

VALE OF GLAMORGAN COUNCIL

Minutes of a meeting held on 2nd March, 2016.

Present: Councillor Fred Johnson (Mayor); Councillors Antony Bennett, Richard Bertin, Janice Birch, Rhiannon Birch, Jonathan Bird, Bronwen Brooks, Lis Burnett, Philip Clarke, Geoff Cox, Claire Curtis, Rob Curtis, Pamela Drake, John Drysdale, Kate Edmunds, Stuart Egan, Christopher Elmore, Christopher Franks, Eric Hacker, Howard Hamilton, Val Hartrey, Keith Hatton, Nic Hodges, Jeff James, Hunter Jarvie, Gwyn John, Dr. Ian Johnson, Maureen Kelly Owen, Peter King, Kevin Mahoney, Anne Moore, Neil Moore, Andrew Parker, Bob Penrose, Anthony Powell, Rhona Probert, Gwyn Roberts, John Thomas, Ray Thomas, Rhodri Traherne, Margaret Wilkinson, Christopher Williams, Clive Williams and Edward Williams.

873 APOLOGIES FOR ABSENCE -

These were received from Councillors Audrey Preston, Steffan Wiliam and Mark Wilson.

874 DECLARATIONS OF INTEREST -

The following Members declared an interest in the Agenda Item No. shown:

| Name of Member | Agenda Item/Nature of Interest |
|-------------------------------|---|
| Councillor Rhiannon Birch | Agenda Item 8(e) - Minor Authority Governor on Victoria Primary School and Cogan Primary School |
| Councillor Bronwen Brooks | Agenda Item 8(e) - Local Authority Governor on Jenner Park Primary School |
| Councillor Claire Curtis | Agenda Item 8(e) - Minor Authority Governor on Colcot Primary School and Ysgol Sant Curig |
| Councillor Pamela Drake | Agenda Item 8(e) - Local Authority Governor on Holton Primary School and Gladstone Primary School |
| Councillor Stuart Egan | Agenda Item 8(e) - Local Authority Governor on High Street Primary School |
| Councillor Christopher Elmore | Agenda Item 8(e) - Local Authority Governor on Barry Comprehensive School and Holton Primary School |
| Councillor Howard Hamilton | Agenda Item 8(e) - Minor Authority Governor on Oakfield Primary School and Ysgol Sant Baruc |
| Councillor Nic Hodges | Agenda Item 8(e) - Minor Authority Governor on Ysgol Gwaun y Nant. Local Authority Governor on Ysgol Sant Baruc |

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|-------------------------------|--|
| Councillor Gwyn John | Agenda Item 8(e) - Local Authority Governor on Llantwit Major Comprehensive School |
| Councillor Fred Johnson | Agenda Item 8(e) - Local Authority Governor on Cadoxton Primary School |
| Councillor Dr. Ian Johnson | Agenda Item 8(e) - Local Authority Governor on Barry Comprehensive School and Gladstone Primary School |
| Councillor Anthony Powell | Agenda Item 8(e) - Local Authority Governor on Barry Comprehensive School and Bryn Hafren Comprehensive School |
| Councillor Rhona Probert | Agenda Item 8(e) - Local Authority Governor on Romilly Primary School |
| Councillor Gwyn Roberts | Agenda Item 8(e) - Minor Authority Governor on Albert Primary School |
| Councillor Margaret Wilkinson | Agenda Item 8(e) - Local Authority Governor on Colcot Primary School |
| Councillor Eddie Williams | Agenda Item 8(e) - Local Authority Governor on Llantwit Major Comprehensive School |

875 MINUTES -

The minutes of the meetings held on 16th December, 2015 and the Special Meeting held on 25th January, 2016 were approved as a correct record.

876 ANNOUNCEMENTS -

The Mayor made the following announcements:

In January he had been delighted to write and congratulate, on behalf of the people of the Vale, the following recipients of Her Majesty the Queen's New Year Honours:

Former Mayor, Mr Emlyn Williams, Member of the Order of the British Empire, (MBE), for public and political service in Barry,

Mr Gareth Williams, Order of the British Empire (OBE) for public and voluntary service in Wales.

Mr Anthony Street, Member of the Order of the British Empire (MBE) for services to community based democracy in Wales.

He was also pleased to announce that Mr James Savory would be added to the Hall of Fame located in the main library, for his outstanding achievements in the Special Olympic World Games.

It had been an honour to mark Holocaust Memorial Day 2016, by welcoming Her Majesty's Lord Lieutenant, The Leader, Managing Director, religious leaders, Councillors and guests from across the County to a private showing of "Don't Stand By : Flames for Humanity's Heroes" at Art Central Gallery. The evening had been a great success, showcasing the work of both professional artists and Vale school children.

He had also attended a celebration of Solemn Vespers at Cardiff Cathedral on the occasion of the centenary of the Archdiocese of Cardiff, as well as other fundraising events and the Building Excellence Awards.

He had been particularly delighted to host a reception to say an official thank you, on behalf of the people of the Vale, to all the volunteers who provided meals and entertainment in Llantwit Major and Barry for older people on Christmas Day.

A warm welcome had been extended to The Youth Mayor, Daniel Marshall and Deputy Youth Mayor, Bronwen Lloyd to the Mayor's Parlour for an informal meeting.

Fundraising for the Mayor's charities (the RNLI and St Vincent de Paul Society), was continuing, with a charity football match, kindly organised by Mr Miles Punter, Director of Environment and Housing Services, taking place on Thursday April 7th 2016 at Jenner Park.

Finally, the Mayor announced that his Charity Ball would be held on Saturday 30th April 2016 at Cottrell Park Golf Club.

The Leader made the following announcement:

"I wanted to use this opportunity to welcome the recent announcement that Aston Martin has chosen St. Athan in the Vale of Glamorgan as the site for production of its new luxury car. I have already made a statement in the press, but I think that news of this scale and importance merits a statement at Full Council.

I am acutely aware that negotiations have taken a considerable time and I also know that St. Athan was in direct competition with several other sites (in fact 20 other locations), not only in the UK but across the world. The announcement represents a massive vote of confidence in the Vale of Glamorgan as a place to set up business. It also vindicates the work that this Council has carried out alongside Welsh Government to improve the highway infrastructure that serves the Airport and St. Athan Enterprise Zone.

The announcement is also further evidence of the continued resurgence of the Vale of Glamorgan as a place in which to invest. As well as Aston Martin's investment in the super hanger, which will bring 750 jobs, St. Athan will also be home to an industry centre of excellence. It will also, without doubt, result in other indirect and supporting jobs and will be a catalyst for other business growth. This is not just an investment in manufacturing, but in the whole workforce and the regeneration of the Vale of Glamorgan as a whole. It has already been stated that another 1000 jobs could be created as a result.

Despite some of the doubters in this Chamber who have regularly taken opportunities to rubbish the Enterprise Zone concept, the St. Athan Enterprise Zone has long been recognised as hugely important to the economic development of the Vale of Glamorgan, and, as such, has been central to our, and Welsh Government's, plans for the area. Securing sustainable, high quality, highly skilled employment opportunities takes time. I am therefore also proud that the Vale of Glamorgan Council is represented on the Enterprise Zone Board and plays an active role in its work. It is fantastic to see this work blossoming and that all of our partners' work is now bearing fruit."

877 NOMINATION OF MAYOR ELECT AND DEPUTY MAYOR ELECT FOR THE MUNICIPAL YEAR 2016/17 (MD) -

Section 22 of the Local Government Act 1972 provided for the Chairman of the Principal Council to be elected annually by the Council from among the Councillors. Section 23 of the Act provided for the election of the Chairman to be the first business transacted at the Annual Meeting of the Principal Council. Section 25A of the Local Government Act 2000 provided that the Chairman of the Council was entitled to the style of 'Mayor' or 'Maer'. On 30th October, 2002 the Cabinet considered the legal provision relating to the style of Mayor and resolved that the entitlement of the Chairman to use the style be supported and introduced with effect from the Annual Meeting of the Council in 2003.

It had also been decided to nominate a Deputy Mayor Elect at this meeting.

The Leader moved that Councillor Stuart Egan be nominated as Mayor of the Council for 2016/17, the proposal being duly seconded.

Councillor Gwyn John moved that Councillor Eddie Williams be nominated as the Deputy Mayor of the Council for 2016/17, the proposal being duly seconded.

Councillor Bertin indicated that the Independent Group would be abstaining from the votes on the basis that they did not support the role of a Mayor (Councillor Mahoney subsequently voting against the Motion).

Upon being put to the vote it was

RESOLVED -

(1) T H A T Councillor Stuart Egan be nominated for election as Mayor at the Annual Meeting to be held on 11th May, 2016.

(2) T H A T Councillor Eddie Williams be nominated for election as Deputy Mayor at the Annual Meeting to be held on 11th May, 2016.

878 USE OF THE MANAGING DIRECTOR'S EMERGENCY POWERS (MD) -

The following use of the Managing Director's Emergency Powers was reported:

(a) The granting of delegated authority to the Head of Legal Services to sign a Deed of Variation in relation to the HRAS Voluntary Agreement (there being no variation to the Vale of Glamorgan Council's Limit of Indebtedness).

(Scrutiny - Housing and Public Protection)

RESOLVED – T H A T the report be noted.

879 CONSULTATION WITH NON-DOMESTIC RATEPAYERS (MD) -

In accordance with Section 65 of the Local Government Finance Act 1992, the Council had consulted with representatives of local non-domestic ratepayers regarding the current, and preceding, years' expenditure proposals. An advertisement had been placed in the press and representations had been invited. No responses had been received.

Councillor Jarvie sought clarification as to whether the Council was, in fact, still legally required to undertake the consultation exercise. The Leader indicated he understood this to still be the case but that he would ask officers to clarify the position.

RESOLVED - T H A T the position be noted.

880 NATIONAL LIVING WAGE/EMPLOYEE PAY POLICY 2016/17 (REF) -

In introducing the report, the Leader pointed out that the National Living Wage would take effect from 1st April, 2016. It would mean that the existing bottom three pay points within the Council would be below the statutory minimum level. As a result, interim changes were proposed as set out in the report to Cabinet on 8th February, 2016. In due course, the incorporation of the National Living Wage as part of the National Joint Council (NJC) pay spine would be subject to discussion between the National Employers and Unions and as part of the 2016 pay negotiations. Indications, however, were that an agreement would not be reached prior to the end of the current financial year and, consequently, the aforementioned interim changes were recommended.

Councillor Bertin welcomed the report, but asked whether there would be any consideration given to the Council paying the Real Living Wage.

Councillor Dr. Ian Johnson supported the move towards increasing wage levels. However, he referred to having asked at a previous Council meeting if the Council would consider paying the Real Living Wage and to the Leader having said he would look into the cost of such.

The Leader indicated that the Budget Working Group had considered the matter and that he had answered the same query at a previous Council meeting, having informed Members that the figure was considerable. The Leader confirmed that the

initial costs of introducing the National Living Wage would be approximately £60,000. He was unable to provide a figure in respect of the Real Living Wage, but he undertook to e-mail all Members informing them of the cost were it to be paid at this stage.

RESOLVED - T H A T the proposals of the Cabinet, as set out in Cabinet Minute No. C3068, 8th February, 2016, be approved and the Pay Policy be endorsed.

