Agenda Item No.

CABINET

Minutes of a meeting held on 19 February, 2018.

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

Apologies: Councillor G. Kemp.

Also Present: Councillor(s); L. Burnett, B. Gray, I. Johnson, N. Moore.

C219 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 5 February, 2018 be approved as a correct record.

C220 DECLARATIONS OF INTEREST –

No declarations were received.

C221 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO 30TH NOVEMBER 2017 (REF) -

The Scrutiny Committee (Environment and Regeneration) on the 18 January, 2018 considered the above report of the Director of Environment and Housing.

The Principal Accountant, in presenting the report, advised that for the services under the Committee's remit in order for the budget to outturn within target at year end, a £725k contribution from reserves would be required.

Although there was a favourable variance for Highways and Engineering due to vacant posts currently within the department, there was currently an adverse variance of £206k for Waste Management. Although the Waste Management budget had been reduced in 2017/18 for further vehicle savings, the department was unlikely to be able to make these in the short term due to the increased distance that the vehicles had to travel as all waste disposal units were now situated in Cardiff.

For the Visible Services Reshaping Services Savings Target, it was envisaged that there would be a shortfall in the savings of £525k for 2017/18 which again would need to be met from the Visible Services reserve due to the scale of transformation. It was anticipated the restructure would take effect fully from April 2018.

For the Countryside, Economic Development and Tourism Events functions, there was currently a small adverse variance against the profiled budget, although there were favourable variances mitigating the position and in an effort to balance the budget at year end, all non-urgent expenditure elsewhere within the division would be put on hold.

Appendix 2 to the report provided a list of savings to be achieved for 2017/18 with the anticipation that there would be a shortfall against the target of £809k.

Appendix 3 to the report detailed the financial progress on the Capital Programme as at 30th November, 2017 with particular reference being made to a number of schemes within the report referred to as below:

- Ogmore by Sea Sustainable Transport Improvements
- Dimming of street lighting / fitting of LED lanterns
- Dinas Powys to Cardiff Corridor Bus Priority Measures
- Harbour Road Overflow Car Park
- Local Transport Fund, Road Safety and Safe Routes in Communities schemes
- Penarth Pier
- Improving access to Cogan Primary School
- Court Ward park improvements
- Ffordd y Mileniwm footway / cycleway
- Maendy Pedestrian Sustainable Transport Improvement
- St. Athan Sustainable Transport Improvements
- Fferm Goch Sustainable Transport Improvements
- Colwinston Play Area.

In considering the report and the reference to the Court Ward park improvements, local Members requested to receive detailed information on these improvements with it being agreed that the Accountant would forward these via e-mail to all Members of the Committee. With regard to the Colwinston play area, it was recognised that as this was a new scheme it needed to be included in the Council's Capital Programme.

Following further consideration of the report reference was made to the adverse variance in relation to Waste Management with the Head of Service for Neighbourhood Services and Transport advising that the department had had an increase over the last year in the number of houses it served and this had been having an impact year on year. The Christmas and New Year periods had also been exceptional in relation to recycling, particularly in relation to Christmas trees where there had been significant issues. There had also been a higher than normal sickness absence over the winter period as a result of a “winter bug” and long term sickness. It was anticipated that the new Neighbourhood model would provide more flexibility in the future and the Head of Service was hopeful that the restructure would also meet the needs for the future.

With specific reference to road safety grants at Pen-y-Turnpike and Mill Road, following a query from a local Member, the Head of Service stated that the improvement was in relation to the bottom part where the road narrowed and that she would obtain further details of the scheme proposed and forward the information to the local Member. Similarly, a local Member asked for further details in relation to the Safer Routes in Communities Dinas Powys to Penarth via Cosmeston scheme.

Following consideration of the report, it was subsequently

RECOMMENDED –

(1) T H A T the position with regard to the 2017/18 revenue and capital monitoring be noted and the information requested by Members of the Committee as outlined above be forwarded via e-mail.

(2) T H A T Cabinet be requested to include the Colwinston Play Area in the capital programme with a budget of £48k to be split £5k into 2017/18 and £43k into 2018/19 to be funded from Section 106 monies.

<u>Reasons for recommendations</u>

(1) In recognition of the contents contained within the report and the requests from Members.

(2) As the Colwinston Play Area is a new scheme, the Capital Programme needs to be amended to reflect this it being recognised that and the work would enhance the play area at Colwinston.

Cabinet having considered the recommendations of the Scrutiny Committee (Environment and Regeneration)

RESOLVED – T H A T the contents of the report be noted and the Colwinston Play Area be included in the capital programme with a budget of £48k to be split £5k into 2017/18 and £43k into 2018/19 to be funded from Section 106 monies.

Reason for decision

As the Colwinston Play Area was a new scheme, the Capital Programme needed to be amended to reflect this.

C222 BARRY REGENERATION PROGRESS REPORT (REF) -

The Scrutiny Committee (Regeneration and Environment) on 18 January, 2018 considered the above report.

The Head of Regeneration and Planning, in presenting the report, advised that Cabinet on 20th November, 2017 had received a copy of the report which apprised of past regeneration policies, programmes and projects in relation to Barry together with details of key issues and challenges for the future. The Cabinet had also referred the report to the Scrutiny Committee for its consideration.

In order to elaborate further on the document, a short presentation was also provided a copy of which was tabled at the meeting.

The presentation was divided into three parts:

Part 1 – The Regeneration Challenge
Part 2 – The Council's Track Record of Targeted Investment and Place Making in Barry
Part 3 – Emerging Projects, Policies and Funding Programmes.

The report also highlighted that the socio-economic and cultural environment of Barry had changed dramatically over the last 100 years or so, with Committee being informed that the coal boom, as the nineteenth century turned into the twentieth century, a steady economic decline followed the inter-war period. The decline prompted a plethora of government-led regeneration and redevelopment initiatives stretching back to the late 1980s which differed in scale, scope and vision

In referring to nineteenth century expansion, the Head of Service advised that there had been a unique combination of the port industrial hub, expansion of the town and Barry Island becoming a resort. In referring to the rise and decline of Barry, reference was made to the Barry Island Holiday Camp which had closed in the mid-

1990s, the fact that the Port No. 1 Dock had been decommissioned in the late 1980s and for the town centre the impact of out of town retail parks, online retailing and the loss of key anchor stores in the area.

With regard to the Council's track record, reference was made to the investment in physical infrastructure, in particular the Waterfront Phase 1 development where land reclamation disposal had been acquired, the Ffordd y Mileniwm had been developed, the Gladstone Bridge and Thompson Street Footbridge. For housing there were Registered Social Landlord partners (Golau Caredig, Ty Bamwr, Ger y Mor), the Welsh Housing Quality Standards had been introduced, The Quays at the Waterfront had been developed, housing renewal areas established (Castle land and Main Street) and the Council had utilised ARBED funding to provide energy saving home improvements at Gibbonsdown and Castleland. For investment in communities, investment had been placed in the Town Hall, King Square and Central Park, the YMCA Barry, Gibbonsdown Children's Centre, Porthkerry Country Park (Forest Lodge) and parks and play areas within the Vale.

With regard to working with local residents and stakeholders to better understand local needs and delivery quality schemes various other initiatives had been established including Basset Park, Iolo Place, Fforest Community Park, Dryden Terrace, Pencoedtre, George Street and Maslin Park.

In helping to create employment the BSC, Pump House, Premier Inn, Asda and The Quays at the Waterfront had all been established in the area and the Pump House itself was a focal point of Barry's waterfront development. This provided apartments, cafés, restaurants, health and leisure facilities, Academy Espresso Bar, Hang Fire Smoke House and a Snap Fitness 24/7 gym.

For investment in tourism, monies had been forthcoming for the Island in respect of the Eastern Promenade, Nell's Point, a number of events, the new link road and the causeway.

With specific regard to moving forward and shaping the future: drivers for change, the Head of Service advised of strengthened communication and engagement so that people and groups in Barry were involved with an emphasis on working together. A flexible framework of investment aims which could adapt to a changing context was established in order to opportunities to be seized. Aligned to the Welsh Government's national strategy Prosperity for All: Well-being of Future Generations (Wales) Act 2015 and the Cardiff Capital Region delivery themes, Committee was informed that funding was likely to flow from these priorities in the future. It was important that the Council had a flexible and adaptable policy direction to maximise the regeneration impact of investment, with a proactive whole town approach to regeneration combining the improvement to places with support for the people who live in them. It was also important to ensure Barry's place in the Cardiff Capital Region and harnessing and adding value to private sector interest and investment. This had been done by the Barry Town Centre Gateway regeneration, land at Nell's Point, Barry Island and the Southern Development Site at the Innovation Quarter.

With regard to funding, Welsh Government's Targeted regeneration Investment for the three year period 2018/19 – 2020/21, the Council would be seeking to develop a programme of capital investment in the physical infrastructure of Barry with specific focus on economic regeneration projects in Barry Town Centre and Barry Island, which supported job creation, enhanced employment and would create the right environment for businesses to prosper.

The Head of Service stated that the Council had taken the view that this was an evolving list of proposals for Barry, however, the main elements of the proposals currently being developed were noted as :

- Targeted regeneration investment project proposal Barry Town Centre gateway regeneration –
  - Working closely with the Health Board, at zoned Registered Social Landlords, landowners, potential funders and investors to deliver a hub of community focused services at the west end of the Town Centre (Gladstone Road) all forming part of the new town centre mix and linking the old centre with the new development on the Waterfront
  - Active travel measures (with easy opportunities for walking, cycling and accessing public transport) which encourage access to and through the Dock View Road Corridor linking the Town Centre to Barry Docks Station
  - Unlocking the development of a key site identified in the Local Development Plan at Barry Dock Station for a mix of uses including a bus interchange
  - A master plan was currently being put in place to guide the opportunities for major employment and housing growth.
- Barry Island Regional Tourism Destination –
  - The visitor experience was dominated by day visits rather than overnight stays
  - For long term financial viability, new operating models would be required to provide facilities that operated all year round rather than just in the main tourist season
  - Facilities would have to appeal to a local market, which would use them in winter and other times when visitor numbers were low, but equally would

need to be attractive to visitors at other times, especially during wet or inclement weather periods

- A master plan was currently being put in place to guide the marketing and development of Barry Island and further financial intervention would be necessary to unlock the potential of key sites including the possibility of partnering with the private sector to develop new or substantially refurbished leisure and tourism facilities.

- Key Issues –
  - Building relationships and partnerships with the promoters of nationally / regionally significant projects such as:
    - Cardiff Capital Region City Deal
    - St. Athan – Cardiff Airport Enterprise Zone
    - The Quays – Waterfront Barry
    - Generate greater community capacity to create and access opportunities in Barry and the wider area.

This new programme required the commitment of joined up working and doing things differently as set out in the Prosperity for All Welsh Government new national strategy. Although, however, there remained a number of concerns about the way targeted regeneration investment would operate, particularly in relation to the development of the regional plan regeneration and the project approval process. The Council would therefore, along with other Local Authorities across South East Wales, be seeking further advice and assistance from the Welsh Government over the coming weeks and months with the aim of clarifying matters. There was no guarantee that the Council would be funded from targeted regeneration investment, but it was vital that the Council had schemes ready to submit for grant assistance should the opportunity arise during the period 2018/19 to 2020/21.

In referring to the slides, the Head of Service also stated that in particular the Pump House had been handpicked by the media via a TV network and was therefore a great asset to the town as well as being a listed building.

The Head of Service also advised that he had that day been in a meeting discussing new events for the forthcoming year which, he informed Members had been really positive with it being noted that it was now important to monitor how many people came to the town as a result of such events. Having a good access route in and out of Barry Island had also seen an increase in visitor numbers.

A Member, in noting the significant gap in funding since the WDA era and the reduction in funding since the Vibrant and Viable Places Scheme, queried whether this was likely to continue. In response, the Head of Service advised that it would be important for the Council to receive its share of the £44m being referred to by Welsh Government but that this figure was divided between ten Councils.

The local Member for Barry expressed his pleasure that a number of “high end establishments” were being sought for the Barry Island area and he hoped the decision was for upmarket tourism for the future. It was also important that a café culture be established to attract visitor numbers as well.

The Head of Service took the opportunity to inform Members that the toilet block on Barry Island was in the process of being sold to a company which had provided a detailed scheme similar to the one that had been established in Swansea which had proven to be a success. There was also interest in Nell’s Point with the focus being on capitalising on the bid and having people staying longer on the Island with the establishment of an hotel in the foreseeable future. Further discussions had also taken place with ABP regarding the use of the docks, with ABP having advised the Council that they had commercial aspirations for the Mole area.

Members also agreed with the comments that more should be done in relation to the use of other parts of the waterfront, with the question as to whether the dock area could also be used to attract cruise ships. Recognition the local ward member felt also needed to be given to increased car parking facilities, it being noted that a parking strategy was currently in the process of being developed to be presented to Committee and Cabinet in due course it was hoped that this would be presented by the end of the financial year.

A Member also raised the issue of the possibility of a call centre coming to the area, with the Head of Service advising that in terms of employment, the department was looking for an expansion at the BSC as it also employed a considerable number of young people and that BSC 2 was hoped to be up and running in the next few months. To date there was a considerable amount of interest for the BSC 2 from organisations and together with the Pump House were over 69 jobs were reported, it was envisaged that there would be an increase in employment and job opportunities.

Discussion subsequently took place in relation to the private sector coming more on board in the area, with the ex-Leader of the Council extending his warm congratulations to officers over the years who had worked tirelessly and hard in order to ensure the provision was brought forward for the area. All Members took the opportunity to congratulate the officers on their work so far.

In referring to deadlines for grant funding, the Chairman asked how flexible applications were to respond to an urgent change in focus. The Head of Service in response stated that the schemes that had been developed all had a significant number of different options that could be utilised and adapted dependent upon the terms of any bid. In particular he referred to the Health Centre at Holton Road which required a significant amount of repair and that the Council was currently working with the Health Authority on the scheme which was quite complex.

Whilst referring to premises at Holton Road, the Chairman also stated that different types of premises needed to be encouraged to “set up shop” similar to those on High Street advising that bespoke shops were important to encourage trade. The Head of Service stated that the traders at Holton Road were currently on board and that the department was looking to establish a business improvement district for Barry and if that was possible, it would be great news for the area.

The Cabinet Member for Regeneration and Planning, with permission to speak, advised that he was currently talking to a number of private sector individuals about the possibility of coming to Barry, with the emphasis of broadening the market and trying to ensure that the number of visitors who came to Barry actually stayed on the Island e.g. overnight.

In conclusion, the Chairman thanked all the Members for an interesting debate and the officers for a comprehensive presentation, with the suggestion that the Committee’s comments be referred to Cabinet to apprise Cabinet of the Committee’s discussions.

Having fully considered the report, it was subsequently

RECOMMENDED – T H A T the comments made at the meeting be forwarded to Cabinet for their consideration when the proposals for Barry Island regeneration are being considered.

Cabinet having considered the recommendation of the Scrutiny Committee (Regeneration and Environment).

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

<u>Reason for decision</u>

To note the contents of the report.

C223 CORPORATE RISK REGISTER QUARTER 2 UPDATE (REF) -

The Audit Committee on 31 January, 2018 considered the above report of the Managing Director.

The matter had been previously deferred by the Committee to allow a briefing of Audit Committee Members to clarify the Council's approach to Corporate Risk Management. This briefing was subsequently held on 23rd January, 2018 with Members of the Audit Committee and political Group Leaders being invited to attend. The purpose of the briefing was to provide further explanation with a view to further developing Members' understanding of the way the Council identified Corporate Risks, the documentation of risks and how they were reported via the Council's Corporate Risk Register. The briefing also provided an opportunity for Members to ask questions or further discuss any queries that they should have.

The Committee was apprised by the Head of Performance and Development of the Council's revised approach to risk management which was based on three key elements:

- Risk overview – risks for identification and definition;
- Risk evaluation – assessment of risk position / score;
- Risk management plan – action to manage the risk.

He also referred to the three elements which were reflected within the sections of the new Risk Register Template, details of these sections were set out in paragraphs 10 to 14 of the report.

In terms of the new reporting format, this had been designed to reflect to needs of various audiences. It also enabled employees to identify the risk trends / issues and to better understand the interrelationship between Corporate Risks and associated risk categories.

