equipment had to be removed, which revealed that the flooring was in very poor condition and needed replacing. This flooring was not within the original budget allocation and therefore a £3k contribution from revenue was required.

### **Director of Environment and Housing**

The proposal to amend the funding for the 2017/18 Housing Improvement Programme was set out in paragraph 73 of the report.

WHQS Environmental Improvements – Work on the Buttrills Environmental Scheme started in July 2017 and it was estimated to take 18 months to complete. The scheme was to be completed in three phases: roofing, walls and internal/external communal areas, with the communal areas unlikely to be completed until the 2018/19 financial year. It was therefore requested to carry forward £373k into the 2018/19 Capital Programme.

Vehicle Replacement Programme - There had been some delays in procuring certain vehicles programed to be replaced in 2017/18 and these would now be carried forward and replaced in 2018/19. The Vehicle replacement programme budget profile had been reviewed and was shown below :-

| <b>Vehicle Replacement Fund</b> |                |                |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Year</b>                     | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> |
|                                 | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|                                 |                |                |                |                |                |                |

|                                   |       |       |       |     |     |     |
|-----------------------------------|-------|-------|-------|-----|-----|-----|
| <b>Currently Approved Profile</b> | 3,235 | 1,756 | 1,250 | 901 | 922 | 0   |
| <b>Proposed Profile</b>           | 2,235 | 2,256 | 1,184 | 900 | 900 | 900 |

It was requested to amend the Vehicle Replacement Programme budget profile as proposed above. This was funded by £1.2m prudential borrowing and £7.175m Vehicle fund reserve.

Additional Resurfacing - Both this budget and the Visible Services Highway Improvements budget were used to fund the Highways resurfacing 3 year plan. It was therefore requested to amalgamate this budget with the Visible Services Highway Improvements budgets, with the amended budget totalling £1.3m.

Coldbrook Flood Risk Management - The 2018/19 budget for this scheme was £77k. It was requested that this budget was brought forward into the 2017/18 Capital Programme as retention had to be accrued into the year that the works were carried out.

Boverton Flooding - The 2018/19 budget for this scheme was £100k. It was requested that this budget was brought forward into the 2017/18 Capital Programme as retention had to be accrued into the year that the works were carried out.

Llanmaes Flood Management Scheme - It was requested to carry forward £746k into the 2018/19 Capital Programme. This was because it had recently been agreed that a combined storage area below the village would now be delivered by WG Transport Branch this financial year with an estimated contribution from the Council of £100k. The current design work for the village element of the scheme indicated that a change of design philosophy would be necessary. Therefore, whilst the council would incur some costs directly for the design of the village element of the scheme, e.g. ground investigation, topographic surveys, etc. estimated at £100k this financial year, the remainder of the significant construction costs would not be incurred until 2018/19 and would be subject to WG funding approval.

Ashpath Footpath Improvements - The Council was in the process of applying for a Cycle Way order which could take up to 9-18 months depending on objections. It was therefore requested to carry forward £63k into the 2018/19 Capital Programme.

Parks and Grounds Asset Renewal - A delegated authority request had been approved to vire £9.5k from the Resurfacing Works budget to the Fencing Works budget. These budgets were both within the Parks and Grounds Asset Renewal budget. Fencing Work costs at Belle Vue and Romilly Park were higher than

originally anticipated and as the resurfacing works programme was yet to commence, the virement of the budget was not detrimental to any current projects.

Cemetery Approach - A specific report for Cemetery Approach was discussed elsewhere on the Cabinet agenda. As detailed within that report it was requested to increase this budget by £124k, £94k in 2017/18 and £30k in 2018/19 to be funded from s106 monies. Delegated authority had been requested to increase the Capital Programme for a £25k contribution from Barry Town Council once the addendum to the Funding Agreement had been signed.

### **Leisure Centre Improvements**

Barry Leisure Centre Floor - The floor type required at Barry Leisure Centre was very specialist and there was only one company who were able to carry out the works. As a result, the works were unable to be carried out until April 2018. It was therefore requested to carry forward £187k into the 2018/19 Capital Programme.

Barry and Penarth Leisure Centre Upgrade Changing Rooms - It was requested to carry forward £1,492k into the 2018/19 Capital Programme to align with the projected implementation plan for the scheme.

St Paul's Church - The original Capital Programme allocation of £233k was no longer required as officers were pursuing the new project proposal (subject to statutory consents) from Newydd Housing Association in accordance with Cabinet Minute C3480 (Cabinet Meeting of 20 February 2017), which would be financed by the Housing Association, Welsh Government (in the form of Housing Finance Grant and Social Housing Grant) for the proposed affordable dwellings and by S106 funds (if approved by the S106 process) for the Community Facility. It was requested to remove this budget of £233k from the 2017/18 Capital Programme.

### **Managing Director and Resources**

Profihopper - Wildflower and wild area flail mowing cutter-collector - A delegated authority had been approved to include a new scheme of £30k into the Capital Programme to be funded from s106 monies. This piece of equipment would assist and improve the maintenance of the wild flowers/wilder areas surrounding Penarth Heights and the wider Vale of Glamorgan.

Improve pedestrian movements along Old Port Road - A delegated authority had been approved to include a new scheme of £180k into the Capital Programme to be funded from s106 monies. The proposed scheme sought to improve pedestrian

movements where appropriate, by introducing dropped kerbs and replacing footpaths, in compliance with Active Travel design guidance. This would improve access to the local park and school.

Improve pedestrian movements along Treharne Road - A delegated authority had been approved to include a new scheme of £170k into the Capital Programme to be funded from s106 monies. The proposed scheme sought to improve pedestrian movements by extending the 20mph zone along the length of Treharne Road, introducing dropped kerbs at all junctions and implementing new crossing facilities where appropriate in compliance with Active Travel Design Guidance. This would improve facilities such as access to local parks and schools.

Improve pedestrian movements along Dock View Road - A delegated authority had been approved to include a new scheme of £24k into the Capital Programme to be funded from s106 monies. The proposed scheme sought to improve pedestrian movements by introducing dropped kerbs at all junctions and implement new crossing opportunities where appropriate in compliance with Active Travel design guidance. This would improve access to the train station.

Maes Dyfan Open Space Improvements - It was requested that a new scheme be included in the Capital programme to enhance and undertake landscaping improvements at the public open space adjacent to the recent re-development of Ysgol Maes Dyfan. The total budget for these works was £41k, split £5k in 2017/18 and £36k in 2018/19 to be funded from s106 monies.

Pedestrian Crossing Across Thompson Street/Holton Road - Consultation was unsuccessful for a crossing across Thompson Street/Holton Road and the funding was now being used to improve pedestrian movements along Dock View Road. It was requested to remove this £24k budget from the 2017/18 Capital Programme.

Barry Regeneration Partnership Project Fund - A delegated authority had been approved to vire £26.5k to the High Street/Broad Street Traffic Management scheme This was for additional works to pedestrian routes on the approaches to the District Shopping Centre. The work involved new path edging, dropped kerbs and surfacing at various locations on Canon Street, East Street and Market Street. The delegated authority also approved £20k from the scheme to be classified as revenue. This was made up of £4.5k for Holton Road Street Furniture Upgrade Phase 2, £8.5k for Barry Sense of Play and £7k for High Street Springboard.

Welsh Government Rural Communities, Rural Development Programme (RCDF) Go Wild - The Council had been awarded a grant of £84k from Welsh Government for

the above scheme. The Council was required to contribute £21k match funding to the scheme. Works would include a new outdoor educational facility in Cosmeston which would be a unique destination for schools and educational bodies throughout the Vale of Glamorgan and South Wales area. It was requested to include a new scheme into the 2017/18 Capital Programme of £105k. This was to be funded by £84k grant from Welsh Government and £21k contribution from the Regeneration and Planning reserve.

Refurbishment of Car Park and Toilets at Dunraven Bay - The Council had been awarded a grant of £80k from Welsh Government for the above scheme under the Rural Development Programme 2014-2020. The Council was required to contribute £20k match funding to the scheme. The grant was to refurbish the car park and toilets at Dunraven Bay. It was requested that a new scheme be included in the 2017/18 Capital Programme of £100k. This was to be funded by £80k grant from Welsh Government and £20k contribution from Dunraven Estates.

Five Mile Lane - Due to unforeseen delays regarding the Compulsory Purchase Order and letting the main works contract the full budget would not be spent this financial year. It was requested to carry forward £4,365k into the 2018/19 Capital Programme.

Feasibility Studies in Penarth Including the Esplanade - The original scheme was not viable and therefore this budget was not required within the 2017/18 Capital Programme. It was requested to reduce the Capital programme by £47k, the Capital Receipt funding would be used towards funding the 2018/19 Capital Bids.

Nell's Point Former Toilet Block - The Council had received a report detailing interim works required to this building and up to £100k of this budget would be required for these works. Therefore the full budget of £255k would not be spent and it was requested to reduce the 2017/18 capital programme by £155k and this Capital Receipt funding would be used to fund 2018/19 Capital Bids.

Civic Offices Re-wire/ Space Project - Reduced Office accommodation - Additional works to the Civic Offices to make improvements to the security and operation of the main reception areas had been identified as being more cost effective to undertake as part of the already approved Space project works. It was requested to increase the budget by £45k to be funded from the Council Building Fund.

Court Road Depot - Survey, Feasibility and Infrastructure Budget - The Reshaping Services Programme was slightly behind schedule and would not be fully

implemented in 2017/18. It was therefore requested to carry forward £300k into the 2018/19 Capital Programme.

ICT Allocation - The ICT allocation for 2018/19 was £280k, £235k of this was being used to fund the Alps (A Block) Internal Network and the Dock Office Internal Network. Three other ICT schemes listed below were also required to be carried out within 2018/19:-

- Storage Infrastructure Refresh £200k
- Server Infrastructure Refresh £100k
- Direct Access £40k

It was therefore requested to bring forward £295k of the 2019/20 ICT allocation into the 2018/19 Capital Programme in order to progress with the projects listed above.

### **2018/19 to 2022/23 Capital Programme**

The Welsh Government (WG) announced the provisional 2018/19 General Capital Funding on 10 October, 2017. The 2018/19 Capital Settlement was a flatlined capital settlement which for the Vale of Glamorgan Council equated to General Capital Funding of £5.505m which was made up of £2.083m General Capital Grant and £3.422m Supported Borrowing.

There was no indication of the level of funding likely beyond 2018/19 and therefore in line with the approach adopted in the Medium Term Financial Plan the proposals assumed a reduction of 5% for each year of the programme from 2019/20.

Appendix 2 attached to the report set out the Initial Proposals for the Capital Programme between 2018/19 and 2022/23.

The Council sought 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), that provided capital funding to the Housing Revenue Account (HRA), had not yet been announced by the Welsh Government for 2018/19. An assumption had been made in Appendix 2 that the grant would continue at the 2017/18 allocation of £2.779m in 2018/19 and throughout the period of the Capital Programme.



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

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

| <b>Analysis of Net Funding Required for the Indicative 2018/19 Capital Programme</b> |              |               |
|--------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                      |              |               |
| <b>GENERAL FUND</b>                                                                  | <b>£'000</b> | <b>£'000</b>  |
| <b>Welsh Government Resources</b>                                                    |              |               |
| Supported Borrowing                                                                  | 3,422        |               |
| General Capital Grant                                                                | 2,083        |               |
| <b>Total Welsh Government Resources</b>                                              |              | <b>5,505</b>  |
|                                                                                      |              |               |
| <b>Council Resources</b>                                                             |              |               |
| General Capital Receipts                                                             | 3,633        |               |
| Reserves                                                                             | 4,869        |               |
| <b>Total Council Resources</b>                                                       |              | <b>8,502</b>  |
|                                                                                      |              |               |
| <b>Net Capital Resources</b>                                                         |              |               |
|                                                                                      |              |               |
| <b>HOUSING REVENUE ACCOUNT</b>                                                       |              |               |
| Housing Reserves                                                                     | 4,566        |               |
| Housing Unsupported Borrowing                                                        | 5,420        |               |
| <b>Net Capital Resources</b>                                                         |              | <b>9,986</b>  |
|                                                                                      |              |               |
| <b>Total Net Capital Resources</b>                                                   |              | <b>23,993</b> |

The indicative 2018/19 Capital Programme shown in Appendix 2 attached to the report included allocations already approved by Council. Appendix 2 attached to the report also reflected the amendments requested within the report.