881 REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS: BARUC, BUTTRILLS AND CASTLELAND WARDS (REF) -

The Leader indicated that, whilst the report to Cabinet had dealt with a review of Polling Districts, Polling Places and Polling Stations in relation to the Baruc, Buttrills and Castleland Wards, the issues before Council only related to Baruc and Buttrills. The recommendations of Cabinet related to the setting up of new Polling Districts within the Baruc and Buttrills Wards to cover the Waterfront area.

Supporting the proposals, Councillor Dr. Johnson nevertheless sought clarification as he considered there to be a slight difference between the area shown on the hatched map and the wording of the Polling District (relating to Districts EBO and ECO). He asked whether the proposal related to the whole area and whether Districts EBO and ECO would both be split to create a new District EB1.

During the discussion, it was suggested that there was a minor technicality which would require clarification and the Leader suggested that Council might consider delegating any such decision to the Electoral Registration Officer.

RESOLVED -

(1) T H A T the proposals of the Cabinet, as set out in Cabinet Minute Number C3078, 22nd February, 2016 in relation to the Baruc and Buttrills Wards be approved as follows:

- Baruc Ward – No change save for current polling district ACO to be divided with the creation of a new polling district to be known as AC1 for the area hatched on the plan attached at Appendix A to the report, with a new polling place and station at the Premier Inn (first preference) or the Brewers Fayre (second preference).
- Buttrills Ward – No change save for current polling district EBO to be divided with the creation of a new polling district to be known as EB1 for the area hatched on the plan attached at Appendix B to the report, with a new polling place and station at the Premier Inn (first preference) or the Brewers Fayre (second preference).

(2) T H A T the Electoral Registration Officer, in consultation with the Leader, be granted delegated authority to make any adjustments to the new Polling Districts considered necessary.

882 TREASURY MANAGEMENT AND INVESTMENT STATEMENT 2016/17
(REF) -

In presenting the report to Council, the Leader referred Members to the amendment contained in the minutes of Cabinet of 22nd February, 2016, i.e. that, in the first table on page 4 of the Appendix, the 2016/17 estimate in the Housing Revenue Account column should read 28.30 and not 228.30.

Members noted that the Scrutiny Committee (Corporate Resources) on 9th February, 2016 had recommended that the Treasury Management Interim Report for the period 1st April to 31st December, 2015, together with the draft Resolutions to Council on 2nd March, 2016 be endorsed. Audit Committee on 24th February, 2016 resolved that the comments of the Scrutiny Committee be endorsed.

The Leader reminded Members of the requirement for the Council to provide an interim report on its Treasury Management operations, together with a proposed Annual Investment Strategy on an annual basis. He referred to the document as being very technical in nature and to it setting out how, and where, the Council invested its money, together with the type of periods such investment covered. He referred to being proud of the way the Council was very prudent in dealing with such matters and in exercising delegation to its financial officers.

Councillor Dr. Ian Johnson referred to reference on page 3 of the report to Cabinet on 22nd February, 2016 to an increase in borrowing levels. He asked the Leader whether he was able to clarify whether that referred to the Housing Revenue Account Subsidy Scheme Buy Out. The Leader referred Councillor Dr. Johnson to page 3 of the Appendix to the report to Cabinet on 22nd February, 2016. The Balance Sheet Summary and Forecast set out the capital financial requirements and did, indeed, indicate an increase. Below the Balance Sheet Summary and Forecast was an explanatory paragraph which confirmed that the majority of the increase was transacted on 2nd April, 2015 as part of the Housing Revenue Account Subsidy Buy Out.

Councillor Franks asked the Leader to provide an indication of the financial advantages to the Council in taking out the above loan. The Leader referred to the Council previously having had to pay money back at around £6m per year and to the loan meaning that would no longer be the case. He was unable to provide a specific amount in response to Councillor Franks but could provide to Members should they wish. However, he reminded Members of the comprehensive report that had already been submitted to Cabinet and to the Housing and Public Protection and Corporate Resources Scrutiny Committees.

RESOLVED - T H A T the proposals of the Cabinet, as set out in Cabinet Minute Number C3083, 22nd February, 2016, be approved.

883 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2016/17 (REF) -

In presenting the report, the Leader reminded Members that one of the requirements of the Housing Revenue Account was to ensure that it not only worked properly but did not go into deficit. The report provided for that to be the case and also indicated the existence of a sound Business Plan in terms of going forward. The recommendations, if approved, would result in a surplus of £22,000 for 2016/17, with a working balance carried forward of £633,000. The report also contained various proposed increases/decreases in terms of rents and other charges. The Leader confirmed that the report had also been considered by the Housing and Public Protection and Corporate Resources Scrutiny Committees, both of whom had made no comments on the proposals.

The purpose of the report was to set the Housing Revenue Account (HRA) budget for the financial year 2016/17 and to set the rents and service charges for the forthcoming rent year beginning on 4th April, 2016.

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

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

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

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

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

Base Budget 2016/17

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

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

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

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

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

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

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

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

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

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

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

Proposed Increases in Rents

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

the target rent band. The additional increase would be applied across the stock based on the local rent policy currently in place.

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

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

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

Proposed Increases in Other Charges

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

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

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

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

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

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

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

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

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

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

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

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

Cesspool Emptying - Cabinet resolved on 21st September, 2015 (Minute Number C2917), to begin charging for cesspool emptying for council owned cesspools at various sites in the Vale of Glamorgan. For those cesspools serving Council House

tenants, it was agreed that the tenants would pay a subsidised rate, with the difference being met from the HRA. The charge to tenants would be based on an equivalent rate to those properties connected to the main sewerage system. It was proposed, therefore, that the dwellings be charged a rate equivalent to the Water Schedule 2016/17 issued by Dwr Cymru Welsh Water. Whilst the schedule was not available at the time of writing, the 2015/16 equivalent rates were in the region of £6.15 per week.

Councillor Franks referred to an amount of £1,093,000 being set aside for Increase in Bad Debt Provision. He understood that figure to equate to an increase of £74,000 and asked for an indication of the actual figure incurred for the current financial year and whether the Leader considered the proposed figure to be appropriate.

The Leader referred Members to page 5 of the report to Cabinet on 22nd February, 2016 and to the reference to an increase of £74,000 on the Bad Debt Provision. This was to reflect the assumption that 6% of net rental income would need to be provided for, to mitigate the potential increase in arrears following the introduction of Universal Credit during 2016/17. He considered it prudent that the provision be increased back to such a level, given that Universal Credit had recently commenced within the Vale of Glamorgan. He did not have the exact figure for the current year available, but informed Members that it would have been contained within the report and would also be set out in the forthcoming Statement of Accounts. Should Councillor Franks be unable to locate the information, the Leader indicated he would do so.

RESOLVED –

(1) T H A T the final Housing Revenue Account (HRA) budget proposals for 2016/17 as outlined below be approved:-

| | Proposed Budget 2016/17 |
|---|------------------------------------|
| | £'000 |
| Expenditure | |
| Supervision & Management | 5,140 |
| Repairs and Maintenance | 3,858 |
| Capital Financing Costs | 5,306 |
| Rent, Rates & Taxes & Other Charges | 318 |
| Increase in Bad Debt Provision | 1,093 |
| Capital Expenditure from Revenue Account (CERA) | 2,931 |
| | 18,646 |
| Income | |
| Dwelling Rents | (17,759) |
| Non Dwelling Rents | (319) |

| | |
|--|--------------|
| Interest | (5) |
| Charges for Services and Facilities | (585) |
| | (18,668) |
| (Surplus)/Deficit for the Year | (22) |
| Working Balance Brought Forward | (611) |
| Working Balance Carried Forward | (633) |

(2) T H A T a rent increase of 1.4% plus a maximum of £2.00, as set out in paragraphs 16-19 of the report to Cabinet on 22nd February, 2016, be approved.

(3) T H A T the increase suggested for other services, as set out in paragraphs 20-32 of the report to Cabinet on 22nd February, 2016, be approved.

(4) T H A T the following charges for the 2016/17 financial year be approved:

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

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

884 FINAL CAPITAL PROPOSALS 2016/17 TO 2020/21 (REF) -

In introducing the report, the Leader reminded Members that the proposals had been considered by all five Scrutiny Committees. Four of the Scrutiny Committees had noted the report, with the Scrutiny Committee (Corporate Resources) on 8th December, 2015 recommending that the Initial Capital Budget Proposals be endorsed. Cabinet subsequently endorsed the proposals on 11th January, 2016. He also alluded to the fact that the Initial Capital Programme Proposals in November 2015 had assumed a 10% reduction, whereas the provisional settlement had in fact turned out to represent a 0.86% reduction in funding from 2015/16 (further details are set out below). He referred Members to Appendix A to the report to Cabinet on 22nd February, 2016, which included details of usable Capital Receipts and an estimate that, as of 31st March, 2016, there would be £9.4m in the General Reserve, £1.339m for Social Services and £1.069m for Education, together with details of proposed expenditure or income anticipated to be received until 31st March, 2027. He also referred to the fact that details regarding the Project Fund were also set out in the report.

The Initial Capital Programme Proposals 2016/17 to 2020/21 were presented to Cabinet on 16th November, 2015 (Minute No. C2974). They were subsequently referred to Scrutiny Committees in November/December 2015.

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

Social Care and Health – 30th November, 2015 – noted report.
 Economy and Environment – 1st December, 2015 – noted report.
 Housing and Public Protection – 2nd December, 2015 – noted report.
 Lifelong Learning – 7th December, 2015 – noted report.

The Corporate Resources Scrutiny Committee, at its meeting on 8th December, 2015, (Minute No. 661), recommended that the Initial Capital Budget Proposals be endorsed.

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

On 9th December, 2015 the Welsh Government announced the provisional 2016/17 General Capital funding settlement. There had been a £47K (0.86%) reduction in funding from 2015/16. The Initial Capital Programme Proposals in November 2015 assumed a 10% reduction and, therefore, an additional £500k was available in 2016/17. There was no indication of the level of funding likely beyond 2016/17;

therefore, in line with the approach adopted in the Medium Term Financial Plan, the proposals assumed a reduction of 10% in each year of the programme from 2017/18. On this basis, a table representing the capital funding from the Welsh Government was shown below:

| Resources from Welsh Government | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 |
|--|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Supported Borrowing - General Fund | 3,369 | 3,032 | 2,729 | 2,456 | 2,210 |
| General Capital Grant | 2,050 | 1,845 | 1,660 | 1,494 | 1,345 |
| Total | 5,419 | 4,877 | 4,389 | 3,950 | 3,555 |

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

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

| | | | |
|---|-------|---|--------|
| Anticipated Required to 2026/27 | 0 | 0 | -5,250 |
| Anticipated Receipts to 2026/27 | 0 | 0 | 5,685 |
| Balance as at 31 st March 2027 | 1,713 | 0 | 1,607 |

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

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

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

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

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

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

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

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

Outside of the above, the Council was heavily dependent on specific grant funding to supplement its own resources if certain capital schemes were to be progressed. Generally, this came via Welsh Government, although contributions from other public sector organisations or associated bodies were also forthcoming. It was estimated that, over the next 5 years, the level of specific grant funding for General Fund Capital Schemes was approximately £75.07M, which was around £52.88M more than the level of General Capital Funding for the same period (£22.19M). The £75.07M grant funding was made up of £32.76M 21st Century Schools grant, £249K Tackling Poverty grant, £678K Renewal Area grant, £2.374M Flood Defence grants, £13.8M Major Repairs Allowance grant and £25.211M Five Mile Lane Improvement grant. Many of these schemes required a match funding contribution to be made by the Authority to the cost of the scheme.