In addition to the above, the quarterly Risk Summary Report would also contain the following three elements:

- **Corporate Risk Summary** – provided an overview of all Corporate Risks in terms of their inherent, effectiveness of control and residual scores and provided an outline of the direction of travel (both current and forecast)
- **Overall Heat Map** – used a risk matrix quadrant to plot the residual risk scores in terms of likelihood and impact for each Corporate Risk in order to illustrate the groups / interrelationship between risks on a heat map

- **Thematic Risk Heat Map** – used a similar risk matrix quadrant to plot residual risk scores for each Corporate Risk, but by risk category. This provided a more holistic illustration of the distribution of risks by risk category across the matrix and enabled trends and synergies between risks to be identified, with mitigating actions and controls which could be put in place corporately to manage multiple risks.

His attention then turned to the current Quarter 2 update, which covered the period April to September 2017, details of which were set out in Appendix A to the report. He further indicated that there were currently 14 Corporate Risks on the Register and that no risks had been removed from the Register during Quarter 2. Separately, of the 14 Corporate Risks, in terms of their status, one risk was scored high, ten risks were scored medium, two risks scored medium / low and one risk was allocated as low risk status.

In terms of the exceptions, he outlined matters relating to the following subject areas:

- Deprivation of Liberty Safeguards;
- Local Development Plan;
- Safeguarding and Contract Management.

The Corporate Risk Summary Report included heat maps that plotted on a matrix the residual risk scores for each Corporate Risk. For Quarter 2 the overall heat map showed that the majority of Corporate Risks congregated around medium. However, the risks were evaluated by their risk categories. There were generally more risk groups within medium to medium high (for reputational based risks). Only one risk, Deprivation of Liberty Safeguards, sat in the high category.

In regard to the Risk Management Plan Summary, during Quarter 2 significant progress had been made in relation to the above Plan across all aspects of the Risk Register. The vast majority of mitigating actions outlined in the above Plan had a green status and were on track with 14 actions fully completed by the end of the quarter. Where actions had been deemed completed, these would now be removed from the Plan and incorporated as controls within the relevant risks. There had also been slippage in relation to 18 mitigating actions associated with the Legislative Change, Housing Improvement Programme, Waste Management, Information Security, Environmental Sustainability and the Safeguarding Risks and these actions were therefore deemed as actions for Corporate Risk and specific details of these were set out in paragraphs 29 to 46 of the report.

The Council's internal Insight Board had considered the Quarter 2 report and had reviewed all the Corporate Risks, the heat maps and their interrelationship between the risk categories on 6th September, 2017 and the following issues had been highlighted:

- **Local Development Plan** risk had significantly reduced since its adoption. Since the Local Development Plan was no longer subject to the judicial review period (six weeks post-adoption), the Insight Board felt that this risk should be removed from the Register, but could be reintroduced at a later date should the need arise
- **Contract Management** risk was currently scored at medium / low. However, the Insight Board commented that significant progress had been made over the last few months to mitigate this risk through the roll out of the Contract Management briefing sessions for all team managers alongside a series of other mitigating controls. As a consequence, the Insight Board recommended that this risk also be removed from the Register.

The Head of Performance and Development indicated to the Committee that following the Insight Board's review, it had determined that both the Local Development Plan risk be removed from the Register and also Contract Management, subject to the completion of any related outstanding actions.

His attention then turned to Emerging Risks for the Council and alluded to the Welsh Community Care Information System (WCCIS) and separately to Corporate Building Compliance, details of which were set out in the report at paragraphs 50 to 58, and indicated that both would now be included on the Council's Risk Register. Subject to the agreement of the Audit Committee to do so, the risk template would be completed for both risks and included in the Quarter 3 update report.

Discussion ensued with a number of questions being asked by Members in regard to the likely timeline of the completion of outstanding actions in relation to Contract Management given the intended removal of the risk from the Council's Risk Register. The same Member also referred to the Corporate Risk Overview Report and the risk relating to unauthorised Deprivation of Liberty Safeguards (DoLS) being "Red" and expressed his surprise, given the related Supreme Court judgement made in 2014. In responding to the Member's comments, the Head of Performance and Development explained that the DoLS risk related to pressure on existing resources as a result of increased demand for related assessments and referred to paragraph 20 of the report which set out the specific implications for the Council. Separately, the Operational Manager for Audit also indicated that a further internal audit follow up review had been included in the Internal Audit Risk Base Audit Plan for 2017/18.

In referring to the same Corporate Risk Overview Report for Quarter 2, the Lay Member enquired why the Corporate Risk in relation to Integrated Health and Social Care only had a residual risk score of 4. In response, the Head of Performance and Development indicated that this action related to the integration of services between the Council and the Health Board. There were actions and measures within the Risk Register to address the matter.

The Chairman, in referring to the Member Briefing that had taken place the previous week, expressed his thanks on behalf of the Committee to those officers who had been involved in preparing information for the exercise.

Having regard to the above, it was

RECOMMENDED –

(1) T H A T the new reporting format for the Council Risk Register and its associated reporting arrangements be endorsed.

(2) T H A T the current position of Corporate Risks and the Emerging Risk themes be noted and the associated recommendations made by the Council's Insight Board and Corporate Management Team as set out in the report be endorsed.

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

Reasons for recommendations

(1) In acknowledgement of all the Corporate Risks for the Council and that these were effectively monitored, addressed, reviewed and updated on a regular basis.

(2) To endorse the removal of the Local Development Plan and Contract Management, (subject to the completion of any outstanding actions) from the Risk Register and the inclusion of Emerging Risks in relation to Welsh Community Care Information System and Corporate Building Compliance.

(3) To allow the Cabinet to consider the matter.

Cabinet having considered the recommendations of the Audit Committee.

RESOLVED –

(1) T H A T the contents of the report and recommendations from the audit committee be noted.

(2) T H A T the new format of the Council risk register and associated reporting arrangements be endorsed.

Reasons for decisions

(1) To note the contents of the report and recommendations from the audit Committee.

(2) To endorse the new format of the Council risk register and associated reporting arrangements.

C224 FINAL PROPOSALS FOR THE REVENUE BUDGET 2018/19 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) –

The purpose of the report was to set out final proposals for Cabinet to consider, before making their recommendations to Council, in respect of the final revenue budget for the financial year 2018/19.

The Council was required under statute to fix the level of Council Tax for 2018/19 by 11 March, 2018. The final decision on the budget could not be delegated and had to be made at the meeting of Council scheduled to be held on 28 February, 2018.

The proposed budget for 2018/19 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 related to the £320k reduction in the use of the Social Services Fund in 2018/19.

Inflation totalled £3.594m of which £3.16m related to an allowance for pay awards. Excluding Schools, an amount of £405k had been allocated for non pay inflation. Not all contracts the Council entered into would have a requirement to be increased year on year by inflation. In view of this, a review of the Council's contracts had been undertaken and it was proposed that this sum was allocated specifically to contribute towards funding inflation where it was a contractual commitment for large contracts. It was therefore proposed that £200k be allocated to Neighbourhood Services for commitments under Waste Management contracts and £205k was allocated to Social Services for Community Care packages.

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 £8.717m. The breakdown of this sum was shown at Appendix D attached to the report and also included transfers into the RSG.

The savings had also been reviewed by the BWG. It would not be possible to implement some of the larger Reshaping Services savings in full during 2018/19 as they would require further time to be implemented and therefore the targets for the Visible Services, the Commercial Opportunities, the Establishment Review and the Digital Strategy projects had been reprofiled over a 2 to 3 year period. The 2018/19 savings targets relating to Reshaping Tranche 3 for Commercial Opportunities, Establishment Review and the Digital Strategy were currently shown centrally pending final allocation to individual service areas/projects by 31 March, 2018. Due to the nature of the savings identified it was felt more appropriate that £350k of the Procurement saving should be transferred to the Establishment Review workstream. An additional £100k had been added to the existing £600k Reshaping Corporate Services savings target bringing its total for 2018/19 to £700k. For 2018/19 proposed savings total £6.298m and details were included at Appendix E attached to the report.

As part of the Initial Revenue Proposals report presented to Cabinet on 20 November, 2017 it was projected that the outturn for Policy for 2017/18 would be a favourable variance of £4m. Cabinet resolved " THAT a sum of £2m be set aside in the Schools Investment Strategy reserve, funded by the projected underspend on revenue in 2017/18, with further details in the Initial Capital Programme Proposals 2018/19 report" and "THAT a sum of £2m be set aside in the Council Fund, with its use being considered as part of the final budget proposals for 2018/19".

Options for the use of the £2m funding had been considered by the BWG. On 16 January, 2018 Mark Drakeford, the Cabinet Secretary for Finance and Local Government, announced an additional £30m of funding across Wales for a capital highways refurbishment scheme. The allocation to the Vale of Glamorgan Council was £1.136m. Further details were contained in the Initial Capital Proposals report elsewhere on the agenda. It was proposed that in order to continue the much needed investment in the Council's roads, an additional £500k would be transferred into the Visible Services reserve and used to carry out additional road and pavement resurfacing works in the coming year.

The Cardiff Capital Region City Deal brought together ten local authorities and financial support from Welsh and UK Governments to generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region over the next 20 years. The contribution to be made by the Council would be substantial over the coming years and £1.25m had already been set aside in a reserve. It was anticipated that the Council would need to carry out unsupported borrowing to fund our contribution to the programme which would require revenue funding to be identified to support these loans. It was therefore proposed that the reserve be increased by £500k with further funding being identified in future years.

As part of the revenue monitoring report to Cabinet on 22 January, 2018 (Minute C193 refers), it was agreed that £258k of the projected Learning and Skills overspend would be funded from the £2m set aside in the Council Fund.

With the continuation of austerity measures it was becoming increasingly difficult to deliver savings, to balance the budget in future years and to meet any unforeseen cost pressures following agreement of the budget. It was therefore proposed that the remaining balance from the £2m set aside, which was £742k, continued to be held in the Council Fund.

Learning and Skills

	Schools	**Strategy, Culture, Comm Learning & Resources**	**Achieve-ment for All**	**School Improve-ment**	**Directors Office**	**Total**

	£000	£000	£000	£000	£000	£000
Budget 2017/18	**82,437**	**11,797**	**4,290**	**1,122**	**243**	**99,889**
Recharges/Tfrs	370	75	(468)	(10)	(8)	(41)
Changes in Asset Rentals/IAS 19	0	(316)	(10)	0	0	(326)
Inflation	1,607	77	86	1	5	1,776
Net Growth	868	57	849	0	0	1,774
Savings	(824)	(113)	(85)	(80)	(8)	(1,110)
Budget 2018/19	**84,458**	**11,577**	**4,662**	**1,033**	**232**	**101,962**

A breakdown of the net growth was shown in Appendix D attached to the report. The Education SSA had increased by £2.458m from 2017/18. In light of this and the comments made by the Learning and Culture Scrutiny Committee, additional funding of £1.774m had been allocated to this service, in addition to £1.776m for inflationary pressures.

During the year it had been reported that there was pressure on the inter authority recoupment budget and the out of county placements budget with projected overspends of £403k and £200k respectively. Part of this overspend was being offset by budget underspends within the Directorate and as part of the Final Budget Proposals 2017/18, £200k was set aside in a Schools Placements reserve which would be fully utilised during 2017/18. WG had advised that the Minority Ethnic Achievement Grant (MEAG) would not be issued in 2018/19. This grant had been transferred into the RSG on an all Wales formula basis however it was unclear how much of the allocation had been received by the Vale of Glamorgan and how it compared to the £239k grant received in 2017/18. The BWG acknowledged the pressures in this area and had allocated recurring funding of £849k to central Education which was to be allocated to specific areas by the Director of Learning and Skills. It had also allocated funding for demographic growth of £868k to Schools.

A breakdown of the savings target was shown in Appendix E attached to the report. Reshaping savings targets were included in 2018/19, £166k of which were to be identified from Additional Learning Needs. Due to the pressures in this area the savings target had now been reallocated to service areas across the Directorate. A savings target of £824k had been allocated to Schools.

It was suggested that the Schools Budget Forum be consulted before any final decision was made on the split of the funding between Central Education and the

Schools. It was recommended that delegated authority be given to the Director of Learning & Skills to determine the split in the light of that consultation.

After the changes above, the Education budget would be substantially above the IBA.

Social Services

	Children & Young People	**Adult Services**	**Resource Mgmt. & Safeguarding**	**YOS**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Budget 2017/18	**15,124**	**41,910**	**267**	**701**	**58,002**
Recharges/Tfr	13	(103)	37	7	(46)
Adjustments	(168)	553	(65)	0	320
Inflation	83	602	25	20	730
Net Growth	294	4,105	0	0	4,399
Savings	(41)	(342)	(35)	(1)	(419)
Changes in Asset Rentals/IAS 19	(9)	(6)	1	1	(13)
Budget 2018/19	**15,296**	**46,719**	**230**	**728**	**62,973**

The latest projected outturn for Social Services in the current financial year indicated an overspend of £1.4m. There remained continuing pressures on the service, particularly in relation to the cost of adult care packages which could outturn this year up to £1.2m over budget and the full year effect of this year’s commitments would further increase this figure. The overspend related mainly to domiciliary care packages provided for frail elderly clients. There had also been pressure this year on the Children’s Placement budget which was resulting in a projected overspend of £200k for Children’s Services. This was due to the increasing complexities of the children currently being supported, which resulted in their placement in very high cost units.

A breakdown of the net growth was shown in Appendix D attached to the report. Having regard to the current financial pressures and the comments made as part of the budget consultation and the concerns raised by the Healthy Living and Social Care Scrutiny Committee, 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 ongoing to ensure integration between the two services. Fees paid to residential and domiciliary providers during 2017/18 was increased by above the level of inflation to allow in part for the National Living Wage. Providers had also requested an above inflation increase in 2018/19, due to the continuing impact of the National Living Wage. The Social Services SSA for 2018/19 had increased by £864k from 2017/18. The BWG had taken all these factors into account and it was proposed that an additional £2.334m should be included in the budget for Adult Services. At this point, WG had not announced any change in the maximum weekly charge for non-residential care from the current £70 per week.

The Intermediate Care Fund (ICF) grant would continue to be provided to Health by WG and the Service would work with Health to ensure that monies were spent in the most cost effective way.

There were a number of grants that were received from WG in 2017/18 that would be transferred into the RSG from 1 April, 2018 including Independent Living Grant, Social Care Workforce Grant and grants relating to Children’s Services. A breakdown of the savings target was shown in 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 which had an initial value of £6.209m. The savings programme had continued since that date and during 2018/19 the final £330k from the fund would be utilised.

The Director of Social Services should continue to review the Social Services Budget Plan and take the necessary action to achieve the level of savings required and where possible mitigate the effects of increasing demands on the service.

Environment and Housing

	Neighbour-hood and Transport	**Building**	**Regulatory**	**Council Fund Housing**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Budget 2017/18	**24,755**	**0**	**2,166**	**1,126**	**28,047**
Recharges/Tfr	140	(22)	70	66	254
Adjustments					
Inflation	562	22	0	14	598

Net Growth	1,581	0	0	189	1,770
Savings	(827)	0	0	(12)	(839)
Changes in Asset Rentals/IAS 19	755	0	3	9	767
Budget 2018/19	**26,966**	**0**	**2,239**	**1,392**	**30,597**

A breakdown of the net growth was shown in Appendix D attached to the report. During 2018/19 there would be a further reduction in the funding received from WG for Waste Collection and Recycling services. With increasing costs in this sector, pressure was being placed on this service. The BWG therefore thought it appropriate to fund the projected reduction in grant from WG of £230k.

A breakdown of the savings target was shown in Appendix E attached to the report. A Reshaping Services savings target of £1.375m had been included for 2018/19, which included the full year effect of the 2017/18 reorganisation saving. It was acknowledged that this was a high target which would be made up of a number of options and would be difficult to achieve in 1 year. This saving had therefore been reprofiled over a 2 year period so that £775k was allocated to 2018/19 with the remaining £600k allocated to 2019/20. Due to the pressures in the Waste Management service it was proposed that the Waste Collection savings of £62k for 2018/19 and £63k for 2019/20 were removed from the programme. The Environment and Regeneration Scrutiny Committee requested that a report be produced on the Public Conveniences across the Vale and therefore the saving of £50k for 2018/19 had been removed, at this time, pending a further assessment of the service.