### **Capital Bids 2018/19 to 2022/23**

New capital bids were invited for return by 30 September, 2017 and the number of bids received was in line with previous years since the 5 year capital programme was introduced (1 from Learning and Skills, 10 from Environment and Housing and 4 from Managing Director and Resources). Departments were requested to rank and assess 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.

Where bids were rated an A or B on the criteria listed below 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. The criteria used was 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

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

Only those schemes assessed as corporate priority 1 or higher and medium risk or higher were included in the 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 attached to the report with a reason for their exclusion. The exception to this was the bid for the New Household Waste Recycling Centre and Old Hall Cowbridge, renewal of roof coverings. These bids did meet the criteria however the Council had insufficient funds at the time to progress the schemes. The Council was looking at funding opportunities from Welsh Government in order to progress the New Household Waste Recycling Centre. Old

Hall Cowbridge was not being progressed at this time as the scheme priority was not A or B.

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

| <b>Successful Bids</b>                                | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/21</b> | <b>2022/23</b> | <b>Total</b> |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
|                                                       | £'000          | £'000          | £'000          | £'000          | £'000          | £'000        |
| Carriageway resurfacing/Surface treatments            | 500            | 0              | 0              | 0              | 0              | 500          |
| Electrical Rewiring - Barry & Penarth Leisure Centres | 1,107          | 387            | 36             | 0              | 0              | 1,530        |
| Disabled Facility Grants                              | 150            | 150            | 150            | 150            | 150            | 750          |
| Community Centres                                     | 15             | 15             | 15             | 15             | 15             | 75           |
| Alps (A Block) Internal Network                       | 105            | 0              | 0              | 0              | 0              | 105          |
| Docks Office Internal Network                         | 130            | 0              | 0              | 0              | 0              | 130          |
| <b>Total</b>                                          | <b>2,007</b>   | <b>552</b>     | <b>201</b>     | <b>165</b>     | <b>165</b>     | <b>3,090</b> |

It was proposed that the All Services Asset Renewal budget of £200k in 2018/19 and 2019/20, funded from general capital funding, would be used to fund the above bids. It was also proposed that two budgets totalling £202k as outlined in paragraphs 37 and 38 of the report, which were no longer required in the 2017/18 Capital Programme funded by Capital Receipts were used to fund the above bids.

It was proposed that The Alps (A Block) Internal Network and the Docks Office Internal Network were funded from the existing ICT allocation within the five year Capital Programme.

The funding of the bids was set out in the table below:-

|                                              | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> |
|----------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Funding</b>                               | £'000          | £'000          | £'000          | £'000          | £'000          |
| <b>Capital Receipts</b>                      |                |                |                |                |                |
| General Capital Receipts                     | 1,000          | 0              | 0              | 0              | 0              |
| Nell's Point Toilet Block                    | 155            | 0              | 0              | 0              | 0              |
| Feasibility Studies in Penarth Including the | 47             | 0              | 0              | 0              | 0              |

|                                          |              |            |            |            |            |
|------------------------------------------|--------------|------------|------------|------------|------------|
| Esplanade                                |              |            |            |            |            |
| <b>Total Capital Receipts</b>            | <b>1,202</b> | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>General Capital Funding</b>           |              |            |            |            |            |
| General Capital Funding                  | 370          | 352        | 201        | 165        | 165        |
| All Services Asset<br>Renewal            | 200          | 200        | 0          | 0          | 0          |
| ICT Allocation                           | 235          | 0          | 0          | 0          | 0          |
| <b>Total General Capital<br/>Funding</b> | <b>805</b>   | <b>552</b> | <b>201</b> | <b>165</b> | <b>165</b> |
| <b>Total</b>                             | <b>2,007</b> | <b>552</b> | <b>201</b> | <b>165</b> | <b>165</b> |

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

In addition to bids meeting the criteria for inclusion in the Capital Programme, there had been a number of changes approved by Cabinet since the final budget proposals 2017/18 to 2021/22 were approved in February 2017. These changes included capital sums carried forward which had been included in Appendix 2 attached to the report.

### **School Investment Programme**

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

The schemes included under the Band A submission for construction between 2013/14 and 2018/19 were as follows; Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield, Colcot, Llantwit Learning Community and Romilly Primary School. The Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield schemes were now complete. Romilly Primary School scheme was at design stage and Llantwit Learning Community was on track to complete in December 2017.

Band B Schemes were expected to commence in 2019/20 and in December 2014 the Council submitted proposals for a number of schemes to Welsh Government. During 2016/17 reports were taken to Cabinet regarding two key schemes to be progressed under Band B, namely, a proposal to establish new Mixed Sex Secondary Schools in Barry and a proposal to Increase Welsh Medium Secondary

School Places. These schemes were included in the current Capital Programme and were funded as follows;

| <b>Band B Scheme</b>       | <b>WG Grant</b> | <b>S106</b>  | <b>GCF</b>   | <b>Capital Receipts</b> | <b>Cont. from Reserves</b> | <b>Unsupp Borrowing</b> | <b>Total</b> |
|----------------------------|-----------------|--------------|--------------|-------------------------|----------------------------|-------------------------|--------------|
|                            | <b>£'000</b>    | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>            | <b>£'000</b>               | <b>£'000</b>            | <b>£'000</b> |
| 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                      | 0                       | 44,000       |

The following table showed the planned spend on the Education capital programme from 2018/19 to 2022/23 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme.

| <b>By Scheme</b>                             | <b>18/19</b> | <b>19/20</b> | <b>20/21</b>  | <b>21/22</b>  | <b>22/23</b>  | <b>Total</b>   |
|----------------------------------------------|--------------|--------------|---------------|---------------|---------------|----------------|
|                                              | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>   |
| Band B Preparatory Works                     | 500          | 0            | 0             | 0             | 0             | 500            |
| Band B Schemes Welsh Medium                  | 150          | 9,500        | 11,423        | 0             | 0             | 21,073         |
| Band B Schemes Mixed Sex Secondary School    | 100          | 19,750       | 20,000        | 8,840         | 0             | 48,690         |
| Other Band B Schemes                         | 0            | 4,000        | 10,649        | 7,274         | 25,800        | 47,723         |
| Band B Rhoose Primary New School             | 349          | 1,981        | 1,855         | 0             | 0             | 4,185          |
| Band A Romilly Primary                       | 894          | 0            | 0             | 0             | 0             | 894            |
| St Josephs' Nursery and EIB                  | 964          | 0            | 0             | 0             | 0             | 964            |
| Schools Asset Renewal/Other                  | 600          | 600          | 600           | 600           | 600           | 3,000          |
| Additional Schools Asset Renewal             | 400          | 0            | 0             | 0             | 0             | 400            |
| Education Asset Renewal - contingency        | 50           | 0            | 0             | 0             | 0             | 50             |
| Victorian Schools                            | 1,388        | 0            | 0             | 0             | 0             | 1,388          |
| Wick Primary Nursery and Remodel of Building | 748          | 0            | 0             | 0             | 0             | 748            |
| Schools IT Loans                             | 200          | 200          | 200           | 200           | 200           | 1,000          |
| <b>Total</b>                                 | <b>6,343</b> | <b>6,031</b> | <b>44,727</b> | <b>16,914</b> | <b>26,600</b> | <b>130,615</b> |

The total cost for Band B schemes was projected to be £142.417m (£83.823m WG Funding), however of this total £122.171m related to costs up to and including 2022/23 which was the period covered by the report and was therefore included in Appendix 1 attached to the report (2017/18) and 2 attached to the report (2018/19 to 2022/23).

The Education capital programme was funded as follows;

| <b>By Funding Source</b>                | <b>18/19</b> | <b>19/20</b>  | <b>20/21</b>  | <b>21/22</b>  | <b>22/23</b>  | <b>Total</b>   |
|-----------------------------------------|--------------|---------------|---------------|---------------|---------------|----------------|
|                                         | <b>£'000</b> | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>   |
| General Capital Funding                 | 2,001        | 2,448         | 2,204         | 1,972         | 956           | 9,581          |
| Capital Receipts                        | 2,264        | 3,440         | 7,816         | 729           | 2,290         | 16,539         |
| Other Reserves and Revenue Contribution | 0            | 2,939         | 2,375         | 0             | 254           | 5,568          |
| School Investment Reserve               | 183          | 4,316         | 2,155         | 875           | 73            | 7,602          |
| IT Fund                                 | 46           | 200           | 200           | 200           | 200           | 846            |
| Prudential Borrowing                    | 0            | 0             | 1,616         | 2,000         | 1,593         | 5,209          |
| <b>Total Internal Funding</b>           | <b>4,494</b> | <b>13,343</b> | <b>16,366</b> | <b>5,776</b>  | <b>5,366</b>  | <b>45,345</b>  |
| S106 Agreements                         | 1,831        | 4,359         | 6,582         | 1,708         | 1,270         | 15,750         |
| Welsh Government Grant                  | 18           | 18,329        | 21,779        | 9,430         | 19,964        | 69,520         |
| <b>Total Funding</b>                    | <b>6,343</b> | <b>36,031</b> | <b>44,727</b> | <b>16,914</b> | <b>26,600</b> | <b>130,615</b> |

### Housing Improvement Plan

The 2017/18 Housing Improvement Programme budget currently totaled £21.353m. It had been requested above that £373k be carried forward into 2018/19. The funding of the 2017/18 programme had been amended as set out in the table below:

| <b>Funding</b>                | <b>Current 2017/18<br/>£'000</b> | <b>Amended<br/>2017/18<br/>£'000</b> |
|-------------------------------|----------------------------------|--------------------------------------|
|                               |                                  |                                      |
| Major Repairs Allowance Grant | 2,770                            | 2,779                                |
| Other Grant                   | 166                              | 166                                  |
| CERA                          | 5,148                            | 6,481                                |

|                       |               |               |
|-----------------------|---------------|---------------|
| Unsupported Borrowing | 13,269        | 9,767         |
| HRA Capital Receipts  | 0             | 1,787         |
|                       |               |               |
| <b>Total</b>          | <b>21,353</b> | <b>20,980</b> |

### Next Steps

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Each Scrutiny Committee would be asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 attached to the report and to make any recommendations for changes. If changes were requested, the reason for this needed to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny Committees had made. The responses of Scrutiny Committees had to be made no later than the 14 December, 2017.

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

Currently, the approved timetable required Cabinet to approve the final budget proposals by no later than 19 February, 2018 and that Cabinet's final Capital Programme proposals would be considered by Council at a meeting to be held on 28 February, 2018 to enable the Council Tax to be set by 11 March, 2018.

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T the Initial Capital Programme Proposals for 2018/19 to 2022/23 be approved for consultation with the relevant Scrutiny Committees.
- (2) T H A T any recommendations of Scrutiny Committees be passed to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee in order for their views to be forwarded back to Cabinet.

(3) T H A T the following changes to the 2017/18 Capital Programme be approved:

- Cogan Primary Reception Area - Include a new scheme into the Capital Programme £113k, to be funded by a revenue contribution from the school.
- Holton Primary Outdoor Shelter - Include a new scheme into the Capital Programme £14k, to be funded by a revenue contribution from the school.
- Youth Service Software - Include a new scheme into the Capital Programme £28k, to be funded by a contribution from revenue.
- Southway Elderly Persons Home, asbestos removal - Increase the 2017/18 capital programme by £3k to be funded by a contribution from the Social Services revenue budget.
- Additional Resurfacing - Amalgamate this budget with the Visible Services Highway Improvements budgets.
- St Paul's Church - Reduce this budget by £233k within the 2017/18 Capital Programme.
- Pedestrian Crossing across Thompson Street/Holton Road - Remove this £24k budget from the 2017/18 Capital Programme.
- Welsh Government Rural Communities, Rural Development Programme (RCDF) Go Wild - Include a new scheme into the 2017/18 Capital Programme of £105k, to be funded by £84k grant from Welsh Government and £21k contribution from the Regeneration and Planning reserve.
- Refurbishment of Car Park and Toilets at Dunraven Bay - Include a new scheme into the 2017/18 Capital Programme of £100k, to be funded by £80k grant from Welsh Government and £20k contribution from Dunraven Estates.
- Feasibility Studies in Penarth Including the Esplanade - Request to reduce the 2017/18 Capital programme by £47k.
- Nell's Point Former Toilet Block - Request to reduce the 2017/18 capital programme by £155k.
- Civic Offices Re-wire/ Space Project - Increase the 2017/18 capital programme by £45k to be funded from the Council Building Fund.