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

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

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

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

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

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

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

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

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

Proposed Capital Programme 2016/17 to 2020/21

Following consideration of all of the above, the proposed 5-year Capital Programme 2016/17 to 2020/21 was attached at Appendix A to the report to Cabinet on 22nd February, 2016. Since the Initial Capital Programme Proposals were prepared, a small number of amendments were received and were outlined below.

Cabinet on 5th October, 2015 considered a report on the 'Proposal to Transform Secondary Education in Barry' (Minute No. C2931) and resolved to progress recommendation 4 "That the development of a programme of work for Barry Comprehensive School be authorised to enable improvements to be made to the learning environment in the short term and that a further report on the proposed

programme and estimated funding requirement be presented to Cabinet for further consideration in due course". A further report was brought to Cabinet on 11th January, 2016 (Minute No. C3042), which included a list of works to be undertaken and resolved "That the inclusion of £210K into the 2015/16 Capital Programme and £690K into the 2016/17 Capital Programme, funded from the School Investment Reserve be approved."

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

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

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

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

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

Slippage requested through Capital Monitoring reports at Cabinet on 25th January and 8th February 2016 had been included in Appendix A of the report.

The Financial Strategy

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

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

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

Examples were:-

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

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

| Capital Budget Pressure | Mitigating Action Taken |
|---|---|
| The possibility of increased demands upon flooding, coastal protection and the environment generally (including an accelerated deterioration of the highways infrastructure). | £130K for Flood Management schemes at Boverton had been carried forward into the 2016/17 Capital Programme. On-going funding for Flood Risk Management was provided for in the five year capital programme at £100K per annum, as detailed in paragraph 64 of the report. |
| The general shortfall of funding available to address the Council's asset renewal requirements. | Bids for Asset Renewal were ranked in accordance with Risk and Corporate Priority to help assist with rationing the scarce resources available. Following a review of Asset Renewal requirements as part of the budget process an additional £400K had been allocated to the Education service in 2016/17 of which £380K had been brought forward into 2015/16 to carry out urgent works. An additional £400K had been allocated each year from 2017/18 to 2019/20. An additional £500K had been added to Visible Services in 2016/17 for Highways Resurfacing and Maintenance Works. A £200K asset renewal budget in 2016/17 and £100K per annum between 2017/18-2020/21 had been allocated to Social Services in order for them to prioritise urgent works to the buildings. The All Services |

| | |
|--|--|
| | asset renewal budget had also been increased as detailed in paragraph 39 of the report. |
| The Council's ambitions for further regeneration and how they could be realised. | Provision was made in each year of the capital programme for regeneration via the Barry Regeneration Partnership Fund and £100K each year for the Regeneration Fund as detailed in paragraph 65 of the report. |
| The continued expansion over time of the Schools Investment Programme. | Band B Schemes for the School Investment Strategy had now been included in the Capital Programme. Welsh Government had confirmed that Band B would commence in 2019/20. It was estimated that the cost of Band B would be in the region of £67.4M and it was assumed that the Welsh Government grant intervention rate would be 50%. |
| Funding of Renewal Areas to address housing, social and environmental problems in the light of reduced grant availability. | In 2016/17 an allocation of £500K had been made for match funding the Renewal Area Grant. Grant funding for this scheme was expected to end in 2016/17. |

School Investment Programme

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

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

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

In September 2014 the Vale of Glamorgan Council received notification from WG that the funding envelope for 21st Century Schools was increased from £20.960M to £29.898M. As reported in the Final Capital Programme Proposals in February 2015, the Council had increased its contribution to the programme by a further £950k for the Llantwit Major Learning Community Scheme and this was approved by Cabinet on 12th January, 2015 (Minute No. C2607), therefore, the total funding envelope was now £30.848m. This excluded the £650k added to the Capital

Programme for Llantwit Learning Community requested as part of the Initial Capital Programme Proposals report.

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

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

Proposed Education Programme to 2020/21

| By Scheme | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total |
|--|---------------|--------------|--------------|---------------|---------------|---------------|
| | £000's | £000's | £000's | £000's | £000's | £000's |
| Ysgol Dewi Sant | 35 | 0 | 0 | 0 | 0 | 35 |
| Llantwit Learning Community | 13,052 | 1,240 | 29 | 0 | 0 | 14,321 |
| Gwaun Y Nant & Oakfield | 47 | 0 | 0 | 0 | 0 | 47 |
| Colcot | 250 | 250 | 0 | 0 | 0 | 500 |
| Barry Secondary School | 0 | 750 | 0 | 0 | 0 | 750 |
| Eagleswell Demolition | 300 | 0 | 0 | 0 | 0 | 300 |
| Band B Schemes | 0 | 0 | 0 | 18,361 | 32,927 | 51,288 |
| St Cyres Lower School Marketing and Disposal | 65 | 0 | 0 | 0 | 0 | 65 |
| Eagleswell Marketing and Disposal | 83 | 5 | 0 | 0 | 0 | 88 |
| Barry Comprehensive School Internal and External Refurbishment Works | 690 | 0 | 0 | 0 | 0 | 690 |
| Asset Renewal | 620 | 1,000 | 1,000 | 1,000 | 600 | 4,220 |
| Asset Renewal Contingency | 50 | 50 | 50 | 50 | 50 | 250 |
| Rhose S106 | 0 | 1,500 | 1,762 | 0 | 0 | 3,262 |
| Gwenfo Primary Expansion | 454 | 11 | 0 | 0 | 0 | 465 |
| St Brides Expansion | 346 | 10 | 0 | 0 | 0 | 356 |
| Victorian Schools | 1,200 | 800 | 0 | 0 | 0 | 2,000 |
| Schools ICT Loans | 200 | 200 | 200 | 200 | 200 | 1,000 |
| Schools Capital Loan Schemes | 200 | 200 | 200 | 200 | 200 | 1,000 |
| Total | 17,592 | 6,016 | 3,241 | 19,811 | 33,977 | 80,637 |

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

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

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

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

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

Rationalisation of school buildings situated on split sites.

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

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

| By Funding Source | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | £000's | £000's | £000's | £000's | £000's | £000's |
| General Capital Funding | 4,593 | 1,800 | 1,189 | 1,160 | 1,155 | 9,897 |
| Capital Receipts | 4,574 | 5 | 0 | 1,404 | 7,581 | 13,564 |
| Other Reserves and Revenue Contribution | 0 | 0 | 0 | 1,000 | 0 | 1,000 |
| School Investment Reserve | 2,293 | 1,665 | 290 | 1,397 | 3,391 | 9,036 |
| School Rationalisation and Improvements Reserve | 200 | 200 | 200 | 200 | 200 | 1,000 |
| IT Fund | 200 | 200 | 200 | 200 | 200 | 1,000 |

| | | | | | | |
|------------------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Prudential Borrowing | 528 | 0 | 0 | 0 | 0 | 528 |
| Total Internal Funding | 12,388 | 3,870 | 1,879 | 5,361 | 12,527 | 36,025 |
| S106 Agreements | 769 | 1,021 | 1,362 | 7,700 | 1,000 | 11,852 |
| Welsh Government Grant | 4,435 | 1,125 | 0 | 6,750 | 20,450 | 32,760 |
| Total Funding | 17,592 | 6,016 | 3,241 | 19,811 | 33,977 | 80,637 |

Housing Improvement Programme

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

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

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

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

The Final Capital Programme Proposals reflected the level of works required to meet and maintain WHQS, and potential investment in new build and regeneration schemes, as per the latest Plan. It was expected that WHQS would be attained by April 2017, with on-going work required to maintain the standard based on component lifecycles. In addition, the latest Housing Improvement Programme included new build and regeneration work of £22.53M between years 2016/2017 and 2020/2021.

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

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

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

Other Schemes

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

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

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

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

Councillor Dr. Ian Johnson referred to the fact that the Council was making decisions prior to the final settlement figure being provided from the National Assembly. He asked for clarification regarding the provision of canteen facilities for children at Ysgol Sant Baruc, who currently had to go to a different school to receive food. He also asked for an update regarding the Barry Secondary Schools Improvement Programme and the Band B schemes (particularly given the lack of space at Ysgol Gymraeg Bro Morgannwg). Given the changes to the Barry Secondary School proposals, he asked whether funding existed for the works. He also referred to previous discussions at Council regarding the use of Barry Regeneration Funding and how the use of funding was determined and allocated. He suggested that there should be a consultation mechanism in place which would more clearly illustrate what strands of funding existed and how they were used.

In response, the Cabinet Member for Children's Services and Schools referred to the fact that there would be a report submitted to the Scrutiny Committee (Lifelong Learning) regarding co-education provision at Ysgol Bro Morgannwg prior to the summer recess. He confirmed that good progress was being made. Funding was still in place under the Band B schemes as it remained the Administration's intention to make announcements around Bryn Hafren and Barry Comprehensive Schools and Ysgol Bro Morgannwg. With regard to Ysgol Sant Baruc, he and the Head of

Strategy, Community Learning and Resources had met with some of the Governing Body and Headteacher and had commissioned property officers to investigate a potential solution and provide drawings and costs.

The Leader reminded Members that the report before them related to the proposed overall budget. He referred to there being certain high priority visible asset and infrastructure improvements. As far as such projects were concerned, they would be forming part of future reports as and when appropriate. As an example, he quoted the provision in place for Victorian schools improvements and to the fact that the detailed programme of work would be developed subsequently. The Administration was well aware of the issues prevailing within Social Services and had provided, where practicable, additional assistance.

Finally, with regard to Barry Regeneration, the Leader considered the current reporting arrangements to Scrutiny Committee (Economy and Environment) to be appropriate and to give ample opportunity for Members to consider the matter.

RESOLVED –

(1) T H A T the final budget proposals for the Capital Programme for the years 2016/17 to 2020/21 as set out in Appendix A attached to the report to Cabinet on 22nd February, 2017 be approved.

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

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

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

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

885 FINAL PROPOSALS FOR THE REVENUE BUDGET 2016/17 (REF) -

In introducing this item, the Leader referred to the recommendations from Cabinet regarding the proposed budget for 2016/17 be fixed at £213.288m, including a provision of £200,000 for Discretionary Rate Relief to rural shops and post offices and charitable organisations. He referred to the individual departmental budgets being contained in Appendix C to the report to Cabinet on 22nd February, 2016, to the recommendations regarding Net Growth as set out in Appendix D and Savings

as set out in Appendix E. The Council was also being asked to endorse the proposed draft report on Education Budget and Indicator Based Assessment (IBA) and to grant delegated authority to the Director of Learning and Skills to make arrangements for it to be forwarded to the School Budget Forum and the Welsh Government.

The Leader reminded Members of the Special Council Meeting arranged for 10th March, 2016, at which the Council Tax would be set (following a final debate in the Welsh Assembly on 9th March, 2016). The Council's final settlement would need to be addressed at that meeting prior to the formal setting of the Council Tax.

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

General

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

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

Anticipated Outturn 2015/16

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

Revenue Settlement 2016/17

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

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

proposed draft of this report was attached at Appendix A to the report to Cabinet on 22nd February, 2016.