Managing Director & Resources

	Resources	**Regen**	**Develop Mgt**	**Private Hsing**	**General Policy**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Budget 2017/18	**728**	**2,091**	**968**	**11,003**	**15,692**	**30,482**
Recharges/Tfr	464	(33)	70	(3)	(665)	(167)
Inflation	393	50	37	10	0	490
Net Growth	35	0	0	0	39	74
Savings	(1,151)	(44)	(10)	(3)	(2,722)	(3,930)
Changes in Asset Rentals/IAS 19	103	19	11	0	(561)	(428)

Budget 2018/19	**572**	**2,083**	**1,076**	**11,007**	**11,783**	**26,521**

A breakdown of the net growth was shown in Appendix D attached to the report. The implementation of the Cardiff Capital Region City Deal was beginning to progress. A sum of £39k had been included in the 2018/19 budget to contribute towards regional working in this area. A revised funding requirement of £10k had also been included to contribute towards additional costs of the Coroners service which was run on a regional basis and hosted by Rhondda Cynon Taff.

A breakdown of the savings target was shown in Appendix E attached to the report. As part of the Initial Revenue proposals a target of £150k had been included for ICT. However, with the development of the Digital Strategy and the level of savings to be achieved from its introduction it was decided that this was not the appropriate time to reduce the ICT departmental resources as they would be key to the delivery of the Strategy. An additional savings of £100k had been allocated to the Corporate Reshaping Services target for 2018/19 which was originally £600k and had now been increased to £700k.

Delivering Well Being

In setting the revenue budget, the Council needed to consider its corporate priorities as set out in the Corporate Plan 2016-2020 through the 4 well-being outcomes which were shown below with examples of how the Council was providing support through the 2018/19 revenue budget.

- An Inclusive and Safe Vale – There had been a transfer into the RSG to support prevention;
- An Environmentally Responsible and Prosperous Vale - Funding had been allocated for the Cardiff Capital Region City Deal which would maximise opportunities for economic development and job creation and through the provision of additional funding for waste recycling;
- An Aspirational and Culturally Vibrant Vale – Funding had been provided for schools; and
- An Active and Health Vale – Funding had been provided to support Social Services and collaborative work would continue with Health as part of the ICF grant funding.

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. Even with reductions in funding, where practical, the Council would strive to maintain services which contributed to this agenda.

Financial Strategy for 2019/20 to 2020/21

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

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

The Council would strive to ensure that the Education & Schools increases should 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 and 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. However, this would be dependent on future settlements and would become increasingly difficult as austerity measures continue to be anticipated in future years.

The BWG considered that the principles applied above to Education & Schools also continue to apply to Social Services. It was proposed that the financial strategy for all Other Services would need to continue. 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.

WG had provided the Council with indicative settlement figures for 2019/20 which was a reduction of 1%. There was no indication of changes to the settlement past that year. The MTFP was based upon a cash reduction of 3% in both 2019/20 and 2020/21. Each 1% change in AEF affected the Council by approximately £1.5m. It was assumed that the WG indicative reduction of 1% was used for the projections in the report.

Pay and price inflation (excluding schools) was estimated at £3.98m over the two years based upon a 0.5% per annum uplift for non pay inflation and a similar pay award in 2019/20 as for 2018/19. This assumption would be reviewed again when the next iteration of the MTFP would be produced.

In November 2014, Cabinet agreed to commence a Reshaping Services strategy and change programme. This 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. The savings targets set as part of this programme were large and challenging, 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.

Cabinet as part of the initial budget setting process for 2016/17 agreed to the commencement of Tranche 3 of its Reshaping Services programme. Appendix F attached to the report included the proposed savings for 2019/20 and 2020/21, including the Tranche 3 Reshaping Services programme.

Cost pressures for future years had been considered and assessed by the BWG and totalled £8.3m for 2019/20 and 2020/21. Details were attached at Appendix G attached to the report. This included a possible level of funding for schools which was estimated at £2.6m over the 2 years and potential pressures on Social Services as a result of increased demographic growth and further increases in the National Living Wage. Any further cost pressures would need to be managed down or mitigated by Services in order to avoid further savings targets being required.

There were currently no plans to use the Council Fund reserve in 2018/19 and onwards to support the revenue budget. After the use of the fund as details above, the balance as at 31 March, 2019 would be £9.351m. However, there was considerable uncertainty on the effects of Britain's exit from the Europe Union and inflation had started to increase during this year. In addition, after achieving savings over the past years it was becoming increasing difficult to achieve savings in the short term and they would need a longer lead in time to implement. That being the case, it had to be assumed that the Council Fund could be used to support the budget in the coming years, while at the same time, being mindful that the Section 151 Officer required a balance of £7m to be maintained as a minimum balance for this particular fund.

Assuming a council tax increase in each of the two years of 3%, based on CPI for December 2017 and adjustments for 'one-off' items flowing from the 2018/19 budget, the table below showed the projected shortfall for the period. It was emphasised that these projections were based upon information available at the current 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 options for achieving the shortfall in savings would be addressed further.

Financial Projections to 2020/21	**2019/20**	**2020/21**	**Total**
	£000	**£000**	**£000**
Assumed Decrease in AEF (1% and 1%)	1,525	1,510	3,035
Cost Pressures (inc Schools)	4,673	3,654	8,327
Pay and Price Inflation (excl. schools)	1,989	1,991	3,980
Net Savings Targets	(2,920)	(707)	(3,627)
Assumed 3% Gross Council Tax Increase	(2,087)	(2,150)	(4,237)
Adjustment for 'One Off' Items *	330	0	330
(Surplus)/Shortfall in Savings Required	**3,510**	**4,298**	**7,808**

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 may be transferred to the Council Fund 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 benefited from a reasonable level of reserves, however, they were not inexhaustible and have 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 reduced 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. WG had indicated a reduction of 1% in 2019/20 with no indication for 2020/21. Projections had therefore been based on the assumed cash reduction in AEF of 1% in both 2019/20 and 2020/21. 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. Excluding Schools, savings of £16.909m needed to be achieved over the next 3 years, of which £9.101m 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, Reshaping Services Fund.

There were risks in the budget and the most significant of these were set out in the report. The Social Services care packages budget was currently overspending. Even though additional funding had been proposed for 2018/19, further action would need to be undertaken by the Director of Social Services to achieve a balanced budget.

Pay and price inflation was a further risk. From 2019/20 onwards, provision had been made in the budget at a similar rate to 2018/19 for pay, with a targeted approach to allocating non pay inflation. The Consumer Price Index had been gradually increasing and for the 12 months to December 2017 rose by 3%. Services would need to manage spending as costs rises.

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 had to 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 ceases, 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 arise and in the main related to the Flying Start grant.

Legislative changes provide a major risk to the Council. The increase in the National Living Wage 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 holds 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.

The Council also held funds to enable it to fulfil its priorities set out in the Corporate Plan through the 4 well-being outcomes. The Council had to demonstrate its commitment to the Well-being of Future Generations Act and ensure that the needs of the present were met without compromising the ability of future generations to meet their own need, thus ensuring that funding was available in the long term through sound financial planning.

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

There was only 1 proposed transfer between reserves. The Employment Training reserve was set up to assist with costs associated with the ending of the Employment and Training Services contract (Work Programme). This service would come to an end on 31 March, 2018. Part of the reserve would be used this year, however, it was proposed that any remaining balance be transferred into the Regeneration Fund.

The estimated level of the Council Fund Reserve at 1 April, 2018 was £9.351m with no future use proposed for 2018/19 and onwards.

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 of Glamorgan this was currently about £11.1m. 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 around £1.7m in surplus at 31 March, 2018.

Attached at Appendix H to the report was a schedule showing the reserves and the anticipated balances at 31 March, 2018, 2019, 2020 and 2021. The Appendix set out the title of the reserve together with its purpose. A summary of the position was set out below and excluded Schools balances and the Housing Revenue Account (HRA):

Summary of Estimated Reserves Projected to 2020/21	**Est. Bal. 31/3/2018**	**Net Movement**	**Est. Bal. 31/3/2021**
	£000	**£000**	**£000**
General Reserves	9,351	0	9,351
Specific Reserves :			
- Insurance Fund	2,545	0	2,545
- Capital Reserves	28,281	(17,778)	10,503
- Other Specific Reserves	24,170	(11,145)	13,025
Total Council Fund Reserves(excl. Schools and HRA)	**64,347**	**(28,923)**	**35,424**

It was projected that there would be a large fall (45%) in the level of reserves over the 3 year period as substantial calls on funds are 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.

This was a matter for Executive and Council decision

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

RESOLVED –

That Cabinet recommends to Council the following:

(1) T H A T the budget be fixed for 2018/19 at £222.053 million including a provision of £200k for discretionary rate relief to rural shops and post offices and charitable organisations.

(2) T H A T the budgets for 2018/19 as set out in Appendix C attached to the report, and the totals as set out below be approved:

	£000
Schools	84,458
Strategy, Culture, Community Learning & Resources	11,577
Achievement for All	4,662
School Improvement	1,033
Directors Office	232
Children & Young People	15,296
Adult Services	46,719
Resource Mgt & Safeguarding	230
Youth Offending Service	728
Neighbourhood & Transport Services	26,966
Building Services	0
Regulatory Services	2,239
Council Fund Housing	1,392
Resources	572
Regeneration	2,083
Development Management	1,076
Private Housing	11,007
General Policy	11,783
Grand Total	**222,053**

(3) T H A T the recommendations regarding Net Growth for 2018/19 as set out in Appendix D attached to the report and Savings for 2018/19 as set out in Appendix E attached to the report, be approved.

(4) T H A T the Council Tax for 2018/19 be set for its own purposes (excluding Police and town and community council precepts) at the following levels:

Band	**Council Tax £**
A	791.28
B	923.16
C	1,055.04
D	1,186.92
E	1,450.68
F	1,714.44
G	1,978.20
H	2,373.84
I	2,769.48

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

That the following be approved by Cabinet:

(6) T H A T the initial savings targets for 2019/20 and 2020/21 as set out in Appendix F attached to the report be approved.

(7) T H A T the Director of Learning and Skills be granted delegated powers to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum.

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

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

<u>Reasons for decisions</u>

(1) To set the 2018/19 budget in line with statutory requirements.

(2) To allocate budgets to services.

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

(4) To set Council Tax levels for 2018/19.

(5) In order that the report can be presented to the Schools Budget Forum.

(6) To set minimum targets for achieving savings.

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

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

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

C225 FINAL CAPITAL PROPOSALS 2018/19 TO 2022/23 (L) (SCRUTINY COMMITTEE - CORPORATE PERFORMANCE AND RESOURCES)

Approval was sought for the Final Capital Programme Proposals for the years 2018/19 to 2022/23.

The Initial Capital Programme Proposals 2018/19 to 2022/23 were presented to Cabinet on 20 November, 2017 (Minute C139 refers). They were subsequently referred to Scrutiny Committees in November and December 2017.

In responding to the Initial Capital Programme Proposals, the following recommendations in relation to the Initial Proposals were made by Scrutiny Committees.

Health Living and Social Care Scrutiny Committee recommended: -

T H A T the Corporate Performance and Resources Scrutiny Committee be requested to ask Cabinet to reconsider the priority bids to include the not proposed *replacement playgrounds schemes and that every opportunity and option be explored in order to resource such facilities.*

Environment and Regeneration Scrutiny Committee recommended: -

T H A T in noting the healthy position of the reserves, the Corporate Performance and Resources Scrutiny Committee be requested to recommend to Cabinet that the use of further reserves for resurfacing throughout the Vale of Glamorgan be considered.

Corporate Performance and Resources Scrutiny Committee, at its meeting on the 14th December 2017 (minute no. 559), recommended:-

T H A T the recommendations of the Environment and Regeneration Scrutiny Committee be noted and referred to the Cabinet for further consideration.

T H A T the recommendations of the Healthy Living and Social Care Scrutiny Committee be noted and referred to the Cabinet for further consideration.

T H A T the Cabinet be requested to re-examine the below unsuccessful schemes with a view to their inclusion in the Capital Programme for 2018/19:

- EH2 – new household waste recycling centre;
- EH8 – footway renewal;
- EH6 – replacement playgrounds.

T H A T the Cabinet be requested to emphasise to officers the need to complete the Vehicle Replacement Programme procurement exercise given the budgetary pressures experienced by Waste Management as set out in the Initial Revenue and Capital Proposals under consideration.

The minutes and recommendations of Corporate Performance and Resources Scrutiny Committee were referred to Cabinet on 22 January, 2018 (Minute C189 refers), Cabinet recommended that the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2018/19.

On 20 December, 2017 the Welsh Government announced the final 2018/19 General Capital funding settlement. There had been a £100k (1.85%) increase in funding from 2017/18. Following consideration of the authority's capital funding for the past two financial years and reviewing the assumptions adopted by a number of other authorities across Wales, the Initial Capital Programme Proposals in November 2017 assumed a 5% reduction year on year to 2022/23. This assumption had not changed for the final proposals.

On this basis, a table representing the capital funding from the Welsh Government is shown below:

Resources from Welsh Government	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**
	£000	**£000**	**£000**	**£000**	**£000**
Supported Borrowing - General Fund	3,422	3,251	3,088	2,934	2,787
General Capital Grant	2,083	1,979	1,880	1,786	1,697
Total	**5,505**	**5,230**	**4,968**	**4,720**	**4,484**

Another means of financing capital expenditure was through capital receipts resulting from the sale of assets. Receipts from the sale of Housing Revenue Account (HRA) assets could only be spent in the HRA and could not be used to finance General Fund capital schemes. As at 31 March, 2018 the forecast balance of useable capital receipts totalled £8.474m of which £1.339m was ring-fenced for Social Services and £1.299m was ring-fenced for Education. No further general capital receipts or ring-fenced Social Services capital receipts were anticipated between 2018/19 and 2022/23. A further receipt of £13.937m was estimated from Education assets between 2018/19 and 2023/24 and would be ring fenced for the School Investment Programme. It was noted, however, that the projected value and timing of future capital receipts was not guaranteed and failure to achieve the projected level of capital receipts to timescale could impact on the affordability of the current 21st Century Schools Band B proposals.

HRA capital receipts arose from the sale of dwellings under the Right To Buy Act, HRA land and other HRA assets. In the case of HRA receipts, regulations set out that receipts since 1 April, 2004 could only be used to fund HRA capital expenditure or to repay HRA debt. As at 31 March, 2018 the forecast balance of useable HRA capital receipts was nil as any receipts received in a year were used to fund expenditure incurred in that same year. The Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 gained Royal Assent on 24 January, 2018. The provisions in the Act meant abolition of the rights would come into force on 26 January, 2019 however there were some exceptions. As a result of this change in legislation, no further HRA receipts would be assumed.

If the schemes shown in Appendix 1 attached to the report were approved, the effect on General Fund useable capital receipts would be as shown in the following table.

Capital Receipts	**General**	**Ring-fenced Social Services**	**Ring-fenced Education**
	£000	**£000**	**£000**
Anticipated Balance as at 1st April 2018	**5,836**	**1,339**	**1,299**
Anticipated Requirements – 2018/19	-4,387	0	-88
Anticipated Receipts – 2018/19	0	0	0
Balance as at 31st March 2019	**1,449**	**1,339**	**1,211**
Anticipated Requirements – 2019/20	-438	-1,339	-3,326
Anticipated Receipts – 2019/20	0	0	3,250
Balance as at 31st March 2020	**1,011**	**0**	**1,135**
Anticipated Requirements – 2020/21	-320	0	-6,685
Anticipated Receipts – 2020/21	0	0	5,550
Balance as at 31st March 2021	**691**	**0**	**0**
Anticipated Requirements – 2021/22	-100	0	-455
Anticipated Receipts – 2021/22	0	0	455
Balance as at 31st March 2022	**591**	**0**	**0**
Anticipated Requirements – 2022/23	0	0	0
Anticipated Receipts – 2022/23	0	0	0
Balance as at 31st March 2023	**591**	**0**	**0**
Anticipated Requirements – 2023/24	-4	0	-4,682
Anticipated Receipts – 2023/24	0	0	4,682
Balance as at 31st March 2024	**587**	**0**	**0**

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 estimated balance of the Fund as at 31 March, 2018 was £3.011m. A balance of £2m would be retained as a balance on this fund. The following table showed the projected position of the fund over the next five years.