(4) T H A T the use of Delegated Authority to amend the 2017/18 Capital Programme as outlined below be noted:

- Parks and Grounds Asset Renewal budget - Vire £9.5k from the Resurfacing Works budget to the Fencing Works budget within the Parks and Grounds Asset Renewal budget.
- 'Profihopper - Wildflower and wild area flail mowing cutter-collector - Include a new scheme with a budget of £30k to be funded from s106 monies



- Improve Pedestrian movements along Old Port Road - Include a new scheme with a budget of £180k to be funded from s106 monies.
- Improve pedestrian movements along Treharne Road - Include a new scheme with a budget of £170k to be funded from s106 monies.
- Improve pedestrian movements along Dock View Road - Include a new scheme with a budget of £24k to be funded from s106 monies.
- Barry Regeneration Partnership Project Fund - Vire £26.5k from the Barry Regeneration Partnership Project Fund to the High Street/Broad Street Traffic Management Scheme and reduce the Barry Regeneration Partnership Project Fund budget by £20k to be reclassified as revenue.

(5) T H A T the following changes to the 2017/18 and future years Capital Programme be approved:

- Rhoose Primary New School - Request to reprofile this scheme as proposed in the table within paragraph 5 of the report.
- Llantwit Major Learning Community - Request to bring £29K budget forward into the 2017/18 Capital Programme.
- Romilly Primary - The carry forward of £858k into the 2018/19 Capital Programme.
- Victoria Schools - The carry forward of £1,388k into the 2018/19 Capital Programme.
- Wick Primary Nursery and Remodel of Building - Include a new scheme within the Capital Programme with a budget of £800k, split £52k in 2017/18 and £748k in 2018/19.
- St Joseph's Nursery and EIB - The carry forward of £964k into the 2018/19 Capital Programme.
- WHQS Environmental Improvements – The carry forward of £373k into the 2018/19 Capital Programme.
- Vehicle Replacement Programme - Request to amend the Vehicle Replacement Programme budget profile as proposed in the table within paragraph 17 of the report.
- Coldbrook Flood Risk Management - Request to bring forward £77K into the 2017/18 Capital Programme.
- Boverton Flooding - Request to bring forward £100k into the 2017/18 Capital Programme.
- Llanmaes Flood Management Scheme - Request to carry forward £746k into the 2018/19 Capital Programme.
- Ashpath Footpath Improvements - The carry forward of £63k into the 2018/19 Capital Programme.

- Cemetery Approach - Request to increase this budget by £124k, £94k in 2017/18 and £30k in 2018/19 to be funded from s106 monies.
- Leisure Centre Improvements - The carry forward of £1,679k into the 2018/19 Capital Programme.
- Maes Dyfan Open Space Improvements - Include a new scheme into the Capital programme £41k, split £5k in 2017/18 and £36k in 2018/19 to be funded from s106 monies.
- Five Mile Lane - The carry forward of £4,365k into the 2018/19 Capital Programme.
- Court Road Depot - Survey, Feasibility and Infrastructure Budget - The carry forward £300k into the 2018/19 Capital Programme.
- ICT Allocation - Request to bring forward £295k of the 2019/20 ICT allocation into the 2018/19 Capital Programme.

#### Reasons for decisions

- (1) To gain the views of Scrutiny Committees.
- (2) To inform of the comments of Scrutiny Committees before making a final proposal on the 2018/19 Capital Programme.
- (3) To make amendments to the 2017/18 Capital Programme.
- (4) To note the use of Delegated Authority.
- (5) To amend the 2017/18 and future years Capital Programme.

#### **C140 INITIAL REVENUE BUDGET PROPOSALS 2018/19 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Approval was sought for the amended revenue budget for 2017/18 and to commence consultation on the initial revenue budget proposals for 2018/19.

Appendix 1 attached to the report set out the amended budget for 2017/18, together with the necessary adjustments to be made to the original budget.

Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - These adjustments had no overall effect on the net budget of the Council. These were accounting adjustments largely outside the control of services. They reflected

charges for the use of capital assets, changes to inter-service recharges and transfers and pensions adjustments to comply with accounting standards.

The following table compared the amended budget with the projected outturn for 2017/18. Services were anticipating drawing down from reserves this year with the main areas outlined in the table below.

|                                                   | 2017/18 | 2017/18   | Variance      |
|---------------------------------------------------|---------|-----------|---------------|
|                                                   | Amended | Projected | (+)Favourable |
| Directorate/Service                               | Budget  | Outturn   | (-) Adverse   |
|                                                   | £'000   | £'000     | £'000         |
| <b>Learning and Skills</b>                        |         |           |               |
| Schools                                           | 82,957  | 82,957    | 0             |
| Strategy, Culture, Community Learning & Resources | 11,014  | 11,004    | +10           |
| Strategy and Regulation                           | 235     | 201       | +34           |
| Achievement for All                               | 3,840   | 4,187     | -347          |
| School Improvement                                | 1,102   | 1,054     | +48           |
| Additional Saving to be Found                     | 0       | (255)     | +255          |
|                                                   |         |           |               |
| <b>Social Services</b>                            |         |           |               |
| Children and Young People                         | 15,168  | 15,168    | 0             |
| Adult Services                                    | 41,838  | 42,838    | -1,000        |
| Resource Management & Safeguarding                | 270     | 270       | 0             |
| Youth Offending Service                           | 697     | 697       | 0             |
| Transfer from Reserves                            | 0       | (1,000)   | +1,000        |
|                                                   |         |           |               |
| <b>Environment and Housing</b>                    |         |           |               |
| Visible Services                                  | 20,211  | 20,711    | -500          |
| Transfer from Reserves                            | 0       | (500)     | +500          |
| Transportation                                    | 4,841   | 4,841     | 0             |
| Building Services                                 | 0       | 0         | 0             |
| Regulatory Services                               | 2,169   | 2,169     | 0             |
| Council Fund Housing                              | 1,257   | 1,257     | 0             |

|                                          |                |                |        |
|------------------------------------------|----------------|----------------|--------|
|                                          |                |                |        |
| <b>Managing Director &amp; Resources</b> |                |                |        |
| Resources                                | 1,199          | 1,199          | 0      |
| Regeneration                             | 2,059          | 2,059          | 0      |
| Development Management                   | 1,012          | 1,012          | 0      |
| Private Housing                          | 11,038         | 10,468         | +570   |
| General Policy                           | 15,513         | 12,083         | +3,430 |
| Transfer to Reserves                     | 0              | 4,000          | -4,000 |
| <b>Total</b>                             | <b>216,420</b> | <b>216,420</b> | 0      |
| Met from General Reserve                 | (700)          | (700)          | 0      |
| <b>Grand Total</b>                       | <b>215,720</b> | <b>215,720</b> | 0      |

### Learning and Skills

The forecast position for the Learning and Skills non-school budgets was an overspend of £879k, which would be partially met by drawing down £624k from the directorates reserves. The Directorate was requested to look at ways of mitigating the remaining overspend of £255k in order to deliver an outturn within budget at year end.

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

Strategy, Culture, Community Learning & Resources - It was projected that the service would outturn at a favourable variance of £10k after drawing down £340k from reserves. There was an adverse variance of £66k relating to the schools long term supply scheme, however, premiums would be increased from April 2018 to ensure the scheme was sustainable in the future. There was an adverse variance of £50k anticipated on education and transport which was managed within the Environment and Housing Directorate. There were also adverse variances of £24k in relation to primary school rates revaluations and £7k relating to legal fees. This was offset by favourable variances of £88k relating to staff vacancies, £34k on ICT SLA income from schools, pension payments of £28k and union backfilling of £7k. The Catering service would draw down £109k from the Catering reserve to outturn at budget to fund urgent gas works required in schools as well as the school holiday enrichment programme. The Schools Invest to Save Reserve would be used to cover the £50k adverse variance in relation to redundancies in schools, which was covered by a statutory requirement to be funded centrally. £107k from the Rationalisation reserve would be used to fund revenue costs in relation to the Barry

Secondary school transformation, £22k from the Rationalisation Reserve would be used to fund one off staffing costs at Penarth Learning Community, a further £20k of the Rationalisation Reserve would be used to fund the cost of Welsh immersion for primary pupils transferring from English medium to Welsh medium schools and £16k would be transferred from the rationalisation reserve to cover amalgamation costs at St Helens Primary school. £16k of the Library reserve would be used to purchase new tills for Libraries.

Strategy and Regulation - It was anticipated that this service would outturn with a favourable variance of £34k due to vacancies within the Business Support section.

Achievement for All - This service was currently predicted to outturn with an adverse variance of £631k which would be partially met by transfers from reserves of £284k resulting in an adverse variance at year end of £347k. A £403k adverse variance was projected on the recoupment income budget. This budget was set for recouping income from other local authorities that purchased placements at Ysgol Y Deri. The budget had been under pressure for a number of years as a result of a demographic increase in the number of Vale pupils presenting with complex needs which had resulted in less placements being available for other authorities to purchase. In addition, other authorities had developed their own provision and the level of demand had reduced. The adverse variance would be partially offset by a transfer from the School Placement Reserve of £200k. It was anticipated that the Social Inclusion and Wellbeing service would overspend by £122k due to increased pressure on the alternative curriculum budget for pupils that had either been excluded or could not be educated at school and the costs of the remodelled guidance to engage provision which was a NEETS prevention service. The overspend would be partially offset by a transfer from the Youth reserve of £47k and a transfer from the Excluded Pupil reserve of £37k. A £140k adverse variance was projected for the pupil placements budget. Occasionally the needs of very complex pupils could not be met within the Vale of Glamorgan resources and placements were purchased from independent schools or other authorities. Unit costs were typically very high and as a result the budget could be volatile as one new pupil could have a dramatic effect on the outturn. The above would be offset by a favourable variance on staffing of £34k.

School Improvement - It was anticipated that this service would underspend by £48k due to a part year vacant senior post.

Provision had been made within the budget to make unsupported borrowing debt repayments in relation to the Schools Investment Strategy of £598k per annum and

any favourable variance on debt repayments would be directed into the Schools Investment Strategy.

## **Social Services**

The forecast for Social Services at year end was a potential overspend of around £1m due to pressure on the Community Care budget.

Children and Young People Services - The major issue concerning this service was the pressure on the children's placements budget given the complexities of the children currently being supported. Work continued to ensure that children were placed in the most appropriate and cost effective placements. However, the report noted that due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of looked after children and/or the complexity of need. This budget would be closely monitored during the year.

Adult Services - The major issue concerning the service was the continuing pressure relating to the Community Care Packages budget and it was currently projected that there could be an overspend this year of around £1m. At this stage of the year, the outturn position was difficult to predict with any certainty. This budget was extremely volatile and was under pressure from significant demographic growth, an increase in the complexity of cases, as well as pressure from care providers to increase fees as a result of the National Living Wage. An increase of 1.5% above the 1% inflation provided in the budget would be paid to residential and nursing home providers. Additional funding had recently been announced by Welsh Government through the Social Care Workforce Grant which totalled £30m across Wales and had provided additional funding of £704k to the Council. This funding had been used to increase the fees paid to domiciliary care providers above the 1% provided within the budget. This additional money from Welsh Government was not sufficient to fund any growth either in number or size of care packages. It was entirely used to meet the increasing costs of domiciliary care provided by the private sector. The Community Care Packages budget would also need to achieve savings of £200k this year. The service continued to strive to manage growing demand. It had an excellent track record in this area however this was becoming increasingly difficult to contain. Further savings initiatives would be considered which may be funded via regional grants. Welsh Government had continued to provide Intermediate Care Fund (ICF) grant to Cardiff and Vale University Health Board to allow collaborative working between Health and Cardiff and the Vale Councils however the level of grant funding was not guaranteed on an ongoing basis.

It was proposed that up to £1 million be used from the Social Services Legislative Changes fund to cover the shortfall.

### **Environment and Housing**

It was currently projected that this service would outturn within target at year end with an anticipated use of reserves.

Highways & Engineering – There was currently a favourable variance against the profiled budget. The main reason was due to vacant posts currently within the department, however key posts had recently been filled on a temporary basis by agency staff therefore it was currently projected that the budget would out-turn on target.

Waste Management - There was currently an adverse variance to the profiled budget. The variance to date was due to overspends on staffing and transportation costs. The Waste Management budget had been reduced in 2017/18 for further vehicle savings however the department was unlikely to be able to make these in the short term due to the increased distance that had to be travelled as all waste disposal points were now situated in Cardiff. Due to this £200k had been set aside in the Visible Services Reserve from the underspend in 2016/17 to offset any pressures in 2017/18 within Waste Management. It was currently anticipated that the budget would out-turn on target.

Leisure – There was currently an adverse variance to the profiled budget. The main reason was due to high costs for vehicles during the summer season. It was anticipated that this would reduce over the winter months and therefore it was currently projected that the overall budget would outturn on target.