The Council's provisional figures from WG for the Revenue Support Grant (RSG) was £112.501m and for Non-Domestic Rates £37.942m. These totalled a provisional Aggregate External Finance (AEF) of £150.443m for the Council. On 10th February, 2016 WG advised the Council that it had updated the provisional AEF and the revised figure would be £150.448m (a figure which was unchanged as of 2nd March, 2016).

When taking into account the above, the effective provisional reduction in AEF for the Council was 2.14% (£3.3m). This was £2.8m less than the 4% (£6.1m) assumed in the MTFP. In order to arrive back at the previous position, Council Tax would be required to increase by 5.5%

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

The Council received funding for collaborative initiatives. Funding under the Regional Collaboration Fund (RCF) was due to come to an end on 31st March, 2016. It had been anticipated that this would continue for a further 6 months, but the Leader indicated that might not be the case, although some of the finding might be met from the Intermediate Care Fund for the first 6 months of 2016/17. Funding from the Intermediate Care Fund (ICF) which was used to build on effective working across health, social services and housing, to improve the planning and provision of integrated services, had been included in Health's budget and would increase for 2016/17. The Council would continue to work with Health to take forward schemes which had a proven effectiveness across community and acute environments, linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The level of funding to be allocated to the Council was yet to be determined. The Delivering Transformation Grant which was received to implement the introduction of the Social Services and Well-being (Wales) Act 2014 would continue into 2016/17 and was used for collaborative working with Cardiff Council.

Budget Strategy 2016/17

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

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

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

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

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

This change would, however, have a significant effect on services the Council commissioned from external organisation, in particular for Social Services. The projections included an assumed pay award of 1% for 2016/17; however, it was acknowledged that an agreement had yet to be reached. The Leader informed Members that he and the Deputy Leader had already met with some of the owners of the residential care homes within the Vale of Glamorgan regarding this matter. There would also be an increase in employers National Insurance contributions which took effect from April 2016 and £930k (excluding schools) had been built into the budgets. With regard to schools, in recent years they had received an increase in funding which was in line with the MFC and the same was proposed for 2016/17.

The BWG considered that the MFC of £1.655m would cover the additional costs to schools as a result of the change in employer National Insurance contributions.

Given the above, the Leader considered that the Council was actually being very proactive in effecting the required savings. He pointed out that the three elements alluded to above constituted approximately 40% of Council Tax expenditure.

He reminded Members that the budget had been considered by each Scrutiny Committee. He also alluded to a consultation document attached as Appendix B to the report. He referred to the fact that some of the highest priorities people had expressed the wish for the Council to concentrate on were primary and secondary schools, recycling, health and disability, sport, transport services and road maintenance. The views of various consultees were set out in paragraphs 26 - 29 of the report.

Proposed Budget 2016/17

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

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

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

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

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

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

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

As previously proposed, it was intended that £1.5m of the Council Fund Reserve would be used during 2016/17. The Leader indicated that would mean the level of the Council Fund reducing to approximately £8.5m, which was still well above the £7m regarded by the Section 151 Officer as a minimum appropriate level.

Services Learning and Skills

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

WG had continued to build into the settlement protection for schools via their Minimum Funding Commitment, which was equivalent to 1% above the change in the Assembly's block grant funding allocation from the UK Government. To fulfil WG's commitment, councils needed to ensure that their net Individual Schools Budget (ISB) was increased by at least this percentage and then adjusted for changes in pupil numbers.

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

The net growth as shown at Appendix D attached to the report related to the net MFC increase of £1.655m and the increase in employers national insurance contributions, excluding schools. This was a significant increase in funding for schools, in light of the Education SSA decreasing by £579k from 2015/16. It was acknowledged that the change in employers national insurance contributions, estimated to be £1.2m for schools, had a significant impact on staffing budgets and the BWG therefore considered that it was necessary to provide funding to mitigate such an increase. This level was substantially higher than the net MFC of £263k

provided in 2015/16 and funding to this high value was seen as a one off and could not be guaranteed for future years if there were further reductions in the WG settlement. It was also acknowledged that funding for schools was a high priority from both external consultation and the Scrutiny Committee (Lifelong Learning).

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

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

Social Services

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

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

The details of the net growth were shown at Appendix D to the report and included the employers' increase in National Insurance contributions. Having regard to the

current financial pressures and the results of the budget consultation, where concerns were raised by the Social Care and Health Scrutiny Committee and the Cardiff and Vale University Health Board, the BWG acknowledged that there were significant issues in this area. Not only was there an increase in the population, but clients were increasingly frail with complex needs. There was a 'knock on' effect from pressures within Health and work was being undertaken to ensure integration between the two services. However, this would take some time to show results and make a significant impact.

There were also pressures on the service from changes in legislation such as the Social Services and Wellbeing (Wales) Act 2014, which would come into force on 1st April, 2016 and the introduction of the National Living Wage. The Social Services SSA for 2016/17 had increased by £2.2m from 2015/16. Taking all these factors into account, it was proposed that an additional £2.2m should be included in the budget. In addition, it was acknowledged that the full impact of the introduction of the Act was not fully known; therefore, it was proposed that the Council's current projected revenue underspend of £492k, as reported to Cabinet on 8th February, 2016 as part of the latest budget monitoring report, was transferred into the Social Services Legislative Changes reserve to fund, in the short term, possible increased costs. The actual financial impact on both Adults and Children's Services would be assessed as implementation of the Act progressed.

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

Savings for Social Services in 2016/17 totalled £1.0m. The full detail of the savings were shown at Appendix E attached to the report.

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

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

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

Environment and Housing

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

The details of net growth were attached at Appendix D to the report and included the increase in employers' National Insurance contributions. As part of the consultation process, residents considered recycling to be a high priority service and, therefore, the BWG thought it appropriate to provide £430k to support the increase in Waste Recycling (a figure which the Leader indicated could rise further and, in fact, represented approximately 0.7% of the Council Tax base). As part of a previous year's budget setting, £340k was included as a saving target for the introduction of town centre car parking charges. As a result of the outcome of public consultation (including meetings with various traders in both Barry and Cowbridge) and to support the economy of the Vale's town centres, this was now being reconsidered and it was proposed that the budget was reinstated for the coming year, pending a final decision. As part of the closure of the 2014/15 accounts, £500k was transferred into the Visible Services reserve to fund the Big Fill initiative during 2016/17.

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

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

Managing Director & Resources

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

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

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

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

Financial Strategy for 2017/18 to 2018/19

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

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

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

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

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

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

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

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

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

In August 2014, Cabinet agreed in principle to instituting a Reshaping Services strategy and change programme. The programme was the Council's proactive response to central government's austerity drive that had created a period of unprecedented financial pressure in the public sector. As part of the Final Revenue Budget Proposals for 2015/16, saving areas totalling £2.25m were identified for

Tranche 1 of the programme which were to be undertaken during 2016/17 and £4.35m for Tranche 2 to be implemented during 2017/18. These savings targets were large and required substantial input for their achievement. As detailed by service area above, some of the targets had been reprofiled over a number of years to ensure their successful and considered implementation. Appendix F attached to the report showed the proposed savings targets for 2017/18 and 2018/19.

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

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

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

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

Reserves

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

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

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

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

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

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

There were risks in the budget and the most significant of these were set out in the report. Social Services care packages budget was currently overspending. Even though additional funding had been proposed for 2016/17, further action would need

to be undertaken by the Director of Social Services to achieve a balanced budget. The budget recovery plan for Social Services required an estimated £2m from the Social Services Fund to cover revenue expenditure over the next three years to give the Service time to plan and implement remedial action, in order to bring their expenditure within their base budget.

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

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

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

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

Whilst covered by a separate report on the agenda, it was important to point out that a large proportion of the reserves were held for capital expenditure as well as for revenue purposes. There was a large commitment required for the future development of local schools and for the risks in maintaining aging premises. Also,

the Council relied heavily on its IT infrastructure and the Wales Audit Office had recommended that a corporate technology development fund should be held.

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

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

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

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

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

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

| Summary of Estimated Reserves Projected to 2018/19 | Est. Bal. 31/3/2016 | Net Movement | Est. Bal. 31/3/2019 |
|---|----------------------------|---------------------|----------------------------|
| | £'000 | £'000 | £'000 |
| General Reserves | 10,041 | (1,500) | 8,541 |
| Specific Reserves : | | | |
| Insurance Fund | 1,373 | 0 | 1,373 |
| Capital Reserves | 25,032 | (11,557) | 13,475 |
| Other Specific Reserves | 21,244 | (12,314) | 8,930 |

| | | | |
|--|---------------|-----------------|---------------|
| Total Council Fund Reserves(excl. Schools) | 57,690 | (25,371) | 32,319 |
| Schools Balances | 1,644 | (54) | 1,590 |
| Total Council Fund Reserves | 59,334 | (25,425) | 33,909 |

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

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

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

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

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

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

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

changes to one off adjustments) and a reduction in identified savings of £0.8m. The savings target for the next three years was now £25.3m.

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

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

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

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

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

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

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

The Leader reminded Members that the Council would not be setting the Council Tax at this meeting but that, assuming no further changes to the settlement from Welsh Government, a recommended increase in the Council Tax of £41.67 for a Band D property (equating to an increase of 3.9%) would be considered at Cabinet on 7th March 2016 and recommended to Council on 10th March 2016.

Councillor John Thomas, Leader of the Conservative Group, expressed his Group's concern regarding the proposed use of reserves. He referred to the previous two Conservative Administrations as having built up substantial reserves, which he considered had been systematically reduced by the current Administration to a point where it would barely exceed the recommendations of the Section 151 Officer by 2019 (also assuming that all the savings were achieved). He suggested that the approach being taken was leaving the Council with insufficient staff and was likely to result in poor delivery of services (which he suggested was already happening in some areas). He considered a more radical approach to be required and felt that the Reshaping Services Programme was too slow and not radical enough.

Councillor Thomas alluded to the Leader having ruled out outsourcing to the private sector, but he referred to the outsourcing of leisure centres to Parkwood and the transferal of the running of Dyffryn House to the National Trust to have been successful examples of such an approach. He considered there to be potential to outsource other services.

Councillor Thomas acknowledged the difficulties facing the Council having to produce a balanced budget given the level of funding it received. He alluded to the fact that the Council was not funded at the same level as neighbouring authorities. Nevertheless, the Conservative Group was concerned regarding the proposed Council Tax increase, which was well above the Retail Price Index. He considered it would have a significant effect on many people living in larger properties, who did not necessarily have incomes to match. He also expressed concern regarding the fact that the final settlement figure from Welsh Government would not be available until the following week.

For the reasons outlined above, the Conservative Group would not be supporting the proposed budget.

Councillor Dr. Ian Johnson sought clarification as to the position should there be a shortfall between the Revenue Support Grant and the AEF and how that would be funded in terms of the Council's final budget. He referred to the Westminster Government having set its public spending review at a very late stage which, in turn, had created difficulties in terms of the Welsh Government's budget setting process. He felt that the Conservative Group's concerns regarding both the proposed use of reserves and the level of increase in Council Tax to not make sense.

Councillor Dr. Johnson acknowledged the difficult choices that had to be made, given the cuts imposed by the Westminster Government, which had been passed on by the Welsh Government on a number of occasions. He referred to the Vale of Glamorgan having been subjected to a larger reduction than Cardiff Council. He also referred to the increases in National Insurance contributions introduced by the Westminster Government (and again passed on directly by Welsh Government) as hitting the Council hard.