Project Fund	**£'000**
Anticipated Balance as at 1st April 2018	**3,011**
Anticipated Requirements – 2018/19	-568
Anticipated Receipts – 2018/19	0
Balance as at 31st March 2019	**2,443**
Anticipated Requirements – 2019/20	-62
Anticipated Receipts – 2019/20	0
Balance as at 31st March 2020	**2,381**
Anticipated Requirements – 2020/21	-150
Anticipated Receipts – 2020/21	0
Balance as at 31st March 2021	**2,231**
Anticipated Requirements – 2021/22	0
Anticipated Receipts – 2021/22	0
Balance as at 31st March 2022	**2,231**
Anticipated Requirements – 2022/23	0
Anticipated Receipts – 2022/23	0
Balance as at 31st March 2023	**2,231**

In a similar vein, the Council had an IT Fund estimated at £2.689m as at the end of 2017/18. 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 £100.508m which was around £75.6m more than the level of General Capital Funding for the same period (£24.907m). The £100.508m grant funding was made up of £0.018m Band A 21st Century Schools grant, £68.757m Band B 21st Century Schools grant, £1.307m Flood Defence and Structures grants, £13.895m Major Repairs Allowance grant and £16.531m Five Mile Lane Improvement grant. Many of these schemes required a match funding contribution to be made by the Council 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 must be evaluated. Part 1 of the Local Government Act 2003 required local authorities to have regard to the Prudential Code, which had been developed by CIPFA (the Chartered Institute of Public Finance and Accountancy) as a professional code of practice. In setting the capital programme, the Council had to ensure that the key objectives of the Prudential Code were complied with. The Council had to ensure that its capital investment plans:

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

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

The projected amount of prudential borrowing utilised at 31 March, 2018 was £100.533m which was made up of £6.690m for Highway Improvements under the Local Borrowing Initiative, £7.444m for 21st Century Schools Programme, £17.354m

Housing Improvement Programme, Vehicles £1.2m, City Deal £2.052, Housing Subsidy Buyout £63.156m and the Local Government Borrowing Initiative for 21st Century Schools £2.637m. After allowing for repayments the balance was expected to be £95.844m at 31 March, 2018.

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

Prudential Borrowing

Scheme	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
21st Century Schools Band B	0	0	0	2,000	1,116	**3,116**
Housing Improvement Programme	12,765	7,756	5,930	2,862	1,096	**30,409**
Borrowing Pending Capital Receipt	0	0	919	774	2,290	**3,983**
City Deal	1,501	429	429	675	675	**3,709**
Total	**14,266**	**8,185**	**7,278**	**6,311**	**5,177**	**41,217**

Total new Prudential Borrowing over the next 5 years was estimated at £41.217m of which £30.409m related to the Housing Improvement Programme.

Future Prudential Borrowing for School Investment Programme Band B schemes totalled £3.116m over the five year Capital Programme.

A significant proportion of the Band B funding was projected to come from capital receipts some of these sites would only be vacated as a result of building a new school and therefore funding was required to bridge the timing differences between when the funding was required and when the funding would actually be received by the authority. It was proposed that prudential borrowing was used in the short term to provide the temporary funding. It was noted that there were revenue costs associated with this approach.

At the end of the Capital Programme period (31 March, 2023) the outstanding prudential borrowing taking into account repayments was expected to be £25.726m General Fund and £98.8m HRA.

Amendments to the 2017/18 Capital Programme

Reprofiling was required across some significant schemes in the Capital Programme which was set out below;

Band B Preparatory Works, Changing Rooms etc. - Work was anticipated on site after Easter however, the only spend this year would relate to fees. It was therefore requested to carry forward £210k into the 2018/19 Capital Programme.

St Joseph's Nursery and Early Intervention Base (EIB) - Work on delivering on-going large projects had taken priority over this scheme and therefore resulted in a delay in its progression. Work would now be undertaken from Easter 2019 with a completion date of August 2019. It was therefore requested to re-profile the scheme budget as shown below:-

	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000
Original Budget	67	964	0	0	1,031
Revised Budget	10	150	864	7	1,031

Band A Romilly Primary - It had previously been reported that this scheme had been delayed due to inaccurate utility plans and the consequential need to redesign the scheme. Work was anticipated to commence late March 2018 and complete late August 2018. It was requested that the scheme budget be reprofiled as shown below:-

	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000
Original Budget	285	894	0	1,179
Revised Budget	210	961	8	1,179

Victorian Schools - Final agreed accounts for works carried out in year were lower than originally anticipated and it was therefore requested to carry forward £50k into the 2018/19 Capital Programme.

St Richard Gwyn R/C School Window Renewal Phase 1 - This scheme had previously been tendered however no tenders were returned. The scheme would be retendered in March 2018. It was requested to carry forward £95k into the 2018/19 Capital Programme.

Legionella Control - Further legionella testing works were planned however they would not be carried out until next financial year, it was therefore requested to carry forward £17k into the 2018/19 Capital Programme for remedial works if necessary following testing.

Disabled Access Improvements - Works were based on referrals from Pupil Support. Referrals had been low this year and it was therefore requested to carry forward £15k into the 2018/19 Capital Programme.

Social Services

ICT Infrastructure - This funding had been allocated to implement an all Wales ICT system which would enable the interfacing of a range of different systems across local authorities and NHS organisations. The system had been implemented in part however it was requested that £370k be carried forward into the 2018/19 Capital Programme to complete full implementation.

Environment and Housing

Dinas Powys Library Bridge - Due to capacity to implement this scheme this financial year it was requested to carry forward £170k into the 2018/19 Capital Programme.

Murchfield Access Bridge - Due to capacity to implement this scheme this financial year it was requested to carry forward £44k into the 2018/19 Capital Programme.

Boverton Flooding - This scheme was due to complete by the end of March 2018. It was requested to carry forward £631k into the 2018/19 Capital Programme to finalise accounts.

Coldbrook Flood Risk Management Construction Phase - A report on the same agenda requests an increase in the capital programme of £525k in 2017/18 and

£58k in 2018/19. These changes had been reflected in Appendix 1 attached to the report.

Cemetery Approach - Tenders for the community building were to be returned by 2 March, 2018 and would need to be evaluated. It was therefore requested that £198k be carried forward into the 2018/19 Capital Programme.

Leisure Centre Capital Bids - Within this programme there was a £242k budget for electrical rewiring at Llantwit Leisure Centre. Tenders had been returned and the contractor was being appointed. Works were anticipated to commence late February 2018. It was therefore requested that £175k be carried forward into the 2018/19 capital programme. There was also a budget of £25k in 2017/18 for Cowbridge Leisure Centre Roofing works. This scheme was being redesigned and only fees would be charged this year. It was therefore requested that £10k be carried forward into the 2018/19 Capital Programme.

Housing Improvement Programme 2017/18 – Slippage of £4.581m.

Internals – The contract for Housing Electrical Installations was to be presented to Cabinet for approval during February 2018. Delays in the tendering process had meant that the anticipated level of work during 2017/18 had not been achieved and would therefore continue into 2018/19. It was requested that £850k be carried forward to 2018/19.

Externals – The contract for Gibbonsdown External Wall Insulation (EWI) was yet to be confirmed. Tenders were to be returned and assessed by the beginning of March 2018 with work commencing in due course. It was therefore requested that £805k was carried forward to 2018/19.

Common Parts – Works to communal areas were not included in the original framework agreement and as a result, had to be tendered. This, along with contractor capacity issues had caused delays, pushing the work back to 2018/19. It was requested that £2.75m be carried forward to 2018/19.

Williams Crescent – Works to the communal areas at Williams Crescent were delayed due to the issues described above. It was therefore requested that £176k be carried forward to 2018/19.

Managing Director and Resources

Penarth Pier Pavilion - £70k had been included in the capital programme as a contingency to cover any repairs and maintenance work required at the Pavilion. To date no works had been identified and it was therefore requested that the £70k be removed from the capital programme. Any future requirement for repairs would be considered as they were identified.

Tackling Poverty - There was £5k unallocated within the Tackling Poverty Scheme. It was requested to vire and carry this forward to the Barry Regeneration Partnership Project Fund scheme to contribute towards the Main Street area improvements. Works would include the construction of a new boundary wall.

Barry Regeneration Partnership Project Fund - Within this scheme there was a budget of £19k for Main Street Area improvements, which would include the construction of a new boundary wall. Work would require planning consent and a licence agreement. It was therefore requested to carry forward £19k into the 2018/19 Capital programme.

Five Mile Lane - Delays with regard to compulsory purchase orders along with programme delays appointing the main contractor had meant that the full budget would not be spent in 2017/18. It was requested that £1.7m be carried forward into the 2018/19 Capital Programme.

Innovation Quarter Regeneration Fund - Due to a change in the scope of the project this scheme was expected to underspend. It was therefore requested that the budget for the scheme be reduced by £124k.

North Penarth Open Space Improvements - Plassey Square had now been completed, albeit some wild flower planting which would be implemented in the Spring. The new play area and multi-use games area proposed at Paget Road was being tendered (closing mid-February). It was anticipated that works would start on site in April 2018, subject to contracts. A project team comprising Highway Officers and Landscape Architects was working together to undertake feasibility for improvements to The Dingle and associated highway works on Windsor Road/Plassey Street. Cogan Skate Park required further consultation. It was therefore requested to carry forward £475k into the 2018/19 Capital Programme.

Civic Offices Re-wire/ Space Project - Reduced Office accommodation - There had been some delays due to additional fire precaution works and the scheme was anticipated to complete in May 2018. It was requested to carry forward £198k into the 2018/19 Capital Programme.

Carbon Management Fund - £387k was ring-fenced within the scheme to match fund the Street Lighting Energy Reduction Strategy Salix Scheme. The application for an interest free loan to Salix would be made imminently and if successful works would commence next financial year. It was therefore requested to carry forward the £387k into the 2018/19 Capital Programme as a new scheme called 'Street Lighting Energy Reduction Strategy'.

Carbon Management Allowances - The advance purchase of Carbon Management Allowances attracted a reduction in cost and was therefore more cost effective. However when purchased in advance, the expenditure had to be classed as capital. Purchases to the sum of £261k would be undertaken this year and it was therefore requested that the 2017/18 Capital Programme be increased accordingly, funded by a revenue contribution from the Policy budget.

City Deal - The Cardiff Capital Region joint Cabinet was responsible for preparing the Joint Working Agreement (JWA) Business Plan in respect of the wider investment fund. The JWA Business Plan would then be submitted to each of the ten Local Authority partners for approval. At its meeting on 15 January, 2018 joint Cabinet reviewed proposals for the financing of the JWA Business Plan which included £120m of Local Authority funding. The Vale of Glamorgan Council's share of this was £10.17m in the period to 2026/27 as set out below. It was requested that these current indicative funding proposals were reflected in the Capital Programme. At the time of writing the report the final Business Plan had not been approved and therefore the figures in the report were indicative only. The development of the Business Plan would be kept under review by the Section 151 Officer and when approved by all ten Local Authority partners Council's the Capital Programme would be amended accordingly.

Proposed Capital Programme 2018/19 to 2022/23

Following consideration of all of the above, the proposed 5-year Capital Programme 2018/19 to 2022/23 was attached at Appendix 1 to the report.

Slippage requested in the report had been included in Appendix 1 attached to the report.

Since the Initial Capital Programme Proposals were prepared, a small number of amendments were received and are outlined below.

Llansannor Extension - It was requested to include a new scheme into the 2018/19 Capital programme with a budget of £120k, to be funded £85k from s106 monies and

£35k from the 2018/19 schools asset renewal allocation. Works included an extension of a small teaching room and were anticipated to start on site June 2018 and complete August 2018.

Gwenfo Primary Extension - It was requested to include a new scheme into the capital programme with a budget of £75k, split £5k in 2017/18 and £70k in 2018/19. This scheme would be funded from s106 monies. Works would include a classroom extension to increase capacity at the school and were anticipated to start during the Easter School holidays.

Social Services Asset Renewal - Social Services had a £100k asset renewal budget for 2018/19 and it was requested that £80k of the budget was allocated to the following schemes:-

- Hen Goleg Day Centre Fire Alarm £35k
- Hen Goleg Day Centre Lighting Upgrade £20k
- External ground works to Youth Offending and Cartref Porthceri buildings £25k

Several schemes had been included in Appendix 1 attached to the report which would be funded from S106 monies. These included Maes Dyfan Open Space Improvements, North Penarth Open Space Improvements, Colwinston play area, Court Ward park improvements, improving the pedestrian and cycling facilities between St Joseph's School and Ash Path and sustainable transport improvements at Maendy, St Athan and Fferm Goch. Schemes to implement Nursery and Early Intervention provision at St Josephs, Llansannor Extension, Wick Primary Nursery and Remodel of Building and the Band B schemes also had significant contributions from S106 as a result of local developments in the respective areas.

Vehicle Replacement Programme - 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 latest revised budget profile was set out in the table below. Vehicles could be funded from the Vehicle Renewals Fund, alternatively the vehicles could be leased or financed by a loan using prudential borrowing. The level of and financing of this expenditure would be reviewed during 2018/19.

	2018/19	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	£000	**£000**	**£000**	**£000**	**£000**
Original Expenditure	2,256	1,184	900	900	900
Revised Expenditure	2,256	684	900	900	900

Welsh Government Highway Refurbishment Fund - A road refurbishment scheme of up to £30m across Wales had been announced by Welsh Government and the Vale of Glamorgan Council had been awarded a grant allocation of £1.136m based on an established highway allocation formula. This grant would provide vital new investment for the Council's roads. This allocation was for one year and would be received for 2017/18. It would operated as a capital displacement fund allowing the Council to fund expenditure it had incurred during 2017/18 from the grant which would allow the Council to carry its original funding forward into 2018/19 for further resurfacing works to be carried out. It was proposed that a budget of £1.136m was included in the 2018/19 Capital Programme to be funded from the funds no longer required in 2017/18.

As part of the Initial Revenue Proposals report presented to Cabinet on 20 November, 2017 it was projected that the outturn for Policy for 2017/18 would be a favourable variance of £4m. Cabinet resolved " T H A T a sum of £2m be set aside in the Schools Investment Strategy reserve, funded by the projected underspend on revenue in 2017/18, with further details in the Initial Capital Programme Proposals 2018/19 report." and "T H A T a sum of £2m be set aside in the Council Fund, with its use being considered as part of the final budget proposals for 2018/19."
As noted earlier in the report, Environment and Regeneration Scrutiny Committee recommended 'T H A T in noting the healthy position of the reserves, the Corporate Performance and Resources Scrutiny Committee be requested to recommend to Cabinet that the use of further reserves for resurfacing throughout the Vale of Glamorgan be considered'. The Budget Working group considered options for this funding and it was proposed that £500k be transferred into the Visible Services reserve and used to carry out additional road and pavement resurfacing works in 2018/19.

Energy Conservation Refit Programme - On 4 September, 2017 a report was considered by Cabinet on Refit works for Council Building Assets (Minute C63 refers). Refit Cymru was a Welsh Government promoted scheme that aimed to accelerate the energy efficiency improvement of all public sector buildings in Wales. Refit Cymru gave Welsh public bodies the opportunity to use a UK framework comprising 16 contractors to undertake works to improve the energy efficiency of their buildings. Measures such as energy efficient lighting upgrades, boiler system upgrades and fabric insulation are some of sixty three potential measures that could be included within Refit.

Loans could be made available for Refit phases that included measures with an overall 8 year simple payback through the guaranteed energy savings. It was the appointed contractor that guaranteed the savings, over the loan term. The monitoring and verification report that they provided alongside their saving predictions specified an agreed methodology for how the savings were going to be measured. If there was an under performance then the contractor would make payments to the Council against the guarantee. The loans had to be repaid by the Council through the savings over what could be up to a maximum term of 10 years. The costs of the Refit works would be resourced through interest free invest to save loans from the Welsh Government. The loans would be repaid through the guaranteed savings resulting from the installed measures. Refit works would be carried out in phases, and for each phase a loan would be bid for from Welsh Government. At the present time the cost of the first phase was unknown therefore delegated authority had been requested within this report to increase the capital programme as and when the information becomes available.

Carbon Management Fund - The Carbon Management Fund Scheme was an on-going scheme to assist with the Council's energy reduction measures. To enable these works to continue, it was proposed that a budget of £200k be included in the 2018/19 Capital Programme. This would be funded from the Energy Management Fund Reserve.