Transportation - There was currently a favourable variance against the profiled budget. Staffing costs within the division were lower than budgeted to date. There was also a slight underspend within the supported buses budget which was assisting the current favourable position. At this stage of the year it was currently anticipated that this service would outturn within budget.

Visible Services Reshaping Services Savings Target - In 2017/18 there was a savings target of £525k allocated to Visible Services from the current Reshaping Services programme. The proposed means of achieving this saving was approved by Cabinet on 24 April, 2017 and was through the introduction of a new target operating model for the service. This savings target had yet to be allocated to specific services and was being held centrally within Visible Services. Staff

consultation ended on 31 July, 2017 and a number of changes were currently being considered as a result of the consultation. It was anticipated that the structure would start to be populated from late November 2017. It was envisaged that the shortfall in savings for 2017/18 would be met from the Visible Services Reserve.

Regulatory Services - The allocation of £2.166m represented the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS). A separate set of accounts was maintained for the SRS and periodically reported to the Shared Regulatory Service Joint Committee. At this stage in the year it was anticipated that the SRS would outturn on target.

Council Fund Housing - It was anticipated that this budget would outturn on target, however, this was after a planned transfer from reserves of £85k to fund specific posts and issues arising as a result of the introduction of the Housing Act.

### **Managing Director and Resources**

The projected outturn for the Managing Director and Resources was a favourable variance of £570k.

Resources - The service was anticipated to outturn within budget overall, however, it was anticipated that ICT would overspend by £200k. ICT had a savings target of £400k this year however it was anticipated that only £200k would be identified through the staff reorganisation and review of contracts. There were underspends elsewhere in the Finance division from staff vacancies and supplies and services which should offset the position.

Regeneration - The budget covered the Countryside, Economic Development and Tourism & Events functions. There was currently an adverse variance against the profiled budget, as income due to be generated from commercial opportunities at Country Parks and car parking at Cosmeston had not yet been implemented. All non-urgent repair works at the Council's Countryside sites were on hold as a consequence in order to mitigate the position.

Development Management - There was currently a favourable variance against the profiled budget, due mainly to higher than anticipated building regulation and planning fees to date. The position was levelling off going into the winter period so at this time it was forecast that the service would outturn on target.

Private Housing - At present, there was a projected underspend on the Council Tax Reduction Scheme of £570k due to a lower than anticipated take up.



## General Policy

The projected outturn for Policy was a favourable variance of £3.43m when compared to the amended budget.

It was projected that there would be a favourable variance of £1.83m relating to capital charges and given that the collection of Council Tax continued to be effective, a positive variance of £1.6m was predicted. The impact of legislative changes, such as the reduction in the benefits cap, may have an adverse effect which would be difficult to quantify.

In total, including the £570k referred to above, it was anticipated that there would be a £4m favourable variance at year end. It was proposed that £2m be transferred into the Schools Investment Fund reserve to fund Band B 21st Century Schools initiatives and further details were contained in the Initial Capital Programme Proposals 2018/19 report, elsewhere on the agenda. It was also proposed that the remaining sum of £2m be transferred into the Council Fund and its use would be considered by the Budget Working Group when it was taking into account all factors in formulating a balanced revenue and capital budget for the final proposals which would be presented to Cabinet and Council in February 2018.

## **Savings 2017/18**

As part of the Final Revenue Budget Proposals for 2017/18, a savings target of £4.017m had been set for the Authority. Attached at Appendix 2 to the report was a statement detailing each savings target with an update of progress. Currently it was projected that there would be a shortfall of £784k in the achievement of this year's target.

Each savings target had been given a RAG status. Green indicated that it was anticipated that the target would be achieved in full within the year, amber indicated that it was considered that the saving in the year would be within 20% of the target and red indicated that the saving to be achieved in year would be less than 80% of the target.

Social Services - With regard to the Social Services savings targets which related to the Care Package Budget reductions, while there was significant pressure on this budget and it was anticipated to overspend, schemes had been put in place to deliver savings in the area by transferring domiciliary care clients to direct payments and by establishing a review team and therefore the saving was projected to be achieved in full.

Environment and Housing - It was anticipated that the £244k Transport Review saving for Visible Services would not be achieved this year. As detailed earlier in the report, funding had been ringfenced in the Visible Service Fund to cover part of the projected shortfall for this year. Part of this saving would be achieved when the Waste Transfer Station was established however other means of achieving any shortfall would need to be identified within the Reshaping Services programme. Visible Services also had a savings target of £525k under the current Reshaping Services programme which would be achieved by the introduction of a new target operating model. As stated earlier in the report it was anticipated that the structure would start to be populated from late November 2017. It was envisaged that the shortfall in savings for 2017/18 of £300k would be met from the Visible Services Reserve however it was anticipated that the savings target would be achieved in full in 2018/19.

Managing Director and Resources - It was anticipated that the £400k saving relating to ICT would not be achieved in full this year. £200k should be identified through the staff reorganisation and review of contracts. Further work would need to be undertaken to identify how the shortfall could be addressed going forward.

### **Budget Strategy 2018/19**

Cabinet approved the Budget Strategy for 2018/19 on the 31 July, 2017 (minute C45 refers).

The Budget Strategy for 2018/19 outlined that in order to establish a baseline, services should prepare initial revenue budgets based on the cost of providing the current level of service and approved policy decisions and including the existing savings target. This meant the cost of price increases and any allowable pay awards should be included as advised by the Head of Finance.

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

- Supplementary estimates would only increase the base budget if Council had given specific approval to this effect. Increases met by virement within a year would not be treated as committed growth.
- Directors should find the cost of increments and staff changes from their base budget unless the relevant specific approval had been given for additional funding.

- The effect of replacing grant from outside bodies that had discontinued would not be treated as committed growth. In addition, before any project or initiative that was to be met either wholly or partly by way of grant may proceed, the exit strategy had to be approved.
- Certain items of unavoidable committed growth would continue and these included the effect of interest changes and the financing cost of the capital programme, increases in taxes, increases in levies and precepts charged by outside bodies and changes to housing benefits net expenditure.
- Services would be expected to achieve savings already approved by Cabinet as part of the 2017/18 final budget proposals and Directors were asked to continue work on achieving their Reshaping Services savings targets.
- It was envisaged that the costs of service development would need to be met from within the respective directorates.

Having regard to the above, it was therefore proposed in respect of the 2018/19 Budget Process that Directors be instructed to prepare initial revenue budgets in accordance with a timetable agreed by the Head of Finance. 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 2017/18 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 2017/18.
- 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 2017/18 Final Revenue Budget report. Any savings made directly by services over and above individual service targets to count towards future saving targets or to meet unavoidable service cost pressures.
- Directors would continue to draw up Service Plans that set out the aims and objectives for the service and any possible future developments and efficiencies.
- As stated previously, it was expected that the revenue costs of service development would need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids were initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

## **Medium Term Financial Plan**

The Medium Term Financial Plan (MTFP) 2017/18 to 2020/21 was presented to Cabinet on 18 September, 2017 (minute C74 refers).

It assumed a reduction in WG funding of 3% for the years 2018/19, 2019/20 and 2020/21. This resulted in the requirement to find savings of £20.941m over this period, with £9.326m currently having been identified. There were further savings to be identified of £11.615m over the 3 year period.

The latest Plan factored in a managed level of cost pressures, a notional increase in council tax of 2.6% each year, price inflation of 0.5% and annual pay awards of 1.6% each year from 2018/19.

## **Budget Consultation with Stakeholders**

To ensure that the budget set for 2018/19 continued to address the priorities of Vale residents and the Council's service users, the budget setting process would take into account the results of the consultation on the Well Being Plan which was currently being undertaken. The use of video and webpages would set the scene and provide background information for the on line survey. The Council's Communications team would also attend events throughout the Vale and would take the opportunity to gather views on the budget.

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

## **Provisional Settlement 2018/19**

The Council's provisional settlement was announced by Welsh Government (WG) on 10 October, 2017.

WG had advised the Council that its provisional SSA (Standard Spending Assessment) for 2018/19 was £221.296m. SSA represented WG's view of the relative resources needed to provide a standard level of service in each local authority in Wales and its primary use was to allocate RSG to the authorities.

The Council would receive from WG Revenue Support Grant of £111.174m and a share of the Non- Domestic Rates (NDR) of £40.822m. Together these figures constituted the Council's provisional Aggregate External Finance (AEF) of

£151.996m. WG reported that this represented a cash reduction of 0.4% (£670k) for 2018/19. However, when taking into account new responsibilities, this actually represented a cash reduction of 0.56% (£859k). This was a smaller reduction than the 3% (£4.486m) projected in the MTFP, although it did not take into account inflation.

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

- Homelessness Prevention - £189k

There were transfers into the RSG settlement for 2018/19 which totalled £3.112m as follows:

- Waste Element of Single Revenue Grant : £1.344m
- Welsh Independent Living Grant : £691k
- Social Care Workforce Grant :£704k
- Looked After Children : £262k
- Carers' Respite Care Grant : £111k

As part of the settlement, WG had also provided an indicative figure for the change in AEF for 2019/20 which was a further reduction of 1.5%.

The value of grant funding to be made available to councils on an all Wales level had been received from WG. The waste element of the Environment and Sustainable Development Single Revenue Grant had been transferred into the RSG. When comparing the level of the grant for 2017/18 to the proposed grant for 2018/19 plus the amount transferred into the RSG there was a reduction in funding of 10%. The Communities First grant would cease but would be replaced with the Communities First Legacy and Communities Work Plus grants which showed around a 20% reduction.

### **2018/19 Initial Budget Proposals**

As part of these initial proposals, it had been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council and an updated list was shown in Appendix 3 attached to the report. These were not shown in any order of priority. The final proposal for the increase in the National Living Wage from 1 April, 2018 had yet to be announced. An increase would have a significant effect on services the Council commissions from external organisations. The main area affected was Social Services and a cost pressure had been included to reflect this.

Details of the proposed areas for savings for 2018/19 to 2019/20 were attached in Appendix 4 to the report. The savings did not include the cost of any potential redundancies. Further work was ongoing to identify future projects that would realise savings for the Council.

A summary of the overall base budget for 2018/19 was attached at Appendix 5 to the report. This had been derived by adjusting the 2017/18 budget for items such as inflation and unavoidable growth, but did not include identified cost pressures or savings. These were shown as a note to the table and were further detailed in Appendix 3 and 4 as attached to the report respectively. Adjustments shown included the following:

- Asset Rents, International Accounting Standard (IAS) 19 - Related to accounting items outside the control of services. They reflected charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards.
- Recharges/Transfers - Related to changes in inter-service and inter Directorate recharges. The budget transfers that related to the reorganisation of the Environment and Housing Directorate were shown in a separate column.
- Budget Adjustment - There was a £320k increase in budget due to the change in the use of the Social Services Fund in 2018/19.
- Inflation - The total figure for inflation of £1.707m related to general price increases at 0.5% (£426k) and for pay awards (£1.281m). At present the final proposals for pay awards for 2018/19 were yet to be agreed and therefore the figures had been included at the same level as those included in the MTFP, which was an average of 1.6%. Inflation was yet to be allocated to services pending the final agreement of pay inflation and the level and approach for allocating general price inflation. These figures did not include schools inflation which was included in Appendix 3 as attached to the report as a cost pressure.
- Committed Growth - This totalled £4.001m and related to the £700k reduction in use of the Council Fund. It also included the transfers into the RSG of £3.112m and WG funding provided for new responsibilities of £189k as previously detailed.

Once the base budget for 2018/19 had been established, it had to then be compared to the funding available to identify the extent of any shortfall. With a projected AEF of £151.996m and Council Tax at a current level of £66.166m, total available funding

would be £218.162m. When compared to a base budget of £221.748m, this would result in a funding deficit for 2018/19 of £3.586m.