He was also glad that the issue of car parking charges was being reconsidered in the light of the responses received during the consultation process. He also sought clarification as to whether the further cuts proposed in respect of street lighting would

involve more lights being switched off or represented savings as a result of the introduction of LED lighting.

Councillor Dr. Johnson moved an amendment to the recommendations before Council to the effect that the budget for 2016/17 be fixed at £212.750m., a reduction of £538,000, with the corresponding figure being added to the Council Fund Reserve which he calculated would be £2,058,000. The amendment was seconded by Councillor Franks.

Councillor Franks referred to the budget as being careful, detailed and even cautious. He considered it very disappointing that there had been so many reductions in terms of Education and young people (albeit, due primarily to a range of specific grants being cut by the Welsh Government). He also alluded to the impact of the increase in National Insurance contributions which the Council would be required to meet. He referred to it being disappointing that the Council was not able to invest more in its schools and referred to the significant need for further investment in the three secondary schools in Barry.

In summing up, the Leader referred to the fact that he considered the proposed use of reserves to not be desirable, but necessary in order to maintain service delivery. He did not agree with the above proposed amendment and pointed out that a lot of hard work had gone into putting together the proposed budget, which he considered to be reasonable. Additional funding was being provided to Education. He accepted the difficulties which would be caused by the increase in National Insurance contributions, having alluded to it earlier in the debate. He did not accept the point made that reserves had been 'systematically reduced'. He pointed out that much of the action the Council was being forced to take was due to the massive cuts, and the massive impact of those cuts, imposed by the Westminster Government. He acknowledged that the Welsh Government had protected Councils slightly more than had been the case in England.

He did not accept the suggestion that the Council had insufficient staff in areas to carry out certain of its duties. He referred to innovative steps being taken in terms of service delivery. In addition to the ongoing Reshaping Services programme, he referred to the Shared Regulatory Services as being an example of working effectively with other Local Authorities and resulting both in efficiency savings as well as keeping services at a level of which Councils should be proud. The Reshaping Services programme was a new approach and would, indeed, take some time to deliver. He pointed out that the leisure centres and Dyffryn House transfer to Parkwood and the National Trust respectively had occurred during the current Administration's control. He alluded to having worked with the previous Administration in bringing the transfer of Dyffryn House to fruition.

The Leader considered the proposed budget to represent a prudent approach and he felt that a careful, detailed and cautious approach was necessary (particularly given the uncertainty of future budget settlements). He disagreed with the statement made in terms of not investing in schools and referred to the earlier comments of the Cabinet Member for Children's Services and Schools. He reiterated the Cabinet Member's point that a report would be submitted to the Scrutiny Committee (Lifelong Learning) prior to the summer recess. He disputed the suggestion that the Council

was not investing in its schools, referring to the Council having spent £17.5m in 2015/16, and over the period to 2021, total expenditure of £80m (as alluded to on page 11 of the report on the Capital Programme).

In response to Councillor Dr. Johnson's earlier point, the Leader confirmed that the budget before Council was based on the information currently available. He did not anticipate a change to the provisional settlement, but reminded Members that the Welsh Government was considering the matter finally on 9th March (i.e. prior to the Special Meeting of Council arranged for 10th March, 2016 to set the Council Tax). He confirmed that, should there be a change either up or down in terms of the Revenue Support Grant, then that would need to be factored into the Council Tax calculation. In either case, the Council Tax would either have to be adjusted upwards or downwards as the Council had to set a balanced budget.

Upon being put to the vote, the amendment proposed by Dr. Johnson and seconded by Councillor Franks was not carried.

Upon being put to the vote, the original recommendations before Council were carried and it was

RESOLVED –

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

(2) T H A T the budgets for 2016/17 as set out in Appendix C attached to the report to Cabinet on 22nd February, 2016, and the totals as set out below, be approved:

| | £'000 |
|----------------------------------|--------|
| Education and Schools | 94,346 |
| Libraries | 2,051 |
| Adult Community Learning | 277 |
| Youth Service | 1,081 |
| Catering | 1,489 |
| Art Development | 115 |
| Children & Young People | 14,858 |
| Adult Services | 39,906 |
| Business Management & Innovation | 295 |
| Youth Offending Service | 696 |
| Visible Services | 20,068 |
| Transportation | 4,834 |
| Building Services | 0 |
| Regulatory Services | 2,056 |
| Council Fund Housing | 744 |
| Resource | 920 |

| | |
|------------------------|---------|
| Regeneration | 2,172 |
| Development Management | 958 |
| Private Housing | 11,262 |
| General Policy | 16,660 |
| Council Fund Reserve | (1,500) |
| Grand Total | 213,288 |

(3) T H A T the recommendations regarding Net Growth for 2016/17 as set out in Appendix D attached to the report to Cabinet on 22nd February, 2016 and the Savings for 2016/17 as set out in Appendix E attached to the report be approved.

(4) T H A T the proposed draft report on Education Budget and Indicator Based Assessment (IBA) attached at Appendix A to the report to Cabinet on 22nd February, 2016 be endorsed and the Director of Learning and Skills make arrangements for it to be forwarded to the School Budget Forum and Welsh Government.

886 CORPORATE PLAN 2016-20 (REF) -

The Leader reminded Members that the Draft Corporate Plan had been submitted to each of the five Scrutiny Committees.

Referring to the delivery element of the draft Corporate Plan being framed around the four wellbeing outcomes contained with the Wellbeing and Future Generations Act, Councillor Dr. Johnson asked the Leader whether the realignment of Cabinet Portfolios was being progressed in terms of the Scrutiny Committee arrangements within the Council.

The Leader felt the point raised to be not related to the actual item before Council. The Scrutiny Committee arrangements were being dealt with under the Performance Management Framework proposals which had been developed and approved by Cabinet. As far as Cabinet Portfolios were concerned, should there be any changes in future, these would be a matter for the Leader himself to determine.

Councillor Hodges, referring to the realignment of Scrutiny Committee arrangements having been broadly supported by Scrutiny Committees, endorsed Councillor Dr. Johnson's point regarding Cabinet Portfolios. In turn, the Leader reiterated his earlier comment. He also pointed out that the current Administration had reduced the size of the Cabinet from 10 to 6. He would consider any further changes to Portfolios as/when appropriate.

RESOLVED - T H A T the proposals of the Cabinet, as set out in Cabinet Minute No. C3084, 22nd February, 2016, be approved and the Corporate Plan 2016-20 approved accordingly.

887 HOUSING BUSINESS PLAN 2016 (REF) -

The Leader reminded Members that the Council's Urgent Decision Procedure had been used to enable a draft copy of the Housing Business Plan to be forwarded to Welsh Government by the required deadline of 29th February, 2016. As indicated in the reference from Cabinet, there had been a proviso that the final version would be forwarded following consideration by Council.

Councillor Dr. Johnson asked how many properties the Council was potentially looking at building. He also sought clarification on the Council's approach to funding for street lighting. The Cabinet Member for Housing, Building Maintenance and Community Safety stated it was not possible to provide a figure. The Council would be advertising for partners to progress the scheme.

With regard to street lighting, the Leader pointed out that the Council was continuing to invest. He would prefer that the Council provide the lighting itself, rather than bid for funding, on the basis that LED lights were less expensive.

RESOLVED - T H A T the proposals of the Cabinet, as set out in Cabinet Minute No. C3090, 22nd February, 2016, be approved and the Housing Plan duly approved.

888 CARDIFF CAPITAL REGION - CITY DEAL PROPOSALS (REF) -

The Leader referred to the proposed City Deal as having a potential value of £1.28bn over a 20 year period. If the proposal progressed and was approved, £580m would come from Welsh Government, £580m from UK Government and £120m from the 10 constituent Authorities over the same 20 years investment. It had been thought that, in order to move forward, UK Government would want the 10 Authorities to sign an "In Principle" deal (which would not commit Authorities in terms of overall funding). The Council had set aside approximately £40,000 for that element, which was ongoing. However, the Leader indicated that discussions between the UK and Welsh Governments regarding the funding available were ongoing. In order to assist Members, he read the following statement issued by Andrew Morgan from Rhondda Cynon Taff and Peter Fox from Monmouthshire and Phil Bale from Cardiff (the respective Leaders of the 2 Councils):

"The 10 Local Authorities combined in the Cardiff Capital Region City Deal Bid welcomed the joint statement issued by business groups in South Wales. It is clear that, if the scheme is to be successful, we will need to work with business too. The statement issued last Thursday by the Confederation of British Industry, Federation of Small Businesses, Institute of Directors and South Wales Chamber of Commerce called the creation of the Business Council an important part of the robust City Deal governance for Cardiff Council region. Andrew said business wants an independent, strategic and representative forum that unites key businesses and their representatives and forms an effective and influential voice for businesses across the region. 10 Local Authorities in the Cardiff Capital Region City Deal partners fully acknowledge the support from local businesses, which is what we have been looking for, is central to the City Deal and to supporting the strategy for developing the city region economy. We fully believe that the principles established in the joint

statement are exactly what we need to support the vision of a city region and we look forward to working with them to shape the governance structure.”

Once the outcome of the ongoing negotiations between the two Governments was known, a further report would be submitted to Cabinet.

Councillors James referred to press speculation regarding this area having a directly-elected Mayor. He was concerned that, in agreeing with the City Deal process, the Council did not become “locked into” arrangements (for example, in terms of budgets and delegations covering the use of such). He sought an assurance that Members would have a full opportunity to consider the proposals, including the potential opportunities presented by the City Deal, the loss of any powers and the governance arrangements.

The Leader assured Members that his approach to date had been a very cautious one (reflected by the limited financial contribution to date) given the need to be sure of what the proposals (which were still in the very early stages) would entail.

He considered reference to a possible directly-elected Mayor to have no foundation. Governance was likely to be by means of a Joint Committee, comprising the Leaders of each of the 10 Authorities. It would not constitute setting up another tier of Government, as, unlike in England, Welsh legislation did not provide for combined Authorities in Wales. However, the functionality of any governance arrangements was yet to be determined, but he assured Members that they would be made fully aware of any proposals before decisions were considered.

Each of the 10 Authorities would need to consider, and understand, the financial implications involved, which could span much longer than the 20 year period being mentioned (possibly 30 or 35 years). He referred to it being a speculative bid on behalf of the UK Government to actually try and put money into some of the regions.

Alluding to his earlier statement regarding Aston Martin coming to Saint Athan, the Leader was hopeful other companies would follow.

The Leader stated that, originally when the bid was put forward, it was actually based on increasing GVA by around 5% in order to receive UK funding, but that seemed to have changed and might be the case. However, he was still waiting for confirmation on that issue. What the UK Government was doing was considering the bid document and assessing how much they would put into the bid and that also depended on what they considered the Welsh Government were putting into the bid. They were also reviewing the amount that the 10 authorities were contributing to the current figure of £1.28bn. The Deal was predicated on only getting money back from the Government if there was an uplift in the GVA. He had always been cautious of that and needed to be absolutely certain what it meant before you agreeing to it. However, that seemed to have “gone out the window” and if that was the case, then fine. However, it did mean that the Council would be investing money over a long period, with an investment from Welsh Government in terms of things like the infrastructure and the Metro. It was also going to be based around housing and on the fact that, in Cardiff Capital Region there were three Enterprise Zones (one in

Cardiff, one in Ebbw Vale and one in the Vale), so it actually promoted the whole region and, hopefully, would create something like 17,000 jobs.