Delivering Well Being

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

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

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

Continued investment in housing through the Housing Improvement Programme to maintain the Welsh Housing Quality Standard and plans for new build and environment and regeneration programmes;

- Investing in the introduction of LED street lighting would bring environmental benefits;
- Further investment in schools through the School Investment Programme with Band A substantially complete and future development under Band B anticipated to commence in 2019/20;
- Additional funding being provided in 2018/19 through to 2022/23 for Disabled Facilities grants; and
- Investment in the Leisure Centres to encourage more use and activity.

In developing the Corporate Plan, the Council had reflected on the way it worked and had stated 5 principles it would follow. These budget proposals reflected the new approach to working. The 5 ways of working were :

Looking to the long term - The capital proposals were a means of planning for the future and takes a strategic approach to ensure services were sustainable and that future need and demand for services was understood;

Taking an integrated approach - The capital proposals highlighted and encouraged ways of working with partners as it utilised funding received from various sources to deliver schemes such as Welsh Government and S106 funding;

Involving the population in decisions – As part of the budget proposal process there had been engagement with residents, customers and partners;

Working in a collaborative way – The capital proposals recognised that more could be achieved and better services could be provided by collaboration and it encouraged the a way of working in the future which includes providing funding to work with local communities; and

Understanding the root cause of issues and preventing them – The capital budget setting process was proactive and allowed an understanding of the financial position so that issues could be tackled at the source.

Financial Strategy

In previous Capital proposals a number of pressures had been identified that would need to be subject to on-going review and management as follows;

Capital Budget Pressure	Mitigating Action Taken
The possibility of increased demands upon flooding, coastal protection and the environment generally (including an accelerated deterioration of the highways infrastructure).	Recurring sums had been set aside to fund annual works for flood and coastal protection. Recurring sums had also been set aside for resurfacing. An additional sum of £500k was to be set aside from the projected 2017/18 underspend into the Visible Services Reserve to assist with the pressures in these areas.
The general shortfall of funding available to address the Council's asset renewal requirements.	Rationalisation of accommodation should assist with this pressure as it would minimise the number of properties with Asset Renewal requirements. The asset renewal budget for schools was £965k in 2018/19 but dropped to £550k in 2019/20. In the 2018/19 to 2022/23 Capital proposals a recurrent £100k for Social Services asset renewal was allocated. Any underspends against these budgets should be reported and would be ring-fenced for future asset renewal requirements against the service's assets.
The Council's ambitions for further regeneration and how they could be realised.	Regeneration was a central theme of the capital programme. The Council had committed to a recurring sum for Regeneration of £300k within the Capital Programme.
The continued expansion over time of the Schools Investment Programme.	Band B Schemes for the School Investment Strategy had 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 £142.417m and that the Welsh Government grant intervention rate would be 50%, the intervention rate for Faith schools would be 85%.
Funding of Renewal Areas to address housing, social and environmental problems in the light of reduced grant availability.	The WG renewal area grant came to an end in March 2017. The Council had allocated in the capital programme a sum of £300k in 2018/19 and 2019/20 to Housing Regeneration and this could be used as match funding for any potential future sources of WG funding.

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 as follows; Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield , Colcot, Llantwit Learning Community and Romilly Primary School. The Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield schemes were now complete. The tenders for the Romilly Primary School scheme were in the process of being evaluated and Llantwit Learning Community was complete, except for minor snagging items and grass seeding and planting which would take place at Easter 2018.

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

At the end of July 2017 the Council had to submit a Strategic Outline Programme to Welsh Government for Band B. Based on latest indications, it had been advised that 50% funding would be available from Welsh Government to fund non faith school schemes and 85% funding would be available for faith school schemes.

On 6 December, 2017 the Council received an approval in principal letter for Band B with an estimated programme envelope cost of £142.4m, subject to the approval of individual project business cases. A report was presented to Cabinet on 22 January, 2018 (Minute C199 refers) to seek Cabinet approval to progress the proposed Band B phase of the 21st Century Schools Programme subject to the approval of the final Capital Programme 2018/19 by Full Council. A detailed business case would be required for each scheme contained in the Band B Programme.

Band B schemes were included in the Initial Budget Proposals however it was proposed that Band B schemes were reprofiled as shown in the table below and were included in Appendix 1 attached to the report:-

Band B Schemes	**17/18 £000**	**18/19 £000**	**19/20 £000**	**20/21 £000**	**21/22 £000**	**22/23 £000**	**23/24 £000**	**Total £000**
Barry Comprehensive & Bryn Hafren Comprehensive	50	315	19,635	20,000	8,840	0	0	**48,840**
Ysgol Gymraeg Bro Morgannwg	50	518	11,115	9,740	0	0	0	**21,423**
Barry Waterfront	0	23	3,977	3,417	0	0	0	**7,417**
Primary Provision in the Western Vale	0	19	2,311	1,855	0	0	0	**4,185**
Cowbridge Primary Provision	0	0	0	4,000	4,417	1,430	0	**9,847**
St David's Primary School	0	4	348	3,833	0	0	0	**4,185**
St Nicholas	0	0	0	0	515	2,183	0	**2,698**
St Helen's/St Richard Gwyn	0	0	0	0	3,857	16,000	12,000	**31,857**
Penarth Cluster - Review Primary Provision to include Cosmeston	0	0	0	0	0	2,478	6,761	**9,239**
Review Nursery Provision	0	0	0	0	0	0	2,726	**2,726**
Total	**100**	**879**	**37,386**	**42,845**	**17,629**	**22,091**	**21,487**	**142,417**

Funding for the above proposals were set out below:-

Funding	**£000**
WG Grant	83,823
S106	18,211
Borrowing Pending Capital Receipts	3,982
Capital Receipts	11,496

General Capital Funding	5,430
Reserves and Revenue Contribution	13,488
Prudential Borrowing	5,987
Total	142,417

The total allocation for Victorian Schools in 2018/19 was £1.438m to support on-going works across 21 Victorian Schools to address the existing issues with lath and plaster and masonry deterioration. These works were expected to be completed during 2018/19.

There was an asset renewal budget of £0.965m in 2018/19. From 2019/20 the asset renewal budget would reduce to £550k due to increasing constraints on resources due to the funding of the 21st Century Schools Band B Programme. This also allowed for a £50k contingency budget each year within the Capital Programme. Education in consultation with Property Services, allocate this budget in year to various schemes including rolling programmes of boiler and toilet renewal.

Appendix 1 attached to the report detailed the planned spend on the Education Capital Programme from 2018/19 to 2022/23 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme. Gross expenditure totalled £130.484m.

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

By Funding Source	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
General Capital Funding	2,001	2,448	2,204	1,972	956	**9,581**
Capital Receipts	2,296	3,664	6,905	455	0	**13,320**
Other Reserves and Revenue Contribution	25	1,066	504	0	0	**1,595**
School Investment Reserve	467	9,114	685	875	0	**11,141**
IT Fund	46	200	981	200	200	**1,627**
Prudential Borrowing	0	0	0	2,000	1,116	**3,116**
Prudential Borrowing pending capital receipts	0	0	919	774	2,290	**3,983**
Total Internal Funding	**4,835**	**16,492**	**12,198**	**6,276**	**4,562**	**44,363**
S106 Agreements	1,111	5,078	7,384	2,223	1,549	**17,345**
Welsh Government Grant	508	17,488	24,070	9,930	16,780	**68,776**
Total Funding	**6,454**	**39,058**	**43,652**	**18,429**	**22,891**	**130,484**

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 includes all assets within the Council's Housing Revenue Account (HRA).

The Housing Business Plan would be reported to Cabinet during March 2018 and would also need to be approved by Council. The Plan would form the basis of the Major Repairs Allowance (MRA) grant application, which was a pivotal financing component for the Housing Improvement Programme.

The MRA for 2018/19 had not yet been announced by the Welsh Government but the assumed budget in Appendix 1 attached to the report remained at £2.779m per annum as received in 2017/18.

The Final Capital Programme Proposals reflected the level of works required to maintain WHQS. It was expected that WHQS would be attained by 31 March, 2018, with on-going work required to maintain the standard based on component lifecycles. In addition, the proposed Housing Improvement Programme included new build and regeneration work from 2018/2019 going forward.

The budget for the Housing Improvement Programme had been re-profiled since the Initial Capital Proposals report in line with the Housing Business Plan and was shown in Appendix 1 attached to the report. A slippage request of £4.581m had been made as part of the report and was detailed in paragraph 50 of the report. The sources of funding were detailed in the table below.

Funding	**2018/19 £000**	**2019/20 £000**	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**
Revenue/Reserves	4,585	5,152	5,540	6,157	6,746
MRA Grant	2,779	2,779	2,779	2,779	2,779
Unsupported Borrowing	12,765	7,756	5,930	2,862	1,096
Total Budget	**20,129**	**15,687**	**14,249**	**11,798**	**10,621**

Other Schemes

A sum of £2.986m in 2018/19 and £800k per annum in 2019/20 - 2022/23 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 recurring coastal protection funding of £110k per annum. The Llanmaes, Coldbrook and Boverton schemes which were included in the Capital Programme would also enhance flood protection in the area.

A sum of £324k (including slippage from 2017/18) in 2018/19 and £300k from 2019/20-2022/23 had been allocated in relation to the Barry Regeneration Partnership. As well as being used for preparatory work (e.g. site investigations), this may also be applied as match funding to lever additional sources of grant funding.

Funding for Disabled Facilities Grants of £5.750m had been provided in total over the 5 years.

At the Meeting the Cabinet Member for Neighbourhood Services and Transport commented that he welcomed the additional finance that was going into highway resurfacing.

This was a matter for Executive and Council decision

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

RESOLVED –

That Cabinet recommend to Council that:-

(1) T H A T the final budget proposals for the Capital Programme for the years 2018/19 to 2022/23 as set out in Appendix 1attached to the report be approved.

(2) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, to make additions, deletions or transfers to or from the 2018/19 to 2022/23 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 for Performance and Resources, to make additions, deletions or transfers to or from the 2018/19 to 2022/23 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 for Performance and Resources, to make additions, deletions or transfers to or from the 2018/19 Victorian Schools budget as appropriate.

(5) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, to make additions, deletions or transfers to S106 funded schemes subject to Member consultation as required under the existing process.

(6) T H A T delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, to make additions, deletions or transfers to or from the 2018/19 Energy Conservation Refit budget as appropriate.

(7) T H A T the following changes to the 2017/18 and 2018/19 to 2022/23 Capital Programme be approved:

- Band B Preparatory Works Changing Rooms etc. - The carry forward of £210k into the 2018/19 Capital Programme.
- St Joseph's Nursery and Early Intervention Base (EIB) - That the budget for this scheme be re-profiled as set out in paragraph 37 of the report.
- Band A Romilly Primary - That the budget for this scheme be re-profiled as set out in paragraph 38 of the report.
- Victorian Schools - The carry forward of £50k into the 2018/19 Capital Programme.
- St Richard Gwyn R/C School Window Renewal Phase 1 - The carry forward of £95k into the 2018/19 Capital Programme.
- Legionella Control - The carry forward £17k into the 2018/19 Capital Programme.
- Disabled Access Improvements - The carry forward of £15k into the 2018/19 Capital Programme.

- Band B Schemes - That the budget for these schemes be re-profiled as set out in paragraph 84 of the report.
- Gwenfo Primary Extension - Request to include a new scheme into the capital programme with a budget of £75k, split £5k in 2017/18 and £70k in 2018/19, to be funded from s106 monies.
- ICT Infrastructure - The carry forward £370k into the 2018/19 Capital Programme.
- Dinas Powys Library Bridge - The carry forward of £170k into the 2018/19 Capital Programme.
- Murchfield Access Bridge - The carry forward of £44k into the 2018/19 Capital Programme.
- Boverton Flooding - The carry forward of £631k into the 2018/19 Capital Programme.
- Cemetery Approach - The carry forward of £198k into the 2018/19 Capital Programme.
- Leisure Centre Capital Bids - The carry forward of £185k into the 2018/19 capital programme, £10k for Cowbridge Leisure Centre Roofing and £175k for Llantwit Leisure Centre Electrical Works.
- Housing Improvement Programme 2017/18 – The carry forward of £4.581m into the 2018/19 Capital Programme.
- Penarth Pier Pavilion - Remove the £70k scheme from the 2017/18 capital programme.
- Tackling Poverty - Request to vire and carry forward £5k to the Barry Regeneration Partnership Project Fund scheme.
- Barry Regeneration Partnership Project Fund - The carry forward of £19k into the 2018/19 Capital programme.
- Five Mile Lane - The carry forward of £1.7m into the 2018/19 Capital Programme.
- Innovation Quarter Regeneration Fund - Reduce the 2017/18 budget by £124k.
- North Penarth Open Space Improvements - The carry forward of £475k into the 2018/19 Capital Programme.
- Civic Offices Re-wire/ Space Project - Reduced Office accommodation -The carry forward of £198k into the 2018/19 Capital Programme.

- Carbon Management Fund - The carry forward of £387k into the 2018/19 Capital Programme into new scheme called 'Street Lighting Energy Reduction Strategy'.
- Carbon Management Allowances - It was requested to increase the 2017/18 Capital Programme by £261k to be funded by a revenue contribution from the Policy budget.
- City Deal - Increase the capital programme as set out in paragraph 60 of the report.

Reasons for decisions

(1) To set and approve future capital programmes to 2022/23.

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

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

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

(5) To enable S106 schemes to be managed effectively.

(6) To enable the Energy Conservation Refit budget to be managed effectively.

(7) To amend the 2017/18 and future years Capital Programme and to seek approval from Cabinet and Council.

C226 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2018/19 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Cabinet was asked to set the HRA budget for the financial year 2018/19 and to set the rents and service charges for the forthcoming rent year beginning on 2 April, 2018.

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 had to 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 that 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 had to be made good the following year.

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

The basis for rent increases was set by the WG 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 had to also ensure a tenant's rent was not increased by more than (CPI +1.5%) plus £2.00 per week.

The 2018/19 Policy for Social Housing Rents was issued by WG on 11 December, 2017 which included the 2018/19 rent bands and the maximum allowable uplift which had been outlined as CPI (as at September 2017) 3% plus 1.5% + £2.00, i.e. 4.5% + £2.00.

The initial HRA budget proposals were considered by Cabinet on 20 November, 2017 (Minute C141 refers). They were subsequently referred to the Homes and Safe Communities Scrutiny Committee on 6 December, 2017 who noted the proposals as did Corporate Performance and Resources Scrutiny Committee on 14 December, 2017.

Base Budget 2018/19

The Budget Strategy for 2018/19 outlined that, in order to establish a baseline, services should prepare revenue budgets for next year based on the cost of providing the current level of service and approved policy decisions. This meant that the cost of price increases and pay awards should be included.

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

- Supervision & Management (General) - This budget 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.
- Repairs & Maintenance - This budget related to the revenue repairs and maintenance service for the Council Housing Stock.
- Capital Financing Costs - 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 the net 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.
- Contribution towards expenditure – This budget identified any contributions received from outside bodies or persons towards expenditure which had been incurred by the HRA.
- Grant Income – This budget related to revenue grant income received. From 2018/19 onwards the HRA would receive the Housing Finance Grant 2 (HFG2) from Welsh Government which supported new Council house building. The Council would take out a loan to fund capital expenditure and the HFG2 would be paid as an annual grant over a 30 year period and would be used to finance the interest and capital repayments of the debt.

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

2017/18 Original Budget	Inflation / Pay Award	Committed Growth / (Savings)	Rent / Income Increase	Increase / (Decrease) in CERA	2018/19 Proposed Budget
£000	£000	£000	£000	£000	£000
(131)	79	(453)	(562)	1,046	(21)

Inflation included an allowance of 2% pay awards in 2018/19 which amounted to approximately £53k.

The net saving of £453k was due to a number of factors;

- A decrease in Capital Financing charges of £301k in relation to unsupported borrowing being taken out in 2018/19 to fund the Housing Improvement Programme.
- A decrease in staff costs for vacant posts and staff changes of £65k.
- An increase of £43k in central recharges.
- A reduction in income of £76k, £60k of which was due to the cessation of Supporting People funding from October 17. The balance of which was due to reduced service charge income from tenants.
- A reduction in Premises costs of £123k.
- A reduction in Supplies & Services of £83k.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £1,046k 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 £852k as at 31 March, 2019 which was broadly in line with the Housing Business Plan.