If all identified cost pressures were funded, this would increase the shortfall to £10.636m. If all proposed savings were achieved, the shortfall would be reduced to £3.910m. As WG had provided an indicative reduction for 2019/20 of 1.5% the impact of this was also shown in the table below.

| <b>Projected Budget Shortfall</b>                     | <b>2018/19</b> | <b>2019/20</b> |
|-------------------------------------------------------|----------------|----------------|
|                                                       | <b>£000</b>    | <b>£000</b>    |
| Funding Available                                     |                |                |
| Provisional AEF                                       | 151,996        | 149,716        |
| Council Tax (Assumes no increase) *                   | 66,166         | 66,166         |
| Projected Funding Available                           | 218,162        | 215,882        |
|                                                       |                |                |
| Base Budget                                           | 221,748        | 220,201        |
|                                                       |                |                |
| <b>Projected Shortfall Against Base Budget</b>        | <b>3,586</b>   | <b>4,319</b>   |
|                                                       |                |                |
| Assume all Cost Pressures Funded                      | 7,050          | 4,483          |
|                                                       |                |                |
| <b>Projected Shortfall with Cost Pressures funded</b> | <b>10,636</b>  | <b>8,802</b>   |
|                                                       |                |                |
| Assume all Savings Achieved                           | (6,726)        | (2,600)        |
|                                                       |                |                |
| <b>Projected Shortfall</b>                            | <b>3,910</b>   | <b>6,202</b>   |

The shortfall was based on the assumption that the savings target of £6.726m set for 2018/19 would be achieved in full. However, a high proportion of these savings related to Reshaping Services schemes which reflected a new way of working and therefore required a lengthy period of time to implement. While all services were working towards achieving their 2018/19 targets, not all savings may be achieved in full from 1 April, 2018 and therefore the potential for reprofiling savings would need to be assessed when setting the budget for 2018/19.

The above projections included an assumed pay award for 2018/19 and the possible impact of the National Living Wage which averaged an increase of 1.6%. The current assumptions would be assessed as part of the Final Budget Proposals report when further information was available.

Further work would be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2018/19. 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. In order to provide options for balancing the 2018/19 budget, a sum of £2m would be transferred into the Council Fund, from the projected underspend in 2017/18, the use of which would be considered as part of the final budget proposals.

The BWG would consider the results of the budget engagement process in determining priorities for future savings and service delivery.

The BWG would also ensure that budget proposals considered the requirements of the Well-being of Future Generations Act and the Council's 4 well-being outcomes as detailed in the Corporate Plan. They would also ensure that the budget proposals reflected the 5 ways of working which were:-

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

### Next Steps

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Committees were asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and/or mitigated and to consider proposals for savings. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees had made. The responses of Scrutiny Committee had to be made no later than the 14 December, 2017.



The BWG would hold a series of meetings in November 2017 with the relevant Cabinet Members and officers to consider the budget proposals and they would submit their recommendations so that the Cabinet may make its final budget proposal. Before making its recommendation, the BWG would consider the comments made by Scrutiny, together with the results of consultation. The final proposals to Cabinet would include a review of the financial strategies required to achieve a balanced budget, which was sustainable in future years. Currently, the approved timetable required Cabinet to approve the final budget proposals by no later than 19 February, 2018 and that Cabinet's final budget proposals would be considered by Council at a meeting to be held on 28 February, 2018 to enable the Council Tax to be set by 11 March, 2018.

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T the amended revenue budget for 2017/18 as set out in Appendix 1 attached to the report be approved.
- (2) T H A T the initial revenue budget proposals for 2018/19 be approved for consultation with the relevant Scrutiny Committees and other consultees.
- (3) T H A T the recommendations of Scrutiny Committees be passed to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee in order for their views to be forwarded to Cabinet.
- (4) T H A T a sum of £2m be set aside in the Schools Investment Strategy reserve, funded by the projected underspend on revenue in 2017/18, with further details in the Initial Capital Programme Proposals 2018/19 report.
- (5) T H A T a sum of £2m be set aside in the Council Fund, with its use being considered as part of the final budget proposals for 2018/19.

Reasons for decisions

- (1) To incorporate changes to the 2017/18 budget.

- (2) To gain the views of Scrutiny Committees and other consultees.
- (3) In order that Cabinet be informed of the recommendations of Scrutiny Committees before making a final proposal on the budget.
- (4) To ensure that reserves were both adequate in purpose and level.
- (5) To set aside funding to ensure a balanced budget in 2018/19.

**C141 INITIAL HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2018/19 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Approval was sought for the Housing Revenue Account amended budget for 2017/18 and the initial budget proposals for 2018/19, so that the proposals may be submitted to Scrutiny Committee for consultation.

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

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

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

The level of rent increase was based on a rent policy introduced by the Welsh Government. At the time of writing the report, an announcement had not yet been made, therefore, an average rent increase of 3%, had been included in the 2018/19 initial budget proposals, which was in line with the Housing Business Plan - February 2017.

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

|                                                      | <b>2017/18<br/>Original<br/>Budget</b> | <b>2017/18<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<br/>(Surplus)/Deficit</b> | (131)                                  | 127                                                | +258                                               |

The net operational budget for 2017/18 had changed from a surplus of £131k to a deficit of £127k. A review of the current budget had found a potential net saving this year of £2.684m. The main reasons for this was that the estimated increase in the provision for bad and doubtful debts had been reduced by £1.014m as the Universal Credit and its effects would not have the full impact until April 2019. 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 £600k which partly related to an external painting programme which would continue in to 2018/19 following the completion of a pilot scheme and the WHQS external works programme. A reduction in Capital Financing Costs of £589k was anticipated and Premises costs were expected to be £143k less than budgeted, largely due to reductions in utilities and cleaning costs. Staffing costs were estimated to be £88k less than anticipated due to vacant posts and staff budgets being originally included at top of scale. Other budgets that were expected to outturn with an underspend were: survey costs £58k, compliance costs £24k, Incentive to Move £39k, leaflets and publications £44k, computer hardware and software costs £54k and bank charges of £12k. There was also expected to be a reduction in void costs of £73k. There were various other savings of £87k. These savings had been offset by an adjustment in Service Charge income of £141k, mainly due to Supporting People funding for warden support ceasing from October 2017.

The balance on the HRA reserve brought forward as at 1 April, 2017 was £958k 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 £6.481m,

which was an increase of £2.942m. This would leave a balance on the HRA reserve at year end of £831k, which was in line with the minimum amount required as per the Business Plan.

The Budget Strategy for 2018/19 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.

The HRA was a ring fenced account and therefore any growth had to be funded from its available funds.

The proposed 2018/19 budget was set out at Appendix 1 attached to the report and was identified over the following areas.

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

- Interest - This budget related to interest receivable on the average HRA Reserve Balance.
- Charges for Services and Facilities - This budget identified amounts due to the Council by tenants and leaseholders and some private individuals for services and facilities provided by the HRA.

The charges for rent and other services provided by the Housing Service were reviewed annually. These would be subject to a future report once the guidance had been received from WG regarding the setting of rents for 2018/19. Set out below was a table summarising the original budget for 2017/18 with the proposed budget for 2018/19.

| <b>2017/18 Original Budget</b> | <b>Inflation / Pay Award</b> | <b>Committed Growth / (Savings)</b> | <b>Estimated Rent Increase</b> | <b>Increase/ (Decrease) in CERA</b> | <b>2018/19 Proposed Budget</b> |
|--------------------------------|------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| <b>£000</b>                    | <b>£000</b>                  | <b>£000</b>                         | <b>£000</b>                    | <b>£000</b>                         | <b>£000</b>                    |
| (131)                          | 133                          | (368)                               | (559)                          | 904                                 | (21)                           |

A provision for general inflation included an allowance for pay awards in 2017/18.

The net saving of £368k was due to a number of factors;

- A decrease in Capital Financing charges of £104k in relation to unsupported borrowing to be raised in 2017/18 to fund the Housing Improvement Programme.
- A decrease in staff costs for vacant posts and staff changes of £64k.
- An increase of £43k in central recharges.
- A reduction in Premises costs of £123k.
- A reduction in Supplies & Services of £175k.
- A reduction in income of £60k due to the cessation of Supporting People funding from October 17.
- Various other minor savings of £5k.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £904k 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 £852k, which was in line with the Business Plan.

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Housing Account Revenue Budget Proposals and any comments that other Scrutiny Committees had made. The responses of Scrutiny Committee must be made no later than 14 December, 2017.

The Budget Working Group would hold a series of meetings in November 2017 with the relevant Cabinet Members and officers to consider the budget proposals. They would submit their recommendations so that Cabinet could make its final budget proposal no later than 19 February, 2018. Before making its recommendation, the Budget Working Group would consider the comments made by Scrutiny.

Cabinet's final budget proposals would be considered by Council at a meeting to be held on 28 February, 2018.

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T the amended Housing Revenue Account budget for 2017/18 as set out in Appendix 1 attached to the report be approved and submitted to Corporate Performance and Resources Scrutiny Committee for information to provide a context for recommendation 2 below.
- (2) T H A T the initial Housing Revenue Account budget proposal for 2018/19 be approved for consultation with the relevant Scrutiny Committee.
- (3) T H A T the recommendations of Scrutiny Committees be passed to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee in order for their views to be forwarded back to Cabinet.
- (4) T H A T the increase for rent and other services be subject to a future report to Cabinet as soon as the information was made available from the Welsh Government (WG).

Reasons for decisions

- (1) To facilitate monitoring of the amended Housing Revenue Account budget.
- (2) In order to gain the views of Scrutiny Committee regarding the 2018/19 Housing Revenue Account Budget proposals.
- (3) In order that Cabinet be informed of the comments of Scrutiny Committee before making a final proposal on the budget.
- (4) In order to meet the statutory deadline to notify tenants of the new charges as required by Statute.

**C142            STRONG COMMUNITIES FUND 1ST ROUND (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -**

Cabinet was provided with an update on the Strong Communities Grant Fund and approval was sought for the award of funding from the first round of applications.

On 3 April, 2017 Cabinet approved the establishment of the Strong Communities Fund. The Strong Communities Grant Fund was intended to streamline the way in which community grant funding was managed by the Council and to encourage innovative and creative use of a range of funding to support community initiatives in line with the Council's Corporate Plan Well-being Outcomes.

In October 2017, the evaluation panel met to consider the first round of twelve applications to the Strong Communities Grant Fund.

Appendix A attached to the report set out the names of the applicants, a summary of the project seeking funding, a total amount of funding requested and the recommendation of the panel as to whether the submission should be supported (in whole or in part), not supported or deferred for more information. Where bids were recommended to be supported in part, the Council would communicate with the applicant to suggest the element of the bid that would be supported and ensure any conditions (such as match funding requirements) were put in place prior to the release of any funds.

Following the consideration and approval of Cabinet, the Council would communicate with all those organisations who had bid for funding to provide feedback on the bid and put in place the relevant monitoring and payment mechanisms for approved funding applications.

The next round of applications was due to be considered by the evaluation panel in early 2018 and further promotion of the scheme would be undertaken in the coming months. The progress of the overall scheme would be reported regularly to the Voluntary Sector Joint Liaison Committee as part of the work programme supporting the Compact between the Council and Glamorgan Voluntary Services. Further updates would be provided to Cabinet following the consideration of bids by the evaluation panel.

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 contents of the report be noted.
- (2) T H A T grant funding totalling £75,519.51 be approved and the Evaluation Panel's recommendations as listed in Appendix A as attached to the report be endorsed.

Reasons for decisions

- (1) To note the contents of the report.
- (2) To enable Strong Communities Funding to be awarded to submissions as outlined in Appendix A attached to the report in line with the Council's Constitution and the scope of the scheme.

**C143 USE OF THE MANAGING DIRECTOR'S EMERGENCY POWERS (L)  
(SCRUTINY COMMITTEES – ALL) –**

Cabinet was notified of the exercising of Emergency Powers by the Managing Director since the last report on 24 April, 2017.

This was a matter for Executive decision

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



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

(a) **Holton Road Grant Programme**

Authority to carry forward £120,000 of the Holton Road Grant Programme into the Capital Programme for 2017/18 in order to comply with match funding requirements of the Welsh Government's Vibrant and Viable Places (Tackling Property Fund) funding award and to honour an existing funding commitment in respect of the grant awarded for works to 80 Holton Road.

(Environment and Regeneration)

(b) **Penarth Heights Landslip Initial Studies**

Authority to extend the provision of consultancy services by Mott MacDonald for the Appraisal of Penarth Heights Landslip Initial Studies and provision of recommendations including, the approval of the payment of future payments which could amount to between £20,000 to £25,000.

(Environment and Regeneration)

(c) **Day Care Services to Elderly and EMI Service Users**

Authority to extend the period of the supply of Day Care Services to elderly and EMI Service users provided by Hafod Care Association (one year extension – 1<sup>st</sup> June, 2017 to 31<sup>st</sup> May, 2018, total cost of the one year extension was £126,752.88).

(Healthy Living and Social Care)

(d) **Welsh Government Social Care Workforce Grant**

Authority to permit the Director of Social Services and the Section 151 Officer to agree the terms and conditions of the Welsh Government Social Care Workforce Grant for the period 2017/18 (the Council's allocation for this purpose would be up to £370,611).