The Leader concluding by pointing out that there remained “a long way to go”. Even if the deal was agreed by all 10 Authorities, it would probably take between 18 months and 2 years to actually finalise the deal. He again assured Members that they would be kept fully informed.

RESOLVED - T H A T the proposals of the Cabinet, as set out in Cabinet Minute Number C3088, 22nd February, 2016, be approved and the current position be noted.

889 AWARD OF WORKS CONTRACT - BARRY HARBOUR ROAD CAUSEWAY PHASE 3 (REF) -

RESOLVED - T H A T the use of the Urgency Decision Procedure (Cabinet Minute No. C3050, 11th January, 2016) as set out in Article 14.14 of the Council's Constitution, in order to enable the scheme to be progressed, be noted.

890 LOCAL GOVERNMENT (WALES) BILL DRAFT FOR CONSULTATION - PROPOSED COUNCIL RESPONSE (REF) -

RESOLVED - T H A T the use of the Urgency Decision Procedure (Cabinet Minute No. C3069, 8th February, 2016) as set out in Article 14.14 of the Council's Constitution, in order to submit the response to Welsh Government by 15th February, 2016, be noted.

891 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 8.2 -

Due notice had been given of the following questions:

(i) **Question from Councillor Rhodri Traherne**

I understand that the Welsh Government's Environment Bill aims to make all shops, schools, offices, factories, restaurants, building sites and hospitals sort their recyclable wastes separately. This would involve paper, card, glass, plastic, metal, food and wood, which would all be banned from landfill sites. Have you had an opportunity to comment on this part of the Bill and do you support these proposals?

Reply from the Cabinet Member for Visible and Leisure Services

The Council's Operational Manager for Waste Management and Cleansing responded to the Consultation paper for this Bill on behalf of the Council in June 2015, and when asked via the process:

- *Do you agree that non-domestic premises should be required to put their waste out for collection in line with any separation requirements set out by the Welsh Government?*

advised as follows.... "I do not believe that this is necessary. The infrastructure and market is not mature enough in Wales to allow this to be achieved and the regulation bodies insufficiently resourced to make it happen. Clearly it will be apparent that requiring non-domestic premises to adopt the Welsh Government 'Blue print' will at best result in the cost being passed on to the customer and at worse result in complete apathy and failure to comply by the non-domestic sector. It would also be unwise to force any industry to place all of its eggs in one legislative basket when Welsh Government should also be taking measures to remove what it considers burdens on business." This is an extract from the full response provided.

Whilst I fully support recycling for both domestic and non-domestic sources, I remain unconvinced that source segregated recycling collection arrangements are necessary for all materials, when you have efficient and low cost material handling facilities such as those currently in use by this Council. Welsh Government should, in my view, spend less time dictating how our waste is put out for collection and more time supporting Councils and businesses in operating cost effective and high performing recycling arrangements that are most appropriate for the majority of service users at any one time.

I am also pleased to inform Members that I have today been informed that the latest figure achieved by the Council is 65%, exceeding by some way our target of 58%. I would like to thank all staff and residents of the Vale for their ongoing efforts.

(ii) **Question from Councillor Rhodri Traherne**

Over the two years, 2013 – 2014 and 2014 – 2015, this Council paid out £1,120,528.00 in compensation claims. This is a substantial sum of money. Are you able to reassure Members that all the claims were properly considered and not of a frivolous nature? I ask this as I understand that Newport Council paid £375.00 to a cyclist who was riding his bicycle on a footpath when apparently his face came into contact with some nettles.

Reply from the Leader

I assume that this information has been taken from recent data published by the Taxpayers Alliance. The figure quoted in the media with regard to this matter was inaccurate and extremely misleading. In actual fact the amount the Council paid out is far lower at £225,211 in total since 2013. This figure comprises of claims which relate largely to personal injury and car or property damage.

I can reassure members that the Council and their insurers consider every claim on its merits and will only settle a claim where there has been a breach of statutory or Common Law Duty.

The cost of insurance claims is a significant cost pressure on local government and the Vale of Glamorgan Council has worked hard in recent years to reduce expenditure in this area.

Supplemental

Councillor Traherne was pleased that the amount quoted was inaccurate but, nevertheless, referred to Monmouthshire Council having paid out a little over £15,000 during the same period. He asked the Leader to ensure that the Council was ensuring that payments were appropriate.

The Leader assured Councillor Traherne that the Council's Insurance Section was very stringent and he questioned whether the figure quoted from Monmouthshire was, in fact, correct. Nevertheless, he would ensure that the Council continued to be robust in its actions in responding to any insurance claims.

(iii) Question from Councillor Rhodri Traherne

The 'Older People's Commissioner' has said that more than 30,000 people over 60 in Wales are victims of domestic abuse. What is the Council doing to support older people here in the Vale who may be victims of domestic abuse?

Reply from the Cabinet Member for Adult Services

I welcome the fact that the Older People's Commissioner has drawn attention to this issue. Our Domestic Violence and Sexual Abuse Strategy already aims to "target more vulnerable or excluded citizens including older people and those in the rural Vale". In part, this is a response to the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015. The Act seeks to prevent gender-based violence and abuse by placing an 'ask and act' duty on public staff - to ask victims about the possibility that they may be experiencing violence and act to reduce the harm.

An Older People Domestic Violence Sub-Group was formed in December 2015. It is made up of representatives from Atal Y Fro, the Vale of Glamorgan Domestic Abuse co-ordinator and members of the 50+ Forum group in the Vale.

Plans include:

- training the 50+ Forum in Basic Domestic Abuse awareness so that they are able to effectively recognise signs and signpost to local services, with a particular emphasis on the experience of older people;
- holding a coffee morning at Golau Caredig in Barry where Atal y Fro will give a talk on healthy relationships.

The overall aim is to reach out and engage with the older generation effectively, planning how to reduce gaps in services and make local Domestic Abuse services more visible.

Supplemental

Councillor Traherne asked whether the Cabinet Member considered the Protection of Vulnerable Adults (POVA) Team possessed the necessary resilience to deal with the potential scale of domestic abuse of older people living in the Vale.

The Cabinet Member considered the existing staff were adequately resourced. However, he acknowledged that the new Social Services and Wellbeing Act would place additional requirements on the Council (and, indeed, all Councils in Wales). As such, it would be necessary to keep a 'watching brief' on the issue, with there being an onus on all Members to ensure that the appropriate messages were getting across.

(iv) **Question from Councillor Rhodri Traherne**

How many children and young people in the Vale of Glamorgan are educated at home?

Reply from the Cabinet Member for Children's Services and Schools

We know of 35 children who are being educated at home by their parents.

Supplemental

Referring to the death from Scurvy of a young child in Pembrokeshire who was being educated at home, Councillor Traherne asked whether the Cabinet Member could reassure Members that children and young people being educated at home in the Vale of Glamorgan were safe.

The Cabinet Member informed Members that the Council was aware of 35 pupils who were Electively Home Educated (EHE), with 5 of those pupils' parents unwilling to engage with the EHE team. The Council worked with Children's Services and Child Health to offer home visits and to refer families to services such as FACT, Careers Wales, Cardiff and Vale College, Flying Start, Young Carers and many more.

The relationship between the Council and EHE families was in the main a positive one. However, EHE pupils were a concern in that, legally, parents did not have to engage with the Education Department, follow the National Curriculum or accept visits from local authority officers. The Cabinet Member undertook to liaise with the Directors of Social Services and Learning and Skills and to write to the relevant Minister raising the issue raised. He had some assurance regarding the protection of such children, notwithstanding his earlier reference to 5 children, the parents of whom were unwilling to engage with the Authority.

(v) **Question from Councillor Rhodri Traherne**

Can you explain why things have gone so very badly wrong at Ysgol Y Deri?

Reply from the Cabinet Member for Children's Services and Schools

I do not for a minute accept the premise of Councillor Traherne's question. Things have not gone 'so very badly wrong'.

Beyond its fine new buildings and excellent facilities we have a great deal to celebrate about our new special school. The pupils have access to a wider curriculum and record numbers are achieving qualifications all the way up to GCSE and A level. Pupils are experiencing a wide range of opportunities, both on and off the site, including visits to the World Skills Event in Birmingham, skiing in Europe, hydrotherapy, making their own radio and TV programmes and putting on a series of wonderful Christmas concerts, to name but a few. I could go on.

What is fair to say though is that the new school, that replaced three separate special schools, has faced, and continues to face, challenges in its work to provide an excellent education for some of our most disadvantaged children and young people.

The staff teams from the three schools have had to adapt fast to work with different students with often significantly different additional learning needs. They are working with different policies and protocols as well as using new equipment and ICT. Many are also working with new colleagues. Yet all of this has been achieved in little over a year.

These challenges have also been replicated in the senior leadership team, formed from its three predecessor teams, who are committed to ensuring that every learner continues to make the best possible progress.

The vast majority of the staff have thrived in these circumstances, but there have also been difficulties for a few, which has manifested itself through higher than normal levels of sickness absence. The staff concerned have been supported by the school and through the Council's Occupational Health services. The school has put in place robust temporary staffing arrangements to ensure that the impact on learners of any absences is kept to a minimum.

Following the joint commissioning of a report by the Cardiff and Vale University Health Board and the Council, the Council, Health Board and the governing body have developed an action plan to ensure fully effective working between staff who work at the school and are employed by the Health Board and those who are employed by the Council.

The CSSIW carried out an inspection of the provision at Ty Deri, the residential facility attached to the school, in October 2015. The inspectors concluded that " ... the quality of life for young people at the school was good", and "Young people were looked after by staff who understand their needs and are able to meet them consistently. They are cared for by motivated staff who want to make a positive difference". However, they also noted that the management arrangements at the facility needed to be strengthened. The Governing Body has prepared, and is implementing, actions to meet the good practice recommendations of the inspectorate. Much of this plan is already completed.

The Governing Body is aware of the strengths and areas for development of the school and is active and engaged in the work of the school.

So, yes, there is still more work to be done before the senior leadership team, Governing Body and this Local Authority can be confident that the challenges of amalgamation have all been resolved. Much has already been achieved and, no, things have not gone, as you say, 'so very badly wrong' at the school.

Supplemental

Councillor Traherne questioned the Cabinet Member's interpretation of the CSSIW report. He referred to sources having informed BBC Wales that staff morale was extremely low, with up to a fifth of staff being absent at any one time. He asked whether the Cabinet Member accepted any responsibility for such an 'appalling state of affairs'.

The Cabinet Member considered Members needed to bear in mind that some children had conditions which meant that, in the event they had a cold, they could be off school for several months. In schools with children with additional learning needs of such levels, sickness rates could indeed be high. He referred to Ysgol Y Deri as being 'almost unique' in its construction and development and it was the case that staff were sometimes off work taking into account the health and protection of the children. He acknowledged that there were staff off work due to stress-related issues and pointed out it was a difficult school in which to work. He pointed out that the school was yet to be inspected by, for example, the Health and Safety Inspectorate or Estyn, but he considered that the school was moving forward. He referred to the current Administration as having followed through on plans that had been put in place under the previous Administration.