Proposed Increases in Rents

The Welsh Government 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 for 2018/19. In addition, the maximum amount a social landlord could increase an individual tenant's weekly rent was CPI +1.5% plus £2.00 (i.e. 4.5% plus £2.00).

It was usual practice that the Vale of Glamorgan Council only increased rent by an amount which would not breach the Housing Benefit Rent Rebate Limitation set by the Department of Work and Pensions (DWP). Breach of the limitation would mean that the HRA would be liable for a proportion of the additional increase. The draft limit, issued by Welsh Government, was not available at the time of writing.

It was proposed that rents were increased by 3% (the CPI element only) which was within the limit of 4.5% plus the maximum of £2.00 and had been set in line with our 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 were achieved. The rent increase per property type was detailed below:-

Type	Present Target Rent for 2017/18 (Based on 50 Chargeable Weeks)	Proposed Average Rent Incr (+) / Decr (-) (Based on 50 Chargeable Weeks)	Proposed Average Target Rent for 2018/19 (Based on 50 Chargeable Weeks)
Bungalow	£94.61 per week	+£2.84 per week	£97.45 per week
Flat	£82.63 per week	+£2.48 per week	£85.11 per week
House	£102.94 per week	+£3.10 per week	£106.04 per week
Maisonette	£90.29 per week	+£2.71 per week	£93.00 per week
TOTAL	**£94.40 per week**	**+£2.83 per week**	**£97.23 per week**

Proposed Increases in Other Charges

Garage Rents - The rent of freestanding garages was £7.58 per week. It was proposed that rent for all garages be increased by 3% to £7.81 per week. This percentage increase was in line with the rent increase.

Ty Iolo Hostel - The charge for persons accommodated was £169.59 per week. It was proposed that the weekly rent charge be increased by 3% to £174.68 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 the WG 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 weekly charge was £555.90. It was proposed that the charge be increased by 3% to £572.58 per week.

Temporary Accommodation - The average current weekly charge including additional management, utility and service charge costs was £167.80. It was proposed that the rent element be increased by 3%. The total charge would therefore be £172.84 per week.

Sheltered Housing Guest Suites - It was proposed that the charges for guest room facilities were increased by 3% to £13.08 per person per night for double occupancy and £18.69 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.

The following paragraphs outlined the main changes to the Service Charges. The proposed charges 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 £6.41 per week to £5.74 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Warden Housing Management Charge - The proposed new charge was £9.97 per week. This combined the previous two charges for Warden Management and Warden Support.

Cleaning of communal areas – The cost of cleaning communal areas had increased. It was proposed that the charge be increased from £2.02 per week to £2.31 per week based on the estimated costs for 2018/19.

Lighting of communal areas – The cost of providing lighting had increased. It was proposed that the charge be increased from £0.87 per week to £0.94 per week based on the actual costs incurred in the 12 months prior to the budgeting period

Lift Maintenance - The cost of lift maintenance had decreased, due to a reduction in the number of emergency call-outs. It was proposed that the charge be decreased from £0.92 per week to £0.48 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Sewerage Treatment Plants - The charge to owners of all purchased and private dwellings connected to Council owned and maintained treatment plants was currently £329.22 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 2018/19 issued by Dwr Cymru Welsh Water. The Welsh Water Schedule was not available at the time of writing.

Cesspool Emptying - The current charge of £6.35 per week was based on an equivalent rate to those properties connected to the main sewerage system. It was proposed therefore that these dwellings continued to be charged a rate equivalent to the Water Schedule 2018/19 issued by Dwr Cymru Welsh Water. Whilst the schedule was not available at the time of writing, the 2018/19 equivalent charge could be in the region of £6.60 per week.

Next Steps

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

This was a matter for Executive and Council decision

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

RESOLVED –

(1) T H A T The final HRA budget proposals for 2018/19 be recommended to Council as outlined below:-

Proposed Budget 2018/19

	£'000
Expenditure	
Supervision & Management	4,855
Repairs & Maintenance	4,043
Capital Financing Costs	4,977
Rent, Rates & Taxes & Other Charges	211
Increase in Bad Debt Provision	1,159
Capital Expenditure from Revenue Account (CERA)	4,585
Income	
Dwelling Rents	(18,767)
Non Dwelling Rents	(170)
Interest	(3)
Charges for Services and Facilities	(537)
Contribution towards expenditure	(291)
Grant Income	(83)
(**Surplus)/Deficit for the Year**	**(21)**
Working Balance Brought Forward	**(831)**
Working Balance Carried Forward	**(852)**

(2) T H A T a rent increase of 3% (CPI) be approved and recommended to Council, as set out in paragraphs 15-17 of the report.

(3) T H A T the increase suggested for other services be approved and recommended to Council, as set out in paragraphs 18-31 of the report.

(4) T H A T The following charges for 2018/19 financial year be recommended to Council:-

50 Week Basis	Current Charges	Proposed Charges
Heating	£6.41 per week	£5.74 per week
Warden Support Charge	£5.63 per week	£0.00 per week

Warden Management Charge	£4.06 per week	£0.00 per week
Warden Housing Management Charge (above two charges combined into new charge)	£0.00	£9.97 per week
VCAS:		
- Piper	£4.34 per week	£4.34 per week
- Communicall	£4.92 per week	£4.92 per week
Grounds Maintenance	£1.33 per week	£1.35 per week
Cleaning of communal areas	£2.02 per week	£2.31 per week
Lighting of communal areas	£0.87 per week	£0.94 per week
Laundry Facilities	£0.38 per week	£0.26 per week
Window Cleaning	£0.32 per week	£0.17 per week
Lift Maintenance	£0.92 per week	£0.48 per week
Door Entry	£0.75 per week	£0.73 per week
Intercom	£0.73 per week	£0.71 per week
CCTV	£0.84 per week	£0.90 per week
Sewerage Treatment Plants	£329.22 per annum	Based on the Rateable Value (RV) from the Welsh Water Schedule 2018/19
Cesspool Emptying	£317.50 per annum	Based on the Rateable Value (RV) from the Welsh Water Schedule 2018/19

(5) T H A T all changes to rents and service charges be implemented from 2 April, 2018 and that increase notices be sent to tenants 28 days in advance of the new charges coming into effect.

Reasons for decisions

(1) As required by statute.

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

(3) In order that charges were approved for the coming year.

(4) In order that charges were approved for the coming year.

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

C227 TREASURY MANAGEMENT AND INVESTMENT STATEMENT 2018/19 (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Cabinet was provided with an interim report on the Council's treasury management operations for the period 1 April, 2017 to 31 December, 2017 and the proposed 2018/19 Treasury Management and Investment Strategy.

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

In order to manage this increased flexibility, Part 1 of the Local Government Act 2003 required local authorities to have regard to the Prudential Code, which had been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice.

The key objectives of the fully revised Prudential Code were to ensure that the capital investment plans of local authorities:

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

In March 2012 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code), which required the Council to approve a treasury management strategy before the start of each financial year.

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

The proposed Treasury Management and Investment Strategy for 2018/19, was attached at Appendix 1 to the report. The Treasury Management Strategy itself covered a rolling period of three years and was intended to link in to the Medium Term Financial Planning process. The Investment Strategy covered the next financial year. The document also included a number of statutory Prudential Indicators that may be used to support and record local decision-making.

Proposed Strategy 2018/19

In 2018/19 the Authority would continue to place investments with either the Debt Management Account Deposit Facility (DMADF) of the Bank of England which were guaranteed by the UK Government, or with UK Local Authorities.

At the time of writing the report Northamptonshire County Council had filed a Section 114 notice to indicate that it was unlikely to submit a balanced budget within statutory timescales. The Council had no investments with Northamptonshire Council and had been advised by their Treasury Management advisors not to make any new investments with them. There had been extensive discussion in the press surrounding the potential for other English Local Authorities to be in a similar position although there had been no indication that any Local Authorities were likely to default on their loan repayments.

If a Local Authority that the Council had investments with was to default on a loan repayment the Council would have recourse under the Local Government Act 2003 to collect any outstanding sums. Given the emerging nature of the picture in relation to Local Authority investments the Treasury Management section would set a maximum period of 6 months for investments made from the date of this report. A further update on this position would be brought to Cabinet as part of future Treasury Management monitoring reports.

The Council would pursue the possible use of other investment tools, i.e. Treasury Bills & Money Market Funds during 2018/19 and may introduce these investment tools once relevant appraisals had been undertaken. However the continuing uncertainty in the financial markets would continue to dictate that the importance of capital security still outweighed the importance of financial performance at present. The Authority would continue to use credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service and Standard & Poor's to assess the risk of loss of investments. The lowest available credit rating would be used to determine credit quality. In addition, regard would be given to other available information on the credit quality of banks and building societies.

The proposed Treasury Management and Investment Strategy was attached at Appendix 1 to the report.

Interim Report

In so far as the Council's Treasury Management operations entered into for the period 1 April, 2017 to 31 December, 2017 were concerned, all activities were in accordance with the Council's approved strategy on Treasury Management. The following table set out the monies borrowed / repaid during the period.

Loan Type	**Opening Balance**	**Received**	**Repaid**	**Closing Balance**
	01/04/2017			**31/12/2017**
	£000	**£000**	**£000**	**£000**
PWLB	148,999	0	(1,807)	147,192
Other Long Term Loans	6,000	0	0	6,000
WG Concessionary Loan	2,100	0	0	2,100
Temporary Loans	100	0	0	100
Total	**157,199**	**0**	**(1,807)**	**155,392**

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

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

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

The Council's investments for the period to 31 December, 2017 were set out below;

Borrowing Institution	**Opening Balance**	**Received**	**Repaid**	**Closing Balance**
	01/04/2017			**31/12/2017**
	£000	£000	£000	£000
Local Authorities	65,500	172,350	(172,350)	65,500
Debt Management Account Deposit Facility	4,250	1,398,650	(1,398,500)	4,400
Total	**69,750**	**1,571,000**	**(1,570,850)**	**69,900**

Interest at an average rate of 0.30% and amounting to £144,140 had been received from maturing investments for the first 9 months of 2017/18.

This was a matter for Executive and Council decision

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

RESOLVED –

(1) T H A T the Treasury Management interim report for the period 1 April to 31 December, 2017 be endorsed.

(2) T H A T the policy for making Minimum Revenue Provision in 2018/19 be approved.

(3) T H A T Cabinet recommend to Council that the proposed 2018/19 Treasury Management and Investment Strategy be approved including the following specific resolutions:

- The Authorised Limit for External Debt be set at £203.681M for 2017/18, £216.031M for 2018/19, £226.060M for 2019/20 and £226.292M for 2020/21.
- The Operational Boundary for External Debt be set at £175.441M for 2017/18, £195.637M for 2018/19, £199.906M for 2019/20 and £206.012M for 2020/21.
- The Section 151 Officer be granted delegated authority within the total Authorised Limit and Operational Boundary as estimated for individual years to effect movement between the separately agreed limits for borrowing and other long term liabilities.
- An upper limit be set on its fixed interest rate exposures of £149.265M for 2017/18, for 2018/19 of £154.046M for 2019/20 of £159.482M and for 2020/21 of £165.362M of its net outstanding principal sum on its borrowings / investments.
- An upper limit be set on its variable interest rate exposures of £0 for 2017/18, 2018/19, 2019/20 and 2020/21 of its net outstanding principal sum on its investments.
- An upper limit of £5M for 2017/18, £5M for 2018/19, £2M in 2019/20 and 2020/21 be set for total principal sums invested for over 364 days.
- The amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate for 2018/19 be set as below:

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

- The Prudential Indicators set out in Appendix 1 attached to the report be approved.
- The Treasury Management Policy set out in Appendix 2 attached to the report be approved

Reasons for decisions

(1) To present the Treasury Management Interim Report.

(2) To agree the basis of the Minimum Revenue Provision calculation for 2018/19.

(3) The Treasury Management and Annual Investment Strategy was prepared as required by the Local Government Act 2003.

C228 VAT EXEMPTION ON SPORTING SERVICES (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Approval was sought to recommend exemption from VAT on the Council's provision of sporting services from 1 April, 2018.

The provision of local authority sporting services had always been subject to the standard rate of VAT. The exception was where an affiliated organisation/constituent association was able to demonstrate that it met the criteria for a 'block booking' facility and could therefore claim an exemption from VAT on the hire charges. Otherwise there had always been a statutory requirement to charge VAT on the supply.

This had been legally challenged and the Court of Justice of the European Union found, in the case of the London Borough of Ealing (Case C 633/15), that Her Majesty's Revenue & Customs (HMRC) had incorrectly required local authorities to charge VAT on the provision of sporting services. Local authorities had been required to charge VAT to ensure that there was no distortion of competition.

However, the court decided that any restriction on those grounds should be applied to both public bodies as well as private non-profit-making bodies providing sporting services. It followed that local authorities were entitled to treat those supplies as exempt from VAT provided that they did so on a consistent basis. HMRC had accepted the decision.

The effect of the judgment was that Councils could elect to make a claim for exemption from VAT on the sporting services that they supplied to members of the public under the European VAT directive.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the Authority implements an exemption from VAT on the Council's provision of sporting services from 1 April, 2018.

(2) T H A T delegated authority be granted to the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, to submit a claim to HMRC for over declared output tax, if the sum was determined to be material.

Reasons for decisions

(1) To gain approval to amend the VAT supply on the Council's provision of sporting services.

(2) To reclaim an overpayment from HMRC resulting from the implementation of the exemption outlined in the report

C229 VALE OF GLAMORGAN PUBLIC SERVICES BOARD DRAFT WELL-BEING PLAN (L) (SCRUTINY COMMITTEE – CORPORATE PERFORMANCE AND RESOURCES) -

Cabinet endorsement was sought of the draft Well-being Plan, which had been developed by the Public Services Board and which would be presented to Council for approval in February.

The Well-being of Future Generations (Wales) Act 2015 formally established Public Services Boards (PSBs) in each local authority area in Wales. 'Our Vale' was the Vale PSB and in accordance with the Act had to contribute to the achievement of the national well-being goals as set out in the legislation. The PSB had to do this by:

- Assessing the state of economic, social, environmental and cultural well-being in the local area.
- Setting local objectives that were designed to maximise the PSB's contribution within the area to achieving the national well-being goals.
- Taking all reasonable steps to meet these objectives i.e. through a Well-being Plan which must be informed by the Well-being Assessment.

The PSB had to publish its first Well-being Plan by 4 May, 2018.

In May 2017 the Vale Public Services Board published its Well-being Assessment. As part of the consultation on the draft Well-being Assessment views were sought on the four areas of focus which the PSB had identified to provide a framework for the

Well-being Plan. The four areas of focus were engagement, the environment, early years and tackling poverty/inequalities and these had been developed into Well-being Objectives for the draft Plan which was attached at Appendix A to the report. Following the consultation on the Assessment and subsequent publication, the PSB started work on the development of the Plan. The PSB had also taken account of feedback from the Future Generations Commissioner on the Well-being Assessment and the approach to developing the Plan. A copy of the Future Generations Commissioner's advice with regards to the development of the plan was attached at Appendix B to the report.

As a result of this work the PSB had drafted a Well-being Plan with four well-being objectives and a number of short term and long term actions. The Plan represented the first steps in achieving the PSB's 2050 vision. The PSB's four Well-being Objectives were:

- To enable people to get involved, participate in their local communities and shape local services
- To reduce poverty and tackle inequalities linked to deprivation
- To give children the best start in life
- To protect, enhance and value our environment

The draft Plan detailed how the Well-being Objectives had been set, proposed actions, how the Plan fitted with other partnership plans and strategies and the outcomes the PSB wanted to achieve. A summary document was attached at Appendix C to the report.

Consultation on the draft plan commenced on 28 September, 2017 and ran for 12 weeks ending on 20 December, 2017. A range of activities and attendance at events took place during the consultation period to assist people and organisations to have their say. Details of the consultation undertaken and feedback received was attached at Appendix D to the report. An Equality Impact Assessment had been undertaken on the process undertaken to develop the assessment of local well-being and the draft Well-being Plan. This was attached at Appendix E to the report.

Following the consultation the feedback had been considered by the PSB and the draft plan had been amended. Overall there was a great deal of support for the Well-being Objectives and content of the plan. In order for the plan to be published in May each of the partners had to take the plan through their respective approval mechanisms. The plan had to therefore be approved by Council prior to publication in early May.