(Health Living and Social Care)

(e) **Welsh Government ENABLE Funding**

Authority to accept ENABLE funding from Welsh Government in the amount of £148,549. The purpose of the grant was to support independent living for the period 2017/18 for funding costs in relation to the delivery of adaptations.

(Environment and Regeneration)

(f) **SALIX Carbon Management Works**

Authority to increase the Capital Programme by £180,000 for SALIX carbon management works during 2017/18, to be funded from the Energy Management Fund.

(Corporate Performance and Resources)

(g) **Temporary Secondment to Welsh Government**

Authority to extend the temporary secondment of an officer who had been on secondment to an arm of Welsh Government from the employment of the Council for a period in excess of two years (the original agreement expired in November 2016, but remained in operation until 31<sup>st</sup> March, 2017).

Welsh Government had now asked for the individual to remain under secondment with them for a further period (four days per week) until 9<sup>th</sup> November, 2018 with all costs falling to Welsh Government in respect of the days. Emergency Powers were sought to enable the secondment agreement which would underpin the arrangements to be completed.

(Corporate Performance and Resources)

(h) **Flying Start Capital Grant**

Authority to accept Flying Start Capital Grant and to include it in the Capital Programme 2017/18 in the amount of £30,000 to fund repairs at the Flying Start Family Centre.

(Healthy Living and Social Care)

(i) **Capital Slippage Request**

Authority to carry forward 2016/17 Capital Slippage Request into the 2017/18 Capital Programme. Details of the slippage requests were presented to Cabinet at its meeting on 3<sup>rd</sup> July, 2017.

(Corporate Performance and Resources)

(j) **Judicial Review re Representation on SACRE**

Authority to withdraw the Cabinet decision of 6<sup>th</sup> March, 2017 whereby the Cabinet had endorsed the decision of the Standing Advisory Council on Religious Education (SACRE) to decline the application for Humanist representation on SACRE and to conclude judicial review proceedings and make such amendments to the Council's Constitution on expert advice as appropriate to take account of matters raised within the current legal proceedings.

(Learning and Culture)

(k) **Data Disclosure Agreement**

Authority to sign a Data Disclosure Agreement with other Local Authorities in order to prepare for the implementation of the new Integrated Health and Social Care System.

(Healthy Living and Social Care)

(l) **High Street / Broad Street Traffic Management Scheme**

Authority to amend the 2017/18 Capital Programme by the amount of £60,000 in respect of the High Street / Broad Street Traffic Management Scheme budget, to be funded from Section 106 monies.

(Environment and Regeneration)

(m) **Small Scale Works Grant 2017/18**

Authority to accept an award of funding from Welsh Government in relation to the Small Scale Works Grant 2017/18 in the amount of £105,103 which required 15% (£18,547) match funding from the Council which would be funded from the existing Flood Risk Management budget and to amend the 2017/18 Capital Programme. The total cost of works was £123,650 and would fund

small scale flood alleviation schemes (Elfed Avenue – Culvert Relining, PLP Llanmaes and Windsor Road – Penarth). The use of Emergency Powers would enable the commencement of works during the summer period, reducing the risk of weather delays and flood risk to properties.

(Environment and Regeneration)

(n) **Community Asset Transfer Preferred Bidder**

Authority to confirm Glamorgan Voluntary Services (GVS) as the preferred bidder in respect of the Community Asset Transfer (CAT) – Western Vale Integrated Children’s Centre (WVICC) and to allow the CAT Group to progress the application by entering into discussions with GVS regarding the application and the detail of further information required prior to reporting to the Council’s Insight Board for approval and final determination by the Cabinet as required by the CAT Protocol.

(Corporate Performance and Resources)

(o) **Grant Awards from Natural Resources Wales**

Authority to accept a grant award from Natural Resources Wales in the amounts of £30,260 (Rights of Way Improvement Plan) and £68,675 (Coastal Access Improvement Programme), the latter grant funding required match funding by the Council (25%) and this would be funded (£10,891) from the Countryside Revenue budget. Authority was sought to include the above funding in the 2017/18 Capital Programme.

(Environment and Regeneration)

(p) **Introduction of Transitional School Transport Arrangements**

Authority to introduce Transitional School Transport arrangements to mitigate the impact on pupils attending new catchment schools based on Merthyr Dyfan Road and Port Road, Barry.

(Environment and Regeneration)

(q) **Supply and Fitting of Tyres Contract**

Authority to award the “Supply and Fitting of Tyres” contract to Mobile Tyre Services (MTS).

(Environment and Regeneration)

(r) **Digital Tourism Information Points**

Authority to sign the licence agreements in respect of the development of Digital Tourism Information Points as part of a pilot scheme promoted by Creative Rural Communities. A licence agreement would need to be entered into with each private establishment to communicate the terms of the hardware loan and associated project.

(Environment and Regeneration)

(s) **Welsh Government (WG) Regeneration Pipeline Funding 2017/18**

Authority to submit expressions of interest to WG for the following schemes:

- Holton Road Grant Programme - £60,000 to £80,000
- Master Mariner Public House, Skomer Road, Barry to £97,500
- BSC Squared- £60,000 to £90,000.

(Environment and Regeneration)

Reason for decision

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

**C144 BARRY REGENERATION PROGRESS REPORT (RP) (SCRUTINY COMMITTEE – ECONOMY AND REGENERATION) -**

Cabinet was apprised of past regeneration policy, programmes and projects in relation to Barry and key issues and challenges for the future were identified.

The socio-economic and cultural environment of Barry had changed dramatically over the last 100 years or so. The coal boom, as the nineteenth century turned into the twentieth, was followed by a steady economic decline, following the interwar period. This decline prompted a plethora of government-led regeneration and redevelopment initiatives stretching back to the late 1980s, differing in scale, scope

and vision. The primary purpose of the report was to provide an overview to the subject of regeneration in Barry and the possible future direction. The report attempted to give a sense of the regeneration activity that had been undertaken in Barry to address economic failure, poverty, degradation and social exclusion; and, to identify the key issues and challenges for the future.

The following regeneration and redevelopment initiatives were detailed in the report:

**Welsh Development Agency (WDA) Urban Renewal Unit / Urban Development Programme (1987 - 1992)** - Barry was included along with six other areas across Wales, all characterised by dereliction and economic decline, for a multi-million pound programme of investment. Investment was largely capital based, focusing on land assembly, land reclamation and environmental improvements.

**Barry Joint Initiative / Barry Joint Venture (1992 - to present)** - The Barry Joint Initiative between the WDA and Associated British Ports (and its successors) was a delivery vehicle created to direct and manage the redevelopment of 190 acres of land around the decommissioned Barry No.1 Dock. The regeneration programme known as Barry Joint Venture was a delivery vehicle comprised of the WDA, South Glamorgan County Council and the Vale of Glamorgan Borough Council (and its successors) which worked alongside the Barry Joint Initiative. Capital investment focused on land assembly, clearance and disposal at key locations across the town such as Nell's Point, Holton Road, Innovation Quarter and the Barry Steam Railway Project.

**Barry Regeneration Area (2010 - 2014)** - The Barry Regeneration Area programme was launched by the Welsh Government in March 2010. A total of £9.8m of Welsh Government investment was allocated to the programme, which ran from the years 2010/11 to 2013/14 (inclusive). In July 2015 the Welsh Government published an achievements report (attached at Appendix 1 to the report) which was subsequently reported to the meeting of Scrutiny Committee (Economy and Environment) on 6 October, 2015 (minute 475 refers).

**Vibrant and Viable Places Programme (2014 - 2018)** - From 2014/15 the Welsh Government targeted regeneration investment across Wales through the Vibrant and Viable Places (VVP) Regeneration Framework (published in March 2013). In July 2014 the Council was awarded £1m in capital funding through the VVP programme (Tackling Poverty Fund) over the three financial years 2014/15, 2015/16 and 2016/17. In September 2017 the Council published an achievements report (attached at Appendix 2 to the report) which provided information on regeneration

projects which had either taken place or had started during the first three years (2014/15-2016/17 inclusive) of the programme.

**Regenerative Impact of Other Initiatives and Projects (2001 - to present)** - In recent years the policy focus for the Council was to encourage and facilitate a more joined up or whole-town approach to regeneration in Barry in order to maximise the regenerative impact of mainstream Welsh Government initiatives. Looking ahead there were further opportunities for closer integration, through procurement to maximise local supply chain development and associated targeted training and recruitment clauses favouring local residents.

Communities First (CF) was a Welsh Government funded anti-poverty programme, and the Council was the delivery body for CF in targeted wards with higher levels of deprivation in Barry, using multiple measures, working within a multi-agency partnership. CF addressed poverty issues through health, prosperity and learning strands of activities and had been very successful in building the capacity of individuals in targeted wards to improve their lives, including employment prospects. The CF programme across Wales was coming to an end in March 2018 as a result of a reprioritisation in Welsh Government. This would impact on the targeted wards. Welsh Government had however announced 2 new, considerably smaller, grant schemes which would partially replace CF. Firstly, the Legacy Fund would allow the Council to deliver what it considered to be the strongest elements of CF for at least a further 2 years. Secondly, the Employability Grant would allow the Council to support individuals with their employability prospects through a broad range of potential actions.

Castleland Renewal Area was the third of the Vale of Glamorgan's Renewal Areas and was declared in April 2010. The programme was now completed, the final works being improvements to commercial properties and public realm in upper Holton Road, which had already drawn considerable new business investment into the area. Attached at Appendix 3 to the report was a summary of key achievements over the programme period.

A new reinforced Council Economic Development team was established in February 2017, the idea behind the team being that they mirrored the approach of the successful Rural Regeneration Team in Cowbridge (Creative Rural Communities) by building the capacity of local groups and businesses. The focus of this team was the urban wards within Barry, Penarth and Llandough but it worked county wide.

**Emerging Projects, Policies and Funding Programmes** - On 20 October, 2017 the then Welsh Government's Cabinet Secretary for Communities and Children

launched a new capital regeneration programme known as Targeted Regeneration Investment (TRI) for the three year period 2018/19-2020/21. Under the new programme, local authorities along with their partner organisations would be able to apply for capital investment for projects that promoted economic regeneration and served the aims of wider sustainable development with activities focussed at individuals and areas most in need. The Welsh Government's intention was that the new programme would help create jobs, enhance skills and employability and create the environment for businesses to grow and thrive. The guidance published by the Welsh Government was attached at Appendix 4 to the report.

There remained a number of concerns about the way TRI would operate particularly in relation to the development of the Regional Plan for Regeneration and the project approval process. The Vale of Glamorgan Council along with the other local authorities across South East Wales would be seeking further advice and assistance from the Welsh Government over the coming weeks and months with the aim of clarifying matters.

There was no guarantee that the Vale of Glamorgan Council would be awarded funding from TRI but it was vital the Council had schemes ready to submit for grant assistance should the opportunity arise during the period 2018/19-2020/21. The Barry Town Centre Gateway Regeneration Scheme (Cabinet minute C3544 refers) was a potential candidate for capital investment from TRI and had been developed in anticipation of such. Subject to the conclusions of an on-going complex feasibility and master planning exercise the project area covered the interface between Gladstone Road, Broad Street and Dock View Road; the Dock View Road corridor; and, the land south of Dock View Road adjoining Barry Dock Station. The links to Barry Island and the Innovation Quarter/Waterfront were also key to the project, along with the master planning of Barry Island. As a future project it was considered well-placed to meet the fundamental aims and objectives of TRI, which was to support regionally significant regeneration investment proposals; enable people to improve their well-being and chances to access employment; and respect the local Sense of Place by creating safe, attractive and well-connected places.

At the meeting, the Cabinet Member for Regeneration and Planning tabled the following statement from Councillor I. J. Johnson as Ward Member Consultation, and confirmed that it had been received and considered by all Members of Cabinet.

“This is a useful history of investment in Barry regeneration which should be forwarded to the Environment and Regeneration Scrutiny Committee for them to note.



It is disappointing that Welsh Government did not continue their place-based regeneration funding through the Strategic Regeneration Areas, instead opting for the Vibrant and Viable Places framework. In the case of Barry, the difference in investment levels for both plans is quite stark and that can be seen in the outcome reports attached.

I am concerned that Welsh Government policy going forward for Targeted Regeneration Investment is going to be similarly focused on 'bitty' projects rather than a whole town regeneration concept.