He confirmed that the issue of staff absence was in need of continual monitoring and he would be doing so with the Directors of Social Services and Learning and Skills, and the Chair and Director of Nursing of the Health Board. Certain substantive issues in terms of senior leadership had been highlighted and had now almost completely been resolved and he would continue to work with the school in the positive way that had occurred to date.

(vi) **Question from Councillor Rhodri Traherne**

You will be aware, I know, that the First Minister has been forced to apologise to Assembly Members after his Government sold publicly owned land, including Upper House Farm Rhoose, for far less than these parcels of land were worth. You will also be aware, I suspect, that the Welsh Government spent 52 million pounds to purchase Cardiff Airport, despite clear and unambiguous advice from KPMG that the airport's value was between 20 and 30 million pounds. Does it not make you angry that, whilst the Welsh Government is squandering tax payers' money 'as if there is no tomorrow', the Vale of Glamorgan Council is having to make very difficult decisions over the future of the services that it delivers as a result of significant reductions in Welsh Government capital and revenue funding?

Reply from the Leader

From a budget perspective, the Council has received a reduction in revenue funding of 2.14% (3.3m) and capital funding of 0.86% (£47k) for 2016/17. The reductions are less than originally anticipated when the draft budgets were considered in November of last year.

Although it's a cut I am pleased that the budget settlement is less than originally anticipated. It is fact that the cut is not because of Welsh Government fulfilling its role in the economic development of this country as you seem to infer, but in reality because of UK Government's ongoing and apparent resentment of public services and those that depend upon essential public services, such as those in need of care and support. This is what makes me angry and I know many colleagues in this chamber share that view.

Therefore, you are correct that we have to make difficult decisions over the future of essential services but as I contend it is because of UK Government's approach to public services.

You mention the airport, but you do not mention the Audit report of January this year which was quite clear that the Welsh Government clearly understood its wider contribution to the Welsh economy. You seem to ignore the fact that Welsh Government had, prior to purchase, attempted to work with the then owners and the fact that passenger numbers had declined steadily since 2007 – incidentally they are now growing again - and growing sharply. You do not mention that the Audit report acknowledged that Welsh Government had a clear rationale for purchasing the

Airport and undertook appropriate due diligence, with the price paid being informed by a range of commercial and public asset valuations. So, I do not accept the premise you make.

So to answer your question - Does it make me angry –Yes, I am angry but it is at the mind-set of the UK Government towards those that deliver essential public services and not as you suggest.

Supplemental

Councillor Traherne was of the view that there had been many years of 'chronic economic mismanagement and appalling waste of taxpayers' money by the Welsh Government' and asked whether the Leader agreed that the best way to bring such 'incompetence' to an end was for the people of the Vale of Glamorgan to vote Conservative at the forthcoming elections.

The Leader reiterated his view that most of the problems were due to the UK Government. The last thing he would want was a Welsh Conservative Government so the answer to Councillor Traherne's supplementary question was no.

He considered himself to have been reasonably objective in his views in relation to what had gone forward. He felt Councillor Traherne had failed to recognise that the

Welsh Government had not only invested in the Airport, but they had invested in the Enterprise Zone. He alluded to his earlier Statement regarding Aston Martin coming to the Enterprise Zone. That all formed part of the Welsh Government's economic development plan and was something he thought people living in the Vale of Glamorgan should all be proud of.

In terms of the First Minister apologising, that was a matter for him. The Leader reminded Members that he had taken a stance against his own Party and the Welsh Government when he had considered it appropriate. However, he considered that their attitude in terms of economic development was exceptionally good. He felt it would have been a disaster had Wales lost its only airport. Furthermore, Welsh Government had worked with the Council in terms of investing in the Enterprise Zone and on the Five Mile Lane extension.

(vii) **Question from Councillor Richard Bertin**

Can the Cabinet member please give us an update on the position with regards to the amount of interest expressed from volunteers in running our libraries?

Reply from the Cabinet Member for Adult Services

In March 2015, I wrote to residents informing them that the Council had decided to explore the development of Community Libraries in Dinas Powys, Sully, Wenvoe, St. Athan and Rhoose and invited Expressions of Interest from groups interested in running one or more of the libraries.

Expressions of Interest were received for each library by the deadline of 18th May 2015. Each group that had submitted an Expression of Interest was invited to submit a detailed business case.

You will be aware that the viability of the business cases for running the community libraries was considered by Cabinet last month and it was resolved that community libraries be established in each of the 5 areas by 31st May 2016 at the latest.

The business cases include details about volunteer recruitment and engagement. This information suggests that there is significant interest in volunteering at the community libraries.

Since Cabinet's decision on 8th February, officers have been working closely with the community groups to establish the libraries. We held two recruitment events at Dinas Powys and Wenvoe and 28 volunteers attended. In Sully, we have interest from another 17 and will be conducting formal recruitment soon. The Council is planning similar events at Rhoose and St. Athan in the near future and we are hopeful similar numbers will attend. I am very pleased to report that, in a conversation with Councillor James on Monday, he informed me that there are 40 people that have come forward in Rhoose who are interested in helping with the community library. I would like to place on record my thanks to Councillor James for his support in setting up our community library in Rhoose.

Supplemental

Thanking the officers for their time and commitment in helping to get the new service off the ground (and, of course, the volunteers for their valued time), Councillor Bertin asked what support would be available for the community groups and whether such support would be a permanent feature.

The Cabinet Member referred to the fact that the information requested was in the Cabinet report, which included reference to the ongoing support from the Library Service to the community libraries.

(viii) Question from Councillor John Thomas

I understand that Carmarthenshire County Council intends to spend much of its reserves prior to any reorganisation of Local Government so that the people of Carmarthenshire can benefit. Are you tempted to pursue a similar strategy?

Reply from the Leader

The simple answer to this question is no.

Supplemental

Councillor Thomas asked, given the fact that the Vale of Glamorgan Assembly Member was in favour of a merger between the Council and Cardiff City Council, whether the Leader agreed that the safest way to avoid a merger was to encourage everyone in the Vale of Glamorgan to vote Conservative.

The Leader stated he had not realised that the Conservative candidate was in such a 'dire strait' that they had to ask at every juncture for somebody to vote for them. In simple terms, he did not agree with Councillor Thomas.

(ix) Question from Councillor Chris Franks

You will be aware of the report that about 26,000 children are at risk of leaving Welsh primary schools unable to read to an acceptable level over the next five years.

The "Read On. Get On." coalition, which includes the 'Save the Children' Charity, said decisive action must be taken and that 10,000 of these children would be from poor backgrounds who must be allowed to fulfil their potential.

There are calls for more investment in the early years' teachers, including specialist support and encouraging parents to help with their children's reading.

Will you indicate what additional resources will be given to Vale Schools to tackle this worrying situation?

Reply from the Cabinet Member for Children's Services and Schools

Reading is the essential tool to unlocking learning.

Reading standards in the Vale are high. The results for the latest national reading test in English placed the Vale in first or second place for each year group (Y2-Y9), when the mean progress measure for each local authority in Wales was compared.

In the Welsh reading test, again the Vale was ranked first or second in most year groups.

Resources to support reading are varied and significant in scale. These include:

- Support from the literacy team and through school-based hubs coordinated by the Central South Consortium.
- Flying Start's work with parents and early years settings.
- Family First Team whose work includes supporting parents of pupils from Nursery to Y2 with a Readiness to Read Programme from which parents have produced and published children's books.
- Targeted intervention for those pupils struggling to master basic skills.

I am confident that the vast majority of Vale learners will leave primary school able to read.

Supplemental

Assuming that the Cabinet Member would agree there was still room for improvement, Councillor Franks asked how he would respond to the campaign (notwithstanding what had already been done).

The Cabinet member responded that there was always room for improvement, in every Authority in Wales. The fact that Estyn had just completed a survey on this and a review inspection of this Authority and told the Council that it was one of the best Education Authorities in Wales did not mean that the Council could rest on its laurels. In terms of continuing investment, he alluded to the work of the Central South Consortium and that they had specific schemes that focused on literacy and numeracy. The Council would continue to ensure that children across the spectrum of abilities, whether those with additional learning needs, more able and talented or having specific learning needs, supported and encouraged across all primary and secondary schools. That was because it had to be accepted that some children did go into secondary school with a lower reading age than they should.

In terms of the Save the Children response, the Cabinet member did not have the individual data for the Vale of Glamorgan, but he would make sure (in working with the Director of Learning and Skills and the Head of Inclusion Services) that the Council continued to support all schools with the literacy framework and, indeed, Flying Start. Part of his portfolio included seeking to make sure that parents and young people did not "slip through the net". As such, parents and young people would continue to receive the support for the skills they needed to go into the job market or continue in their education.

(x) Question from Councillor Chris Franks

In the approved Local Development Plan it is noted there is a need for substantial improvements to the highways network and public transport. These included 15 Corridor Improvement Schemes include Pontypridd Road, Port Road West near Tesco, Cardiff Road, Broad Street all in Barry and Windsor Road, Penarth.

In addition, around 20 Junction improvements are highlighted, including Cardiff Road / Murch Road, Leckwith Road / Pen y turnpike Road Dinas Powys, Weycock Cross / Port Road Barry, A4055 / Sully Moors Road, Gladstone Road / Broad Street / Gladstone Bridge roundabout, Port Road / Colcot Road roundabout in Barry and Cogan Hill / Approach from Terra Nova roundabout, Penarth.

Will you indicate what progress has been achieved in carrying out these vital improvements?

Reply from the Cabinet Member for Regeneration

I would refer Councillor Franks to the detailed information that is contained on the Council's Examination in Public website for the Local Development Plan on this matter.

Pages 9 to 15 of the Council's Transport Statement for the Examination in Public due to be heard on 23rd March 2016 contain the response to this question. I can provide Councillor Franks with a copy of the link to the relevant website pages if he so desires or I can read it out.

(Councillor Franks indicated that the provision of a link would be more than acceptable).

(xi) Question from Councillor Chris Franks

The Vale Council is reporting that over 500 additional affordable homes are required across the Vale every year to meet their assessment of housing need.

The waiting lists indicate a demand for 368 houses and flats in the Dinas Powys, Llandough and Penarth areas. The biggest demand is for one bed properties, with over 200 bids for these sized dwellings. Council will be aware of the approval of over 130 new properties in Dinas Powys and a further 70 along Sully Road, Penarth. Will you indicate if you intend to allocate more development sites to provide additional housing in the Dinas Powys, Llandough and Penarth area?

Reply from the Cabinet Member for Regeneration

The Deposit Draft Local Development Plan, which is currently being examined by a Welsh Assembly appointed Inspector, clearly identifies all housing sites which the Council considers should be brought forward in the life of the above plan which runs

until 2025. All the sites are allocated in the plan and can be viewed online should the Member wish to do so.

However, as the Plan has now passed from our hands into those of the Inspector, it is not open to us to change or modify the Plan further, in any shape or form, unless guided by the Inspector to undertake further work and answer any queries that he will have during the course of the on-going Examination in Public.

That does not, of course, preclude developers from applying for planning permission for sites which are not included within the local development plan. However, the Council cannot control this and can only react when such applications are received.

Supplemental

Councillor Franks considered that the Local Development Plan did not address the shortfall within the area and asked if it was correct that, on one hand, the Council was identifying need and, conversely, then not addressing that need.