This was a matter for Executive and Council decision

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

RESOLVED –

(1) T H A T the contents of the draft Well-being Plan attached at Appendix A to the report, and the work undertaken to develop the Well-being Objectives and the steps that would be undertaken to deliver them, be noted.

(2) T H A T the draft Well-being Plan attached at Appendix A to the report be endorsed and forwarded to Council for approval to enable the Public Services Board to publish the plan by 4 May, 2018 as per the requirements of the Well-being of Future Generations (Wales) Act 2015.

Reasons for decisions

(1) To consider the content of the draft Well-being Plan and how the Council would contribute to the delivery of the PSB's four Well-being Objectives.

(2) To comply with the requirements of the Well-being of Future Generations (Wales) Act 2015.

C230 PROPOSED EVENTS PROGRAMME FOR 2018 – 2019 (RP) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -

Approval was sought for the proposed programme of events and sources of funding for the financial year 2018 - 2019, as set out in Appendix A attached to the report.

Every year the Council organised and supported a diverse programme of events across the Vale of Glamorgan. These events were important in boosting the local economy and increasing the tourism offer within the Vale of Glamorgan, while also improving the quality of life for residents. The events also extended the season and boosted the night time economy, providing links between the town centres and local attractions such as Barry Island and Penarth Esplanade, and were important in supporting the work of the Town Centres Development Officer, who was based within the Tourism and Events Team.

2017 was a very successful year for Council led events in the Vale of Glamorgan. Attendance and recognition of these events had increased year on year with many becoming a recognised part of the South Wales annual event Calendar. The Barry Island Weekenders in particular had the highest attendance figures in 2017 in the five year life of the event.

A proposed events programme and sources of funding for 2018 - 2019 was attached at Appendix A to the report. Events were set out by season. In addition to the Appendix, this report drew attention to some key events that were being considered for 2018 and other potential opportunities that may exist but which were not yet confirmed.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the proposed events and associated costs for the financial year 2018 – 2019 as set out in Appendix A attached to the report be approved.

(2) T H A T delegated authority be granted to the Head of Regeneration and Planning, in consultation with the Cabinet Member for Regeneration and Planning, to award uncommitted funding from the Events Grant Budget, to any innovative and new events which support the local economy.

<u>Reasons for decisions</u>

(1) To approve expenditure for the events programme.

(2) To support innovative events and economic development within the Vale of Glamorgan.

C231 KEY STAGE 3 PUPIL REFERRAL UNIT (PRU) AND EDUCATION OTHER THAN AT SCHOOL (EOTAS) (LC) (SCRUTINY COMMITTEE – LEARNING AND CULTURE) -

Cabinet was informed of the consultation outcome on the proposed educational changes required to ensure children and young people educated other than at school (EOTAS) could prosper and achieve attainable outcomes. Approval was sought to undertake further work to develop a financially viable option to improve the delivery of EOTAS services to targeted children and young people.

The Local Authority conducted a consultation on changes to its EOTAS provision from October 2017 to November 2017. These included a proposal to relocate the Key Stage 3 Pupil Referral Unit (PRU), known as Ysgol Y Daith based at Amelia Trust Farm to Llantwit Major Youth Centre. The reasons for this proposal were set out in a previous Cabinet Report on 4 September, 2017 attached at Appendix A to the report.

The relocation of the PRU to a more suitable location was essential in order to ensure the most positive outcomes possible for this vulnerable group of learners. However, all those consulted raised valid concerns as to the suitability of the Llantwit Major Youth Centre for this provision, as detailed in Appendix B attached to the report.

While there were potential benefits to this move, the concerns raised during the consultation were sufficient to warrant recommending to elected members that this move should not take place and that every effort should be made to identify a more suitable alternative provision based in Barry. In order to achieve this, further engagement with stakeholders was necessary. In a meeting with staff and Trade Union representatives, it was agreed to create a staff forum. The forum would review the current provision and explore alternative models of delivery.

The Council had a strategic plan to transform education in the Barry area by creating two co-educational schools including the establishment of a centre of excellence for behaviour within the new school environment. This was intended to provide enhanced support for young people with social, emotional and behavioural difficulties [SEBD]. The respondents to the recent consultation felt that the Council should concentrate its efforts on developing a central Barry location as a centre of excellence. When developing options for change this consideration should be central in any further strategic planning.

The forum would work with Council officers to consider the viability of a range of options such as:

- Remaining at the Amelia Trust Farm (ATF) as a temporary measure, improving the physical environment to address safeguarding concerns and improving the current standards and outcomes for young people;

- Develop proposals for the Centre of Excellence, to include the delivery model, curriculum, and physical environment;
- Conduct research and compare and contrast other local authority EOTAS strategies, including this learning in the development and evaluation of options.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the outcome of consultation on the proposed relocation of the Key Stage 3 Pupil Referral Unit to Llantwit Major Youth Centre, that this proposal should not proceed, be noted.

(2) T H A T the proposal to further develop options for reshaping EOTAS provision within the Barry area as set out in the report be approved.

(3) T H A T a further report be submitted to Cabinet on the recommended way forward in due course.

Reasons for decisions

(1) To note the issues raised by respondents to the consultation.

(2) To enable the Council to take a strategic approach to the provision of education services for young people within the resources available.

(3) To ensure the on-going process of required consultation and engagement work with Trade Unions, staff and other stakeholders was undertaken efficiently and effectively in line with Council policies and procedures.

C232 HEALTHCARE NEEDS POLICY (LC) (SCRUTINY COMMITTEE – LEARNING AND CULTURE) -

Endorsement was sought for the Vale of Glamorgan Council's Healthcare Needs Policy that was attached at Appendix A to the report.

In March 2017, Welsh Government published the 'Supporting Learners with Healthcare needs guidance' document, which was attached at Appendix B to the report. The guidance required all maintained nursery, primary, secondary and special schools, pupil referral units (PRUs) and local authorities (LAs) in Wales to implement a healthcare needs policy and to publish it online at the earliest opportunity. The LA healthcare needs policy was expected to be overarching in content and should set out how schools and PRUs would support learners with healthcare needs.

In November 2017, the LA produced a model policy for schools to support them in developing their policies. This was detailed in Appendix C attached to the report. The LA had worked with schools to ensure that they had a policy in place which was published online as per Welsh Government requirements.

Local authorities and governing bodies had to ensure arrangements properly supported learners and minimised disruption or barriers to their education. Arrangements also had to consider any wider safeguarding duties while seeking to ensure all learners could access and enjoy the same opportunities. This included creating and maintaining effective healthcare needs policies in the local authority and education settings. The policy was not expected to be lengthy or complex or cover every possible medical condition, but it had to have a broad and relevant approach to the local authority or individual education setting. It would need to be available online for parents and learners to read and not contain any personal or confidential information.

This was a matter for Executive decision

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

RESOLVED – T H A T the Vale of Glamorgan Council's Healthcare Needs Policy attached at Appendix A to the report be endorsed.

Reason for decision

To meet the Council's statutory requirement to produce and publish a Healthcare Needs Policy.

C233 RESHAPING OF YOUTH SERVICES (LC) (SCRUTINY COMMITTEE – LEARNING AND CULTURE) -

Cabinet was apprised of the necessity to change the Vale of Glamorgan Youth Support Services in order to meet the expectations of the National Youth Strategy and the Welsh Government's Educated Other Than at School (EOTAS) Framework guidance for Local Education Authorities. Consideration was given to young people's recommendations for changes to youth provision in the context of the overall proposals for developing the Vale Youth Offer. Finally, approval was sought to implement changes to the way in which the service was delivered and structured, subject to a period of engagement and consultation with staff, trade unions and young people.

It had been identified that the way in which Youth Services were provided in the Vale of Glamorgan (and Wales as a whole) needed to change. There were several drivers for this change. Welsh Government were reviewing 'Extending Entitlement'. This document was the policy flagship for the establishment and implementation of statutory youth support services and intrinsic to the Learning and Skills Act 2000. The Act placed a duty on the Local Authority Chief Executive to ensure there were appropriate youth support services on offer in their local area. The Youth Service had recognised Welsh Government's recommendations in 'A Curriculum for Wales- Curriculum for Life', the 'Successful Futures' report by Professor Donaldson and the National Youth Work Strategy for Wales 2014-18 as major drivers for delivering youth services differently. These policy changes required the service to take a more collaborative approach and develop improved and enhanced relationships with schools and local youth service providers to develop a curriculum that would deliver a 'Pupil Offer'.

In 2015 a major consultation with 1750 stakeholders was undertaken to ascertain how they saw the service and what type of service they wanted in the future. Young people in the Vale of Glamorgan clearly specified areas of interest and barriers that prevented them from accessing services. The survey gave a clear picture of what young people would like from the service and added to a more in-depth analysis of need.

In addition, changes to the way in which the Local Authority managed and delivered its provision of education other than at school (EOTAS) had an impact on the priorities for youth services. Youth services were seen as key deliverers of EOTAS for the most challenging students and as a means of preventing young people from being excluded from school.

Overall, the 'Pupil Offer' had to include accredited opportunities, beneficial outcomes and have a positive impact on young people and their communities. The way in which the service was currently delivered, structured and supported would need to change to ensure this was in place.

Ensuring access to these two areas of support for young people was of great importance and offered an opportunity to enhance the way in which EOTAS provision was delivered in the Vale of Glamorgan. In particular, this would lead to enhancing the linkages between youth services, education support services, youth offending services and the Pupil Referral Unit.

The current youth service structure, detailed in Appendix B as attached to the report, was based on a small number of permanent full-time posts, with the majority of provision being delivered by a wide pool of staff who were employed on part-time contracts (typically 3-9 hours per week). The service had identified recruitment and retention issues associated with this model along with challenges related to the ability to provide consistency in service delivery. The existing Youth Service provision was presented under two themes, Targeted & Inclusion and Universal Access services. These were determined by the Principles and Purposes of Youth work as prescribed by the National Youth Strategy attached at Appendix A to the report. The way in which services were provided would need to change in order to respond to the new agenda for youth services

Changes to the structure of the youth service would have the most impact on the universal aspect of provision. There would need to be changes to how staff worked in order to support the quality and consistency of delivery. This included improved recording of the impact and outcomes of the service and greater responsiveness to delivering services in line with the needs of young people. The service would support the Council Wellbeing strategy and become more supportive of schools and address local community issues. The report proposed that the Universal section of the service be replaced by a single Engagement Team consisting of one senior worker and eight staff. This team would deliver the “Youth Engagement Offer” to cover rural, central and eastern areas of the Vale. They would have a peripatetic role and cover several provisions in a working week. They would deliver the priorities of the Vale Youth Offer and support school projects as detailed in Appendix C attached to the report.

A key aspect would be to use Youth Hub provision in eastern, central and rural locations by providing peripatetic youth teams. Youth Hubs would need to provide a consistent and quality youth offer based on the needs of young people.

The Local Authority was mindful that the policy changes described in the report required further collaboration or commissioning of services with external service providers in order to deliver the enhanced 'Youth Offer'. A number of well-established voluntary sector providers had ceased to operate in recent years. As a consequence, the new model outlined in the proposal sought to build on the areas of provision which were successfully commissioned or provided collaboratively with national voluntary organisations.

The Council would also seek to further develop youth provision with well- established local community groups. There were several community based youth clubs who had a thriving membership with whom the service had a good working relationship. These independent community groups had to be further empowered to sustain themselves without current levels of support from the Youth Service.

The targeted service was largely grant funded and no change in structure or delivery was planned. However, this was dependent on levels of funding which, at time of writing had not been confirmed for 2018/19, therefore, levels of provision were at risk. In addition, as established areas of provision were funded externally, the options for change were limited due to the criteria of the grant. This was detailed in Appendix D attached to the report.

Two shared management roles would be established, to ensure continuity of operational leadership. One role for targeted provision and another for universal and performance management. They would operate a 5 tier system which would define need and identify which team and resources would deliver what provision. To do so would enable the service to provide provision appropriate to need across the County. An example of this approach was at Appendix E attached to the report.

The management positions would ensure that the core values of the Youth Offer were met, all staff had a professional and ethical approach to their work and that quality of provision was high. Furthermore, to ensure continuity of collaboration between teams and services, a Wellbeing Co-ordinator post would be established which crossed over departments in the Learning and Skills Directorate to ensure wellbeing outcomes were coordinated and met.

There were also a number of children who received EOTAS who were on the Child Protection Register. The advocacy and support of these children was essential to ensure that their educational needs were met. There was a need to have a cross directorate post which ensured these children did not become Children Missing Education (CME). The post of Advocacy and Support Officer would work closely with the directorate Safeguarding Officer, Looked After Children (LAC) teams, Youth Offending Service, Social Services and Education Welfare Service to ensure the most complex and challenging had a pathway into education. They would be required to attend Core Professional groups, case conferences and broker suitable provision for young people. This was detailed in Appendix F attached to the report.

If all savings and restructuring was implemented, savings would be achieved in the region of £63k. This would be achieved over 2 financial years due to the phasing of the implementation, and subject to the proposals of the Llantwit Major site being approved and delivered. This would be used to assist with funding issues within the directorate. The Youth Service budget over a 5 year period had delivered savings of £182,000. With the additional savings outlined in the report, the budget would have delivered £244,801 savings in all.

These proposals would reduce the overall number of Council resource funded staff employed from 53 to 25 staff (inclusive of management and direct delivery staff). All staff would have a responsibility to deliver youth provision. The present youth service structure supported the Joint Negotiating Committee pay scales. This equated to an annual staffing budget in 2017/18 of £1,145,376. Salaries funded from the core budget total £721,331 with grant-funded salaries being £424,045. These figures were inclusive of administration and delivery staff and detailed in Appendix G attached to the report. An Equality Impact Assessment had been produced and would be updated throughout the course of this project. The Equality Impact Assessment was attached at Appendix H to the report.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the proposals set out in the report relating to the way in which Youth Services operate ("the new Youth Offer"), including the development of partnerships with National Voluntary Youth Organisations and Community Groups and the implementation of associated staffing structures, be approved in principle as the basis for referral to Scrutiny Committee (Learning and Culture) prior to making a final determination.

(2) T H A T subject to resolution 1 above, delegated authority be granted to the Director of Learning and Skills, in consultation with the Leader, Cabinet Member for Learning and Culture and the Managing Director to:

- Undertake the necessary consultation and engagement activity as described in the report;
- Respond as appropriate to the engagement and consultation.

Reasons for decisions

(1) To enable the Council to take a strategic approach to the provision of youth support services for young people within the resources available and enable improvements in the quality and standard of provision of youth support services for young people.

(2) To ensure the process of required consultation and engagement with Trade Unions, staff and other stakeholders was undertaken efficiently and effectively in line with Council policies and procedures.

C234 PUBLIC SPACES PROTECTION ORDER (DOG CONTROLS) (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -

Authority was sought to start the process of introducing a Public Spaces Protection Order (PSPO) for dog controls in the Vale of Glamorgan under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 by undertaking a statutory consultation exercise with members of the public and other relevant stakeholders on a proposed PSPO.

The Anti-social Behaviour Crime and Policing Act 2014 (the Act) provided local authorities with a set of powers, including PSPOs, to prevent and reduce all sorts of anti-social behaviour and other issues in public spaces which had a negative or detrimental impact on the local community and the local community's quality of life. A PSPO worked by imposing certain restrictions on the public spaces which in turn enabled the law abiding majority of people to enjoy these areas. Further activities that could be specifically tackled through a PSPO were dog control including dog fouling enforcement.

Although there had been several educational interventions to tackle people who allowed their dogs to foul public spaces and did not pick up after them, there continued to be issues in the Vale of Glamorgan with irresponsible dog ownership, specifically where dog faeces was not being removed. The Council was aware that the majority of dog owners were responsible and control their dogs in public spaces; however there was a minority of people who did not take full responsibility for their animals and ignored the Council's byelaws. Consequently a significant number of complaints were continuing to be received by the Council in relation to dog fouling.

There was an existing system of byelaws in place for the control of dog fouling and prohibiting dogs from certain beaches during particular time of the year, country parks, highways and public open spaces in the Vale of Glamorgan. These byelaws had been in place since 2001 and though there were fines associated with them following the potential to prosecute offenders in the Magistrates' Court, it was not possible to issue 'on the spot' fixed penalties. A new dog control PSPO could ensure consistency of enforcement across the Vale of Glamorgan by allowing both fixed penalty fines and/or prosecution in the Magistrates' Court.