I support the proposal to use the Barry Town Centre Gateway Regeneration Scheme as a plan to receive Welsh Government funding, supported by our own council resources. However, I would not want to see progress delayed if there are lengthy lead-in times or un-necessary bureaucracy to access Welsh Government funding. I would also recommend that the Regeneration Scheme boundaries be extended as far as Kendrick Road, so as to encompass buildings such as Haydock House, the former Post Office and Provincial House – all of which are currently under-utilised but important parts of the town centre.

I would also ask for clarification on how we will develop future eligible pipeline projects, how consultation with local members and the wider public will operate and how we will evaluate outcomes from Barry regeneration projects, rather than list outputs as is the case in previous achievement reports.”

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 progress made be noted.
- (2) T H A T the report be referred to Environment & Regeneration Scrutiny Committee for consideration.

Reasons for decisions

- (1) To note the progress made and the key issues and challenges for the future.

- (2) To inform Environment & Regeneration Scrutiny Committee of the progress made and the key issues and challenges for the future.

**C145 M4, JUNCTION 34 TO A48 WELTAG STAGE 1 TRANSPORT STUDY (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Cabinet was presented with the Stage 1 Report that was attached at Appendices A and B to the report that had been produced using Welsh Transport Appraisal Guidance (WelTAG) by Arcadis Consulting UK Limited on Improving Strategic Transport links between M4, Junction 34 to A48 and Five Mile Lane.

Arcadis Consulting UK Limited was commissioned by the Council in July 2017 to develop and appraise potential options for improving the strategic transport route from M4, Junction 34 to A48 including considering options for a park & ride site at Junction 34. Appendix A as attached to the report provided a Strategic Outline Case Report which included a map of the Study area. The appraisal of options was in accordance with Welsh Government's latest June 2016 version of the Welsh Transport Appraisal Guidance (WelTAG). All transport schemes in Wales needed to come through the WelTAG process to be put forward for Welsh Government funding and accepted schemes for transport funding need to demonstrate value for money.

The highway network through and near to the Pendoylan corridor between M4 Junction 34 and the A48 was extensively poor and constrained strategic connectivity including accessibility to and from Cardiff Airport, other key services and strategic employment sites in the Vale of Glamorgan. In addition the poor access affected adjacent authorities, as well as local/ regional communities. The network at this location comprised narrow lanes with limited passing opportunities, restricted speed as a result of adverse route alignments, and was predominantly non-compliant to current Design Manual for Roads and Bridges (DMRB) standards.

The Study represented an exciting opportunity to improve the quality of connections by all transport modes between the M4, Junction 34, Barry, the Airport and the St Athan Enterprise Zone and surrounding areas, including the neighbouring Local Authorities and further afield.

The WelTAG Stage 1 Report had been prepared for the Council by Consultants Arcadis Consulting UK Limited to Improve Strategic Transport links from M4, Junction 34 to A48 and Five Mile Lane. The report consisted of two documents namely an Impacts Assessment Report, attached at Appendix B to the Cabinet report, and a Strategic Outline Case Report, attached at Appendix A to the Cabinet report.

The Impacts Assessment Document provided an overview of the study area including information on its location, demographics, employment, environment and land use characteristics. It also examined access to employment by looking at worker characteristics including the transport mode, destination and distance travelled for work purposes. Further access to Services and Recreation was examined by the Impacts Assessment Document as well as walking and cycling, rail and bus and highway network provision. Both existing and future proposals and priorities were listed and the work considered the land use commitments as contained in the Adopted Vale of Glamorgan Local Development Plan (2017).

The Strategic Outline Case Document set out the strategic case for change and assessed each of the intervention options to examine how they met the objectives together with the identification of key risks, adverse impacts constraints and dependencies. The appraisal of the extent each option met the objectives was described using the WeITAG seven-point assessment scale. The assessment scale included measures relating to social, environmental, economic and the financial and commercial case for change. Whilst the objectives for the intervention were derived from general and transport-specific objectives as set by the Welsh Government, Section 4 of the Impacts Assessment Report attached at Appendix B to the report set out how stakeholders had informed the development of the objectives and how the proposed objectives positively contributed to Welsh Government policy.

As a result of the evidence summarised above seven options were assessed as follows:

A - Do-minimum

B - Highway Route Option 1 – East of Pendoylan connecting between M4 Junction 34 and the A48 at Sycamore Cross (Offline)

C - Highway Route Option 2 – West of Pendoylan connecting between M4 Junction 34 and the A48 at Sycamore Cross (Part Online/ Part Offline)

D - Highway Route Option 3 – West of Pendoylan connecting between Clawdd-Coch and the A48 via Redway Road (Part Online/ Part Offline)

E - Highway Route Option 4 – East of Welsh St. Donats connecting between M4 Junction 34 and the A48 junction circa 3km west of Sycamore Junction (Offline)

F - Bus Park and Ride near to M4 Junction 34

G - Parkway Railway Station including Park & Ride facility and Bus Integration located near to M4 Junction 34

A focus group including stakeholders was due to meet on 27 November, 2017 to review the Report and options being recommended, to ensure that any options being

taken forward were supported and deliverable by using the group's knowledge and expertise in their field. The recommendations of this Focus Group would be fed back to Cabinet at the same time as it received the views of Scrutiny Committee (Environment and Regeneration) before a final decision was taken on the options to be progressed.

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 accompanying Strategic Outline Case Report attached at Appendix A to the report and Impacts Assessment Report attached at Appendix B to the report, be endorsed.
- (2) T H A T consideration be given to progressing a Stage 2 Welsh Transport Appraisal Guidance (WelTAG) Report for M4, Junction 34 to A48 for the Stage 1 short listed options of: Do-Minimum, a highway route east of Pendoylan, a highway route west of Pendoylan and a parkway station with park and ride facilities and bus integration near to M4, Junction 34.
- (3) T H A T the Stage 2 Welsh Transport Appraisal Guidance (WelTAG) Report, once completed, be presented to Cabinet for consideration in Spring 2018.
- (4) T H A T the report be referred to the Scrutiny Committee (Environment and Regeneration) and the Focus Group for consideration prior to a final decision being taken by Cabinet on resolutions 1-3 above.

Reasons for decisions

- (1) To approve in principle the Stage 1 Arcadis Consulting UK Limited Report on the M4, Junction 34 to A48 Study.
- (2) To agree in principle to progressing the M4, Junction 34 to A48 Transport Study to the next stage using the relevant Welsh Government transport guidance.
- (3) To seek Cabinet's views on the Stage 2 report, once completed.

- (4) To ensure that the views of the relevant Scrutiny Committee and the Focus Group were considered prior to a final decision on the Stage 1 report being taken by Cabinet.

**C146 UPDATE: IMPROVING STRATEGIC TRANSPORT FOR DINAS POWYS (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Cabinet was updated on the process and timescales on Improving Strategic Transport for Dinas Powys using Welsh Transport Appraisal Guidance (WelTAG).

Arcadis Consulting UK Limited was commissioned by the Council in early 2017 to develop and appraise potential options for improving the strategic transport network for Dinas Powys including transport corridors from Biglis roundabout Barry through Dinas Powys to Cardiff via Leckwith, Cogan and Penarth. The appraisal of options was in accordance with Welsh Government's latest June 2016 version of the Welsh Transport Appraisal Guidance (WelTAG). All transport schemes in Wales needed to progress through the WelTAG process before being put forward for Welsh Government funding; and accepted schemes for transport funding needed to demonstrate value for money.

The WelTAG Stage 1 report advised on the issues of concern, explored their context and presented a long list of possible solutions to Cabinet in July 2017 (Minute C50 refers). The Report was further considered by Scrutiny (Environment & Regeneration) on 14 September, 2017 (Minute 265 refers) and was referred back to Cabinet on September 2017 (Minute C85 refers) at which point two additional recommendations were approved by Cabinet as follows:

- “1. To consider the appointment of a representative by Dinas Powys Community Council of their choosing to sit on the review group.
2. To consider an additional fourth option to the three proposed of a “bypass and multi modal” at Stage 2 of the process.”

The Stage Two WelTAG appraisal would further investigate the list of options identified in Stage One and agreed by Cabinet on 9 October, 2017 and select a preferred option to take to Stage Three (Full Business Case). The Report would have to include an Impacts Assessment report containing the detailed information which supported the summary information in the main Appraisal document.

The Consultant was required to:

- Undertake an appraisal that encompassed the tasks referred to in Stage Two: Outline Business Case in the WelTAG 2017, consultation draft.
- Take account of all existing commitments within the Council's Local Development Plan and Adopted Local Transport Plan.
- Include identification and quantification of the problems, opportunities and constraints of the study area. This stage would also identify study objectives in accordance with the Well-being of Future Generations (Wales) Act 2015 and the Active Travel (Wales) Act 2013, Cardiff Metro and the Cardiff Capital Region City Deal.
- Include evidence that the proposed solution/s would lead to the desired outcome in the WelTAG Stage One Report.
- Refine the design of the options and identify the key dependencies and constraints.
- Set out how the proposed solutions would meet the objectives, the anticipated impacts of each option and consider the robustness of the proposed options to meet the objectives, using sensitivity testing and scenario analysis, identifying key risks and dependencies.
- Ensure that the Outline Business Case Report provided the evidence required to enable Cabinet to select a preferred option to progress to WelTAG Stage Three.
- Identify and evidence the significant impacts on particular groups of people or areas, dependencies and key risks which could affect the achievement of the anticipated outcomes.

The Consultant would do this by:

- Determining whether there were any transport options that could address the identified problems and could be delivered.
- Selecting a preferred option to be taken forward to the Full Business Case stage, with the approval of the Council's Cabinet.
- Agreeing the methods to be used to provide additional evidence where required for the Stage Three (Full Business Case) assessment.
- Identifying any legislative requirements that needed to be met during the Stage Three (Full Business Case) assessment.
- Documenting the decisions of the Stage Two review Group (the Council's Cabinet), and the basis for these decisions.
- Delivering an initial draft of the WelTAG Stage Two Report to the Council no later than 28 February, 2018, with the final draft Stage Two report being delivered to the Council no later than 16 March, 2018.

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 on Improving Strategic Transport to Dinas Powys be noted.
- (2) T H A T a further report be presented to Cabinet following the receipt of the Draft WelTAG Stage 2 report in Spring 2018.

Reasons for decisions

- (1) To provide an update on the process and timescales to deliver the WelTAG Stage 2 work using the relevant Welsh Government transport guidance.
- (2) To seek approval of the WelTAG Stage 2 Report for Dinas Powys.

**C147 HAM LANE EAST, LLANTWIT MAJOR - PROPOSED AMENDMENTS TO WAITING RESTRICTIONS - OBJECTION REPORT (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Cabinet was advised of the objection received to the proposed Traffic Regulation Order to restrict waiting of vehicles along Ham Lane East, Llantwit Major.

On 18 August, 2017 the Cabinet Member for Neighbourhood Services and Transport and the Director of Environment and Housing services gave approval to give notice of a proposal to introduce a No Waiting at any Time (NWAT) and No Waiting 8am-5pm Traffic Orders, to prohibit vehicles waiting along sections of Ham Lane East, Llantwit Major. A copy of this notice was attached at Appendix A to the report.

This was a popular area for parents to drop off and pick up children from the local schools which could cause many highway safety concerns with irresponsible parking and potentially dangerous highway manoeuvres being carried out. Several complaints had been received in the past regarding the saturated parking due to the lack of space and narrow nature of the road.

One letter of objection was received from a resident from outside the area. A copy of the letter in full was outlined in the report together with the Traffic Officer's response which followed in paragraph 8 of the 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 objection be rejected for the reasons contained in the Report and that the Traffic Order be progressed as proposed.
- (2) T H A T the objector be advised of this decision.

Reasons for decisions

- (1) To enable the Traffic Order to be made as intended.
- (2) To confirm the Council's position to the objector.

**C148 NATIONAL COLLABORATIVE COMMISSIONING: INTEGRATED HEALTH AND SOCIAL CARE PROGRAMME - ANNUAL REPORT (SCHL) (SCRUTINY COMMITTEE – HEALTHY LIVING AND SOCIAL CARE) -**

Cabinet was updated on the ongoing development of the National Collaborative Commissioning Integrated Health and Social Care Programme.

The report described the Integrated Health and Social Care Commissioning Programme, which had been awarded Welsh Government "Invest to Save" funding. This was intended to support improved efficiency in both cost and quality of residential placements for younger adults with either Learning Disabilities or Mental Health problems.

The Care Assurance and Performance System (CAPS) was developed by NHS Wales Commissioning Collaborative for Mental Health and Learning Disability Services to manage the external provision of secure hospital and rehabilitation services across Wales. The issues faced by the NHS in Wales that led to the development of CAPS had been mirrored within Social Care:

- Insufficient quality and safety of placement choices;
- Increasing demand and complexity of presenting individuals; and
- Increasing costs within a largely independent sector market driven economy.