The Cabinet Member referred to it as being very much a 'balancing act'. Issues such as developments and affordable housing numbers were looked at and she considered most people to have commended the Council on its attitude to affordable housing requirements (for example within Section 106 Agreements). The Council's ambitions were very far-reaching in that respect and it would continue to work along those lines. In the event that Councillor Franks was, perhaps, suggesting the building of more houses in Dinas Powys, she suggested that, if he was planning to address one of the sessions during the Examination, he could suggest to the Inspector that he recommends additional housing allocations in Dinas Powys.

(xii) Question from Councillor Chris Williams

I understand that a new National Infrastructure Commission has been created, chaired by Lord Adonis. In an invitation to a Summit meeting, an email to me points out that it will be, 'offering unbiased analysis of the UK's long term infrastructure needs'. It goes on, 'It will recommend to the government before next year's Budget what should be done in economic and transportation terms to transform east-west connectivity between the northern cities by road and rail as well as advising on priorities for future large-scale investment in London's public transport infrastructure such as Crossrail 2.' Members will note the absence of any Welsh content.

What will this Council be doing to put pressure on this body to consider our greater needs for financial help as, if you journey by road across the UK, as I have done, you could not fail to see how poorly this Country has fared in comparison to its neighbour.

Reply from the Leader

Having considered the current consultation in respect of the National Infrastructure Commission document (which relates particularly to the north of England), it is considered that it will be a responsibility of Welsh Government to decide whether to

use the Commission to consider the needs of Wales where areas such as transport are devolved.

Any requests for the Commission to consider the needs of Wales would only be permitted by the Welsh Government. Therefore, this new legislation and Commission, is outside of the control of any individual Local Authority within Wales.

Supplemental

Referring to the Council having previously relied on the South East Wales Transport Alliance (SEWTA) to champion its cause in such matters Councillor Williams asked whether SEWTA had been replaced by an alternative body.

The Leader responded that it had not, but that certain aspects were being dealt with within the Welsh Government's Transport Initiatives. For example, the Welsh Government had set up an arms-length transport company which would be looking at matters such as the Metro and rail franchising. Similarly, the South East Wales Partnership (which was the partnership of the 10 authorities within South East Wales which covered the former SEWTA area) would also continue to play a part. He alluded to the City Region Bid and the way that constituent authorities were working together in terms of transport, housing and other infrastructure measures.

As far as transport grants were concerned, applications were still able to be submitted but they were governed by Welsh Government, rather than SEWTA.

(xiii) **Question from Councillor Dr. Ian Johnson**

This April marks three years since the introduction of the bedroom tax. How many families are paying the bedroom tax in the Vale of Glamorgan currently, compared with at the point of introduction?

Reply from the Cabinet Member for Housing, Building Maintenance and Community Safety

At the commencement of the "Bedroom Tax" in April 2013 there were 1,102 households affected. As at February 2016 ; that number is now 830 households.

Of the 1,102 households in April 2013, 679 were Council tenants, with the remaining 423 tenants of other social housing providers.

In February 2016, of the 830 households affected, 474 are Council tenants, with the remaining 356 tenants of other social housing providers.

Supplemental

Referring to a lot of effort having gone into the mitigation of Welfare Reform effects, Councillor Dr. Johnson asked what more could be done (or was intended to be done) in order to reduce the number even further, given the perceived lack of ongoing support from the Welsh Government with regard to Bedroom Tax.

The Cabinet Member referred to the ongoing work which the Council was undertaking. For example, a project with Newydd, designed to provide for the emerging policies from Central Government regarding under 35 year olds and shared accommodation and people in supported housing. She alluded to Discretionary Housing Payments, which originated from Central Government (from the Department of Work and Pensions), with the Council then match-funding the provision. The Council did use all the Central Government funding, but had not actually used all its own funding at present. The roll-out of Universal Credit, which started in the Vale of Glamorgan in February, would have an impact. At present, the scheme was only for new applications for single people and it was not possible to indicate at this early stage how it would develop.

(xiv) **Question from Councillor Dr. Ian Johnson**

When do you plan to make an announcement about whether the Cabinet will or will not introduce 'phase one' car parking charges for town centre car parks in Barry and Cowbridge as they agreed on 27 July 2015?

Reply from the Cabinet Member for Visible and Leisure Services

The proposal to introduce car parking charges was something this current administration inherited in 2012 as a proposal to make savings. Such an approach has been subject to significant discussion and we have recently also discussed the matter with trader representatives as well as with Barry and Cowbridge Town Councils. People and organisations have differing views as to whether such charges should be introduced. From discussions, it is also clear that many people are concerned at the impact of car parking charges on the viability of our town centres, particularly at a time when out-of-town shopping continues to grow and there is a significant rise in internet based shopping.

The report before us tonight makes it clear that as part of a previous year's budget setting, £340k was included as a saving target for the introduction of town centre car parking charges. As a result of the outcome of public consultation and to support the economy of the Vale's town centres, this is now being reconsidered and it has been proposed that the budget be reinstated for the coming year, pending a final decision.

To this end, a report will be brought to Cabinet with recommendations for the future of our Town Centre car parks as soon as is practicable, as I fully realise that the matter needs to be brought to a conclusion.

Supplemental

Councillor Dr. Johnson asked the Cabinet Member if he could provide the date of the Cabinet Meeting.

The Cabinet Member responded that the matter would be considered as soon as possible, once the officers' report was available.

(xv) Question from Councillor Dr. Ian Johnson

How many fines have been given out for environmental offences, such as littering, dog fouling etc. in each year since 2011?

Reply from the Cabinet Member for Visible and Leisure Services

This information is recorded in financial year periods and for each full year the details are as follows:

In 2010/11 there were 48 fixed penalty notices issued.

In 2011/12 there were 66.

In 2012/13 there were 1330, as this was the year of the XFOR private environmental enforcement trial.

In 2013/14 there were 73.

In 2014/15 there were 41.

Supplemental

Councillor Dr. Johnson asked what plans the Council had with regard to dealing with, for example, dog littering and bin bags being dropped.

The Cabinet Member informed Members that the Council had recently been out to tender via Sell2Wales for the provision of private environmental enforcement services for a 2 year period, which, if required, could commence in 2016/17. This tender process had closed on 1st March, 2016 and officers were currently evaluating the submissions in order that the Cabinet report could be presented in May 2016, detailing the various options available.

(xvi) Question from Councillor Dr. Ian Johnson

How frequently does the Council review the tourist information provided to residents and visitors in noticeboards in the Barry area?

Reply from the Cabinet Member for Regeneration

The Tourist Information Panels across the Vale of Glamorgan are currently being addressed with a full refresh of both the cabinets and information provided being reviewed. The Information Panels that are under the management of the Council's Tourism Unit do not have notice boards; they are static boards, providing visitor information that would have a lifespan of a minimum of 2-3 years.

A number of the recently installed Glamorgan Heritage Coast (GHC) information boards have notice boards where information can be changed regularly. The GHC rangers are responsible for the keys to these cabinets, and we work together to review the information displayed.

Some panels where notice boards are included are owned and managed by both Community and Town Councils.

In addition to the Information Panels, we also manage around 55 Information stands in-house, where we co-ordinate the distribution and display of VOG venue print material only. This is ongoing and regularly monitored and maintained to ensure the information provided is relevant and up-to-date.

Supplemental

Councillor Dr. Johnson referred to Notice Boards in the Barry area referring to the g Morrisons' store and the Theatre Royal Cinema (which had closed some 8 years ago) and he asked whether these signs would be changed or altered at some point given he considered them to be embarrassing.

The Cabinet Member asked Dr. Johnson to provide details of the locations of these signs, following which a check would be undertaken to establish whether they were Council signs. However, she informed Members that, in terms of Tourist Information, the Council did not have Notice Boards.

(xvii) Question from Councillor Dr. Ian Johnson

How many instances of homophobic bullying were recorded by schools in the Vale of Glamorgan in each of the past five years, and what action has been taken by the council to prevent homophobic bullying in educational settings since I raised this issue in March 2013?

Reply from the Cabinet Member for Children's Services and Schools

We have been collecting this information since 2012.

Schools have reported that in:

2012 – 2013 there were 7 reported incidents of homophobic bullying

2013 – 2014 there were 5

2014 – 2015 there were 3

2015 – 2016 to date there have been 2.

Policies introduced since I became Cabinet Member include:

- Council staff have worked with Headteachers to produce an Anti-bullying Policy that has been adopted by schools. This policy is updated annually.
- Reported incidents related to protected characteristics, including homophobic bullying, are analysed by officers and shared in a multi-disciplinary forum that includes Challenge Advisors from the Consortium. Actions are planned and reviewed and include visiting schools with high levels of reported bullying

incidents to review processes and procedures. Follow up meetings take place if the data indicates that this is necessary.

- The Council has signed up as a Stonewall Champion and last week we carried out an audit of processes related to homophobic bullying with a representative from Stonewall. An action plan will be developed as a result of this. Three schools have also signed up to be Stonewall Champions
- A Stonewall representative delivered training to Local Authority staff, which addressed the use of homophobic language and a Stonewall representative attended a meeting with all secondary schools to share information and materials available for use by schools.
- On-line pupil assessments have been developed so that pupil information can be analysed alongside information reported by schools. If a pupil states that he/ she is being bullied while completing the on-line assessment an e-mail is generated and sent to the school for their attention.
- A questionnaire was sent to School Councils in the academic year 2014 to 2015. Pupils reported that schools are dealing well with bullying incidents.
- I have also undertaken training in terms of trans-dressing

(xviii) **Question from Councillor Dr. Ian Johnson**

What consideration has been given to the Council providing post office facilities if Post Office Ltd are unable to secure alternative appropriate private sector facilities following their closure of Barry Crown Post Office?

Reply from the Leader

I did meet with a representative from the Post Office during January and when the consultation was underway. He advised that as part of that consultation, retailers and businesses are likely to come forward with proposals to site a counter within their business. I was told that there was already interest to this effect. You will appreciate that businesses and retailers benefit out of such an arrangement - it brings increased customers to shops that would otherwise not have come to their counter. Such an approach has been followed elsewhere, although this predetermines that the Crown Post Office will close (something which we have asked them not to do

The Civic Offices may well be appropriate, but I would not want to compete with other options that could in turn bring benefits of increased trade and footfall to existing retailers. I would also not want to provide any suggestion that I would be satisfied for the post office to close, as I would, ideally, want it to stay open. To this end, I have already written suggesting that the Post Office consider other options other than closure, and this includes making better use of their premises by increasing income through securing additional users for a building which includes significant empty floor space. I also suggested they introduce other types of offers to customers (as occurs in other stores).

Given the situation at present, it is my view that we maintain communication with the Post Office as we are doing and we consider our position as and when circumstances demand it. However, I do not think it would have been the right thing

to do to say to the Post Office in discussions to date that if the facility was to close, it should be housed by the Council as there was already more than one person or retailer potentially wishing to work with them. Consequently, I have left it at that, although still issuing the warning that as far as we are concerned, we want a Crown Post Office to remain in Barry.

Supplemental

Councillor Dr. Johnson asked whether, in the event that the Crown Post Office neither stayed in its existing location or moved to within an alternative private sector business, the Council would be prepared to consider hosting a facility rather than allow the facility to close.

The Leader stated that, if there were no other options and no other parties were to come forward then he would talk to the Crown Post Office regarding alternatives but, at present, that did not constitute any form of offer.