The South East Wales Adults Brokerage Service had also found:

- Service users' needs were becoming much more complex;
- Service providers were not adequately skilled or equipped to meet complex needs;
- There was an over-provision of 'general' needs supported accommodation;
- Specialist services were not local enough and this was a primary factor for individuals / family members when needing to access a placement;
- Service providers' business models did not support recovery and progression;
- New ways of commissioning social care services were required; and
- Social care services needed to be procured based on supporting independence and moving on.

Working with NHS Wales Informatics Service (NWIS), NHS Wales and the South East Wales Improvement Collaborative (SEWIC) were awarded a grant from the Welsh Government Health Technology and Telehealth Fund (HTTF) in April 2014. This funding had facilitated the enhancement of the CAPS system from a 'database' of patient and provider information into CCAPS (Commissioning Care Assurance and Performance System); a tool to support the ongoing care, treatment and support of those within non NHS Wales or local authority care settings.

Cabinet was informed of the CCAPS programme in April 2016, with a view that once the Vale of Glamorgan Council could establish clear advantages to the use of the Framework, the Council would seek permission to commission all future placements using this mechanism.

All 22 Welsh local authorities confirmed approval to be named on the Official Journal of the European Union (OJEU) notice with all 7 health boards, early in 2016. Therefore, the Council could utilise the CCAPS Framework should it choose to do so, but as a local authority the Council was not mandated to do so. To date, the Vale of Glamorgan had not placed anyone via the Framework, and this was echoed across all Welsh Local Authorities with no placements being made via CCAPS by any Local authority.

The original plan was that once CCAPS was launched 1 October, 2016 all new placements would be made utilising the Framework and then on review, existing placements would be entered onto the Framework. The vision was to equalise the market and improve quality of placements.

The Council was advised that a number of providers in the Region did apply to enter onto the National Framework, but latest information had shown that there was no increase in the volume of placements through the Framework and providers noted that Local Authorities were not using the framework to commission. A desktop exercise completed over the Summer months of 2016 evidenced that utilising the Framework would not provide any savings on our costs of placement. The national team had repeatedly advised that through their robust audit and monitoring the Council would see an improvement in quality and that should not focus solely on cost.

When an individual's assessed needs indicated that a placement was required, the Vale of Glamorgan Council was able to access the CCAPS database to check availability and to establish costs if the Council utilised the Framework versus the fee rate the Council would have been able to negotiate. To date, the Council had not found a placement to be less costly through the Framework. In one case the cost was similar however in all of the others it would have been more expensive to place through the Framework.

Without clear evidence that there were efficiencies in terms of cost of placement, officers would not be seeking Cabinet approval to solely commission this type of placement via this Framework. The team supporting the CCAPS programme in relation to quality monitoring was well resourced in comparison with the Council's own contract monitoring teams. Therefore, the improved capacity to monitor providers would be a welcome addition. However, there were concerns that with this robust auditing of providers in this specialist area there were inequities introduced when the same level of quality monitoring was not available to other high volume, lower cost placements for other client groups.

This was a matter for Executive decision

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

RESOLVED –

- (1) T H A T the work that had been completed to date be noted.
- (2) T H A T the ongoing concerns regarding the overall value (cost and quality) of the Vale of Glamorgan Council utilising the Framework outlined in the Programme be noted.

- (3) T H A T the ongoing involvement of the Vale of Glamorgan Council to contribute to the regional response regarding any potential future use of this Framework be supported.
- (4) T H A T the report be referred to the Healthy Living and Social Care Scrutiny Committee for its consideration.

Reasons for decisions

- (1) To exercise effective oversight of important programmes that the Social Services Directorate were involved with.
- (2) To ensure knowledge around the planned programme of work within the National Collaborative Commissioning Integrated Health and Social Care Programme and associated concerns when considering best value in relation to both cost and quality for the residents of the Vale of Glamorgan.
- (3) To enable the Council to continue to explore options for cost effective, high quality placements for vulnerable adults with mental health issues or learning disabilities.
- (4) To ensure Healthy Living and Social Care Scrutiny Committee scrutiny members were aware of and could consider the developments in this key area.

**C149 PROCUREMENT OF COMMUNITY BUILDING TO BE SITED AT CEMETERY ROAD, BARRY AS PART OF NEW PARK SCHEME (SCHL) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -**

Approval was sought to procure the Community Building - Cemetery Road, Barry works contract.

The Vale of Glamorgan Council and Barry Town Council entered into a Funding Agreement to deliver a Community Park scheme on the redundant land at Cemetery Road in Barry. The Funding Agreement sought to split the costs of the project between the parties and a joint budget of £500,000 was agreed.

The Vale of Glamorgan Council agreed to take the lead in the delivery of the project, within which it was intended to deliver a Community Building as well as a new park, and the intention was that the Barry Town Council would take over the running of the

park and the Community Building through a Community Asset Transfer approach and a lease document was being processed to achieve this aim.

The scheme's design was enhanced to allow for full and robust replacement of the road surfacing as part of the proposals and the Visible Services budget covered the costs of this additional work. The additional contribution increased the available budget to £555,000. The park works contract element of the project was completed earlier this year with an outturn cost of circa £480,000. As some other minor costs remained outstanding the unspent budget was at £69,797.25. Given that the costs of the Community Building had been estimated at £160,000 (plus services and landscaping costs) it was agreed that the procurement of that element of the project would be delayed until the outturn costs of the park element were known.

Given the shortfall in funding between budget allocation and the likely joint outturn costs of the park, the Community Building and some additional street lighting that was required, officers had sought additional funding sources. The local Vale of Glamorgan Council Members and the Cabinet Member had agreed the use of some Section 106 funds from the nearby Maes Dyfan development and a total allocation of £123,543.75 had been committed to the project. Barry Town Council had considered this approach and had agreed to bring forward an additional £25,000 to cover project risk. Together this would mean that a budget of £218,341 was available to complete the project. An Addendum to the original funding agreement between the two councils was being drafted to reflect the additional sum.

A simple design to provide a single storey structure and providing a community hall, kitchenette, toilets, lobby and storage area were proposed together with some external landscaping to tie the scheme in to the adjacent park.

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 approval be given to procure the Community Building - Cemetery Road, Barry works contract.
- (2) T H A T delegated authority be granted to the Director of Environment and Housing, in consultation with the Cabinet Member for Social Care, Health and

Leisure, to appoint a preferred contractor following appraisal of tender submissions.

- (3) T H A T delegated authority be granted to the Head of Legal Services, in consultation with the Director of Environment and Housing and the Cabinet Member for Social Care, Health and Leisure, to enter into the appropriate works contract.
- (4) T H A T the request to increase the Capital programme to reflect the increases in the report be considered as part of the Initial Capital Programme 2018/19 to 2022/23 elsewhere on the agenda.
- (5) T H A T delegated authority be granted to the Managing Director and Head of Finance, in consultation with the Leader, to increase the Capital programme by £25,000 once an amended Funding Agreement with Barry Town Council has been agreed.

#### Reasons for decisions

- (1) To enable the scheme to progress.
- (2) To enable appointment of a contractor.
- (3) To enable an appropriate works contract to be entered into.
- (4-5) To increase the Capital Programme for 2017/18 and 2018/19.

#### **C150 TENANCY MANAGEMENT POLICY (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Approval was sought for a Tenancy Management Policy which set out in detail how the Council would manage tenancy related matters.

When a tenant accepted an offer of a Council property they signed a tenancy agreement which included a wide range of rights and responsibilities in relation to the occupation of the home. Many of the conditions were prescribed by legislation, however many other aspects were a matter for the landlord to determine, The Tenancy Management Policy set out the Council's position with regard to matters over which it had discretion. The Policy had been introduced to reflect current legislation and consolidated some separate Policies into one document. In doing so, this made it easier for tenants to understand and exercise their rights. It also

provided a reference point for staff and ensured that decisions were made in a consistent way.

The Council had made a decision to issue all new tenants with introductory tenancy agreements; this meant they had fewer rights than secure tenants during the introductory period. Provided there had not been any breaches of the tenancy, tenants converted automatically to a secure tenancy 12 months after the start date. The introductory tenancy regime continued to play a part in the management of Anti-Social Behaviour by providing reassurance to existing tenants and a deterrent to new tenants. For this reason, the continuation of the introductory tenancy scheme was included within the Tenancy Management Policy. The Tenancy Management Policy also set out clearly the position regarding successions and the creation of joint tenancies.

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 Tenancy Management Policy attached at Appendix A to the report be approved.

Reason for decision

The Tenancy Management Policy describes how the Council creates, changes and ends tenancy agreements. The Policy ensures the Council follows current legislation and enables tenants to exercise their rights, as set out in the tenancy agreement; it also provides a reference point for housing staff to make their decisions.

**C151 RENT RECOVERY POLICY (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -**

Approval was sought for a rent recovery policy attached at Appendix A to the report, to support tenants to pay their rent and ensure the Council maximised its rental income.

The rental income from Council properties was essential to supporting a wide range of housing services. It paid for the management, maintenance and improvement of Council houses as well as a wide range of associated services. Maximising rental income was key to continuing to provide high quality housing and related services. The Council was one of the top performing organisations for rent recovery. Current

rent arrears were less than 1% of collectable rent and less than 0.5% of tenants were evicted each year due to non-payment of rent. The new Policy would support this performance and ensure the Council remained able to maximise rental income.

Changes arising from Welfare Reform had resulted in significant challenges for the Council and its tenants. The future was going to be challenging and the Income team would have to plan carefully and respond in creative ways. This Policy provided the supporting framework for this to happen. In addition, a more detailed mitigation plan was being developed as part of the Financial Inclusion Group and included awareness raising for tenants (regarding benefit changes), coordinated money advice, initiatives to support people into work, establishment of robust processes with Department of Work and Pensions (DWP) and smarter working target arrears recovery work.

Rent arrears performance was monitored monthly and reported to Senior Managers in the Housing team. This allowed any deterioration to be identified at an early stage and for action plans to be put in place to support improvements. Targets for rent recovery form part of the team plan and service plan and progress against these was monitored as part of the regular updates provided to the Homes and Safe Communities Scrutiny Committee. Internal audits were completed periodically of the rent recovery function to test the levels of assurance provided. The last audit was carried out in 2017 and reported 'substantial assurance' with no recommendations made.

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 Rent Recovery Policy attached to the report at Appendix A be approved.

Reason for decision

To ensure the Council was responding to the challenges posed by Welfare Reform and was minimising any negative impacts on tenants.

**C152 DRAFT WELSH MEDIUM IN EDUCATION STRATEGIC PLAN 2017 – 2020 (LC) (SCRUTINY COMMITTEE – LEARNING AND CULTURE) -**

Approval was sought for the Council's updated Welsh in Education Strategic Plan (WESP) 2017-2020.

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

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

The guidance above formed part of the Council's existing broad strategy for the Welsh language and contained an action plan for the development of Welsh education in the Vale of Glamorgan. The last Welsh Medium Education Strategic Plan was published in 2014, outlining the actions the Council would take to support the enhancement of Welsh medium education and improve outcomes. This year, Welsh Government had outlined a vision to see one million Welsh speakers by 2050. The aim of the Welsh Medium Education Strategy 2014-2017 was to support this by building on the achievements of the previous strategy, and through further promotion of the use and benefits of Welsh medium education in lifelong learning.

A draft copy of the Welsh Medium Education Strategic Plan (WESP) 2017 - 2020 was approved by Cabinet on 14 November, 2016 and submitted to Welsh Government on 20 December, 2016. Local Authorities received formal feedback on 4 August, 2017 from a review into their WESPs with suggested points to review and modifications required. The amendments had been included in the revised WESP, attached at Appendix A to the report (English) and Appendix B to the report (Welsh).

This was a matter for Executive decision

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

RESOLVED –



- (1) T H A T the amendments to the Welsh in Education Strategic Plan 2017 - 2020 attached at Appendix A (English) and Appendix B (Welsh) to the report, be noted.
- (2) T H A T the Welsh in Education Strategic Plan 2017-2020 be approved.

Reasons for decisions

- (1) To consider how the approach in supporting Welsh medium education contributed to delivering the Council's vision of 'strong communities with a bright future' and supported the Welsh Government's aim of achieving a million Welsh speakers by 2050.
- (2) To meet the Council's statutory requirement in establishing a Welsh in Education Strategic Plan.