It was therefore suggested that Cabinet approve the recommendations which would allow a full and extensive consultation with residents and relevant stakeholders to make orders which were relevant, necessary and consistently enforced across the Vale of Glamorgan. A copy of the suggested questions that would be posed during the consultation exercise was attached at Appendix A to the report.

Enforcement of any new PSPO was likely to be undertaken by existing external contractors (3gs Ltd) who undertook waste enforcement and issued fixed penalty notices in this regard. There would be no additional costs associated with the enforcement of this particular PSPO.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T authority be granted to undertake an 8-12 week statutory consultation exercise, on the proposal to make a PSPO to introduce dog controls in the Vale of Glamorgan under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014. In relation to dog controls the proposal was set out as follows on public spaces maintained/owned by the Council:

- The prohibition of dog fouling in all public places within the Vale of Glamorgan;
- A requirement for a person in charge of a dog at all times to carry bags or suitable means for the disposal of dog faeces;

- A requirement for a person in control of a dog to keep their dog on a lead in specific featured parks;
- A prohibition excluding dogs from all marked sports pitches (seasonal) and play grounds;
- A prohibition excluding dogs from the specific featured parks;
- A prohibition excluding dogs from the specific beaches from 1 May – 30 September.

(2) T H A T a further report be presented to Cabinet on conclusion of the consultation process.

Reasons for decisions

(1) To authorise the statutory consultation exercise in respect a PSPO to introduce dog controls in the Vale of Glamorgan.

(2) To consider the responses and to take a decision as to whether to introduce a dog control PSPO or not.

C235 REVISED WASTE MANAGEMENT STRATEGY: THE FUTURE COLLECTION ARRANGEMENTS FOR WASTE AND RECYCLING (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -

Cabinet was advised of the outcome of the Waste Resource Action Programme (WRAP) report and future arrangements for the collection of waste and recycling were considered.

Cabinet on 6 July, 2011 (Minute C1367 refers) revised the Council's Municipal Waste Management Strategy (MWMS) to reflect changes in service delivery that were considered necessary at the time to meet WG's recycling targets. The 2011 review changed from collecting dry recycling source separated to being collected co-mingled. This was considered part of a 5 year business plan to improve participation and to meet Welsh Government's (WG) Statutory Recycling Targets (SRT's) of 52% by 2012/13, 58% by 2015/16 and in the future towards 64% in 2019/20.

Subsequent revisions to the EU Waste Framework Directive (WFD) which provided the legislative framework for the collection, transport, recovery and disposal of waste, changed UK legislation through the Waste (England and Wales) (Amendment) Regulations 2012 which were laid before Parliament and WG on 19 July, 2012 and came into force on 1 October, 2012. The amended regulations related to the separate collection of waste. From 1 January, 2015 waste collection authorities had to collect waste paper, metal, plastic and glass separately. These duties applied to ensure that waste underwent recovery operations in accordance with the directive and to facilitate or improve recovery where it was technically, environmentally and economically practicable (TEEP).

As a result of changes to the WFD and changes to UK legislation, Cabinet on the 23 February, 2015 (Minute C2660 refers) agreed to carry out a recycling collection assessment to determine whether the existing kerbside collection arrangements were compliant to current legislation. Additionally, it was agreed that Cabinet receive a further report on the outcomes of the assessment and any possible service delivery changes in the future that may be necessary to comply with current legislation. This would be undertaken as part of WG’s Collaborative Change Programme (CCP).

It was always known that the legislative revisions would have an impact on the Council's kerbside collection methods and that it was likely that the Council would have to revert to its previous pre 2011 collection system of source separated recycling and adopt the WG’s ‘Collections Blueprint’ methodology. The Collection's Blueprint was statutory guidance, attached at Appendix A to the report that was introduced by WG that recommended the service profile for the collection of recycling from households via kerbside sort to ensure compliance to the revisions of the WFD and to ensure high rates of high quality recycling, cost savings and improved sustainable development outcomes.

There had been a recent appraisal of the Collections Blueprint commissioned by WG in September 2015 and Eunomia Research & Consulting (Eunomia) was engaged to review the blueprint. Eunomia concluded that the Collections Blueprint provided clear benefits in terms of cost and material quality. The review was attached at Appendix B to the report.

Although the Council had not yet introduced a revised compliant collection scheme, it could demonstrate aspects of TEEP as it had not been economically and practically possible to operate a separate collection system in the absence of a Waste Transfer Station (WTS) in the Vale and that it was not financially possible, being contractually tied to a co-mingled dry recycling processing contract up until March 2018.

The Council had not been subject to challenge as it had been working with WG in conjunction with WRAP to establish the most sustainable and economic process for the Vale. The Council had received support through WG’s CCP to undertake this review and WRAP had undertaken a modelling exercise attached at Appendix C to the report using its own Kerbside Analysis Tool (KAT).

The most economic and sustainable method from the service appraisal were Options 5 and 7 in accordance with WG's Collections Blueprint methodology. This also provided revenue savings in the longer term once the service was operating to its full efficiency.

Each option included restricted black bags to ensure the Council achieved its next SRT of 64% by 2019/20 and the final target under WG'S current waste strategy "Towards Zero Waste" of 70% by 2024/25. The restriction would be necessary to maximise recycling participation, achieve WG targets under the Waste (Wales) Measure 2010 and avoid penalties of £200 for every tonne under a failed target under The Recycling, Preparation for Re-use and Composting Targets (Monitoring and Penalties) (Wales) Regulations 2011.

The report detailed the following options:

- Option 1 – Restricting black bags only
- Option 1 Atlantic Trading Estate (ATE), Barry - Maintain a co-mingled dry recycling collection service but with a local WTS
- Option 2 – Maintain a co-mingled dry recycling collection service but with separately collected glass and the use of a WTS.
- Option 3 – Implement a twin stream collection system with separately collected glass and the use of a WTS.
- Option 4 – Implement a source separated dry recycling collection service (not including food)
- Option 5, 6 & 7 – Implement a source separated dry recycling collection service as per WG's Collections Blueprint

Considering all the options, WRAP concluded that the Collections Blueprint was the most favourable option. This provided advantages of;

- Longer term revenue savings of an estimated £400k per annum.
- The Council would qualify for CCP support.
- There would be no compliancy risks in terms of current legislation.
- It will produce high quality recycling material that was likely to be favoured in national and international markets.
- It supported The Well Being Goals set for WG and local authorities in the Well-Being of Future Generations (Wales) Act 2015.
- It supported the drive for a circular economy in Wales and resilience in terms of recyclate markets.

In September 2016, WRAP Cymru undertook a study on behalf of WG into the climate change impacts of recycling services in Wales and was attached at Appendix D to the report. The analysis undertaken in this study suggested that, where performance was modelled using appropriate assumptions and datasets, the use of kerbside sort collection systems could result in a relatively significant climate change benefit, in comparison to the equivalent performance of co-mingled systems.

Although a dry recycling kerbside sort collection system was far more environmentally sustainable, the report considered there were barriers with this system. The kerbside sort collection system was not a popular option with residents as it would require their assistance with separating waste and it required the use of more containers. The report noted that houses of multiple occupancy (HMO's) would retain a co-mingled service and this had been considered in the service appraisal undertaken by WRAP and considered an acceptable practice in those locations.

To complement the most sustainable collection method, it would be necessary to review any barriers there were at present that restricted recycling participation. It was suggested that the proposed public consultation exercise be used to establish any barriers and these were appropriately reviewed to increase participation, in preparation of the next SRT due in 2019/20.

The latest recycling participation results taken from a survey undertaken in-house by the Waste Management and Cleansing team over a 4-week period during November 2017 identified levels of recycling ward by ward, which was attached at Appendix E to the report, and provided averages of bags placed out for collection.

The average number of black bags put out by households across the Vale was 3 which overall was generally positive. However, the Council would not achieve further targets without instigating a change that required all households to engage with the service. Without implementing a restricted black bag system, it would not be possible to achieve future targets with an educational approach alone. Councils across Wales had, or were considering, introducing similar restrictions per fortnight or 3-weekly or 4-weekly residual collections.

For the Vale it was recommended that a fortnightly service was maintained but restrict households to 2-black bags per fortnight with provision for very large families or exceptional circumstances to accommodate items such as hygiene products and other non-recyclable items. The public consultation outcomes would assist in informing the extent of this additional provision.

The controls of the amount of black bag waste produced by households would also need to be regulated at the Council's Household Waste Recycling Centres (HWRC's) at Atlantic Trading Estate (Barry) and Llandow Industrial Estate (Llandow) otherwise restrictions at the kerbside would only divert waste to these sites and prevent householders from recycling. WRAP had finished an assessment of the Council's HWRC's and they would be providing a report suggesting notable practice which had been successfully implemented at other sites in Wales. A separate report would be presented to Cabinet with the details of the appraisal including any recommendations for consideration. Additionally, the report would provide recommendations to establish an alternative HWRC site in the western Vale as the lease on the current site was due to expire at the end of 2019. The site was not considered viable beyond this date as a result of the site access, the general condition of the estate and a lack of investment from the land owner.

The existing co-mingled dry recycling processing contract was due to expire in March 2018. As Cabinet would need to consider the recommendations of the WRAP service appraisal as well as a future waste management strategy, the Waste Management and Cleansing service had retendered on this contract on the basis of a 1 year contract only with 2 optional years built in thereafter with no guaranteed recycling tonnage. That way Cabinet could give consideration to the future of the service without the hindrance of being contractually restricted to a particular treatment method.

As well as waste contracts, there was a need to consider the implications on the Council's existing vehicle fleet. It was proposed that if a service change be agreed, any vehicles necessary for a source separated collection service would be funded from the Council's fleet replacement fund that was an ongoing programme and through capital bids to WG through CCP funding.

If the recommendations of the WRAP report were introduced and there was an opportunity to construct a centrally located WTS, it would assist with the rationalisation of the two operational depots (Court Road Depot and the Alps). The report suggested that if a WTS was developed (subject to funding) that work continue on the feasibility study associated with the rationalisation of the depots in conjunction with the WTS. A further report would then be presented to Cabinet in respect of operating sites, the WTS and operational depots as part of that process.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the introduction of the most sustainable recommendation of the WRAP report namely, a weekly source separated dry recycling collection service, subject to receiving the necessary capital funding from Welsh Government and the outcomes of a public consultation, be approved.

(2) T H A T a public consultation exercise to capture the views of residents in respect of the methods used to participate in a source separated dry recycling collection service be approved.

(3) T H A T authority be granted to the Director of Environment and Housing in consultation with the Cabinet Member for Neighbourhood Services and Transport, the Head of Legal Services and the Head of Finance, to submit a capital bid to Welsh Government for Collaborative Change Programme support to finance the new waste infrastructure required, to introduce a source separated dry recycling collection service.

(4) T H A T authority be granted to the Director of Environment and Housing in consultation with the Cabinet Member for Neighbourhood Services and Transport, the Head of Legal Services and the Head of Finance to award the Processing of Co-mingled Recyclable Materials Contract from 2018 – 2021 and to refine the documentation as necessary.

(5) T H A T authority be delegated to the Director of Environment and Housing in consultation with the Cabinet Member for Neighbourhood Services and Transport, the Head of Legal Services and the Head of Finance to award the Waste Transfer Station Contract from 2018 – 2021 and to refine the documentation as necessary.

(6) T H A T the restriction of black bags, based on 2 per household per fortnight from 1 September, 2018 with provision for large families and other certain circumstances (such provision to be determined with the assistance of the public via the public consultation exercise), be agreed.

(7) T H A T the development of a new 7-year Municipal Waste Management Strategy (MWMS), to reflect changes in service delivery and to achieve statutory recycling targets up to 2024/25, be approved.

(8) T H A T the report be referred to Scrutiny Committee (Environment and Regeneration) for their consideration.

(9) T H A T a further report be presented to Cabinet with an update of the future collection arrangements for waste and recycling once it is known whether capital funding from Welsh Government's Collaborative Change Programme is available or not and to include the outcomes of the public consultation exercise.

(10) T H A T for resolutions 3, 4 and 5 above the use of Article 14.14 of the Council's Constitution urgency decision procedure be authorised.

Reasons for decisions

(1) To ensure that the service was compliant to current legislation and that it was economically and environmentally sustainable.

(2) To ensure that public views were captured to ensure the most efficient way of participating in a source separated dry recycling collection service, was selected.

(3) To ensure the Council had an opportunity to bid for Collaborative Change Programme capital funding before the end of the financial year.

(4) To ensure continuity of the dry recycling service for the purpose of reprocessing commingled recycling, with provision up until 31 March, 2021.

(5) To minimise the waste services transportation costs and to provide a local cost effective solution for the transfer of waste.

(6) To ensure the Council met its statutory recycling targets of 64% by 2019/20 and 70% by 2024/25.

(7) To ensure the Council had a defined strategic plan to achieve its statutory recycling targets and comply with current waste legislation.

(8) To provide the Scrutiny Committee (Environment and Regeneration) with an opportunity to consider the details of the report.

(9) To consider the implementation plan that included the development of a Waste Transfer Station, the outcome of the public consultation exercise, the

suggested service commencement dates and the revised 7-year Municipal Waste Management Strategy.

(10) To ensure continuity of recycling services from 1 April, 2018 and to submit a timely capital funding bid to Welsh Government.

C236 COLDBROOK CATCHMENT FLOOD RISK MANAGEMENT SCHEME – UPDATE (NST) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -

Cabinet was informed of the progress in delivering the Coldbrook Catchment Flood Risk Management Scheme prior to requesting authority to further increase the funding arrangements to conclude this scheme via a Part II report later on the agenda.

There was a localised flooding incident within the Coldbrook Catchment on 20 July, 2007 following a prolonged period of localised heavy rain. The source of the flooding was a combination of overland flow and the watercourse.

A report was taken to Cabinet on 20 July 2011 (Minute C1390 refers) to provide members with an update on the progress of the scheme at that time. A further report was taken to Cabinet on 23 July 2012 (Minute C1771 refers) to update members on scheme progress, obtain approval to allocate match funding and authorisation to enter into a contract for the delivery of the Coldbrook Catchment Flood Risk Management Scheme.

The completed scheme provided flood risk protection up to a 1 in 100 year storm plus 20% allowance for climate change in accordance with the Welsh Government flood risk management strategy. On a cost basis the scheme was 100% completed against the original activities, although assessment of compensation events was yet to be completed. A more detailed summary of the works undertaken to date was provided in Appendix A attached to the report.

Payments for the contract were due for certified works and contract management undertaken from December 2018 to February 2018. Works were now substantially complete and a final account was in preparation by the scheme contractor. The use of the Council's Urgent Decision Procedure was recommended to ensure all payments could be made within the contractual timescales to avoid legal challenges and additional costs under the contract. Due to the contractual sensitivities of the financial values there was a need to maintain confidentiality hence this detail being presented under Part II later on the agenda.

This was a matter for Executive decision

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

RESOLVED – T H A T the further progress in delivering the Coldbrook Catchment Flood Risk Management Scheme be noted, details of which are the subject of a Part II report which follows later on the agenda.

Reason for decision

To note the progress of the scheme and the flood risk management work being undertaken to enable funding decisions to be taken via a later report on the agenda.

C237 AMENDMENTS TO COUNCIL'S INCENTIVE TO MOVE SCHEME (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

Approval for changes to the Incentive to Move Scheme was sought.

The original Incentive to Move Scheme was first approved by Cabinet (Minute C550 refers) on 29 July, 2009 with implementation in 2010. At the time the scheme was designed to encourage those tenants, primarily under occupying family accommodation, to move into smaller Council or Housing Association owned homes. Since that time the pressures and social housing stock and applicants had changed and there was an increasing need for households with severe mobility challenges.

The Scheme therefore needed to be amended to meet these new pressures to ensure that adapted properties became available when no longer needed by the household allowing applicants with disabilities to be assisted into accommodation that met their requirements as promptly as possible.

This was a matter for Executive decision

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

RESOLVED – T H A T the changes to the Council's existing Incentive to Move Policy as set out in Appendix 1 attached to the report be approved.

Reason for decision

To better target the funding to ensure high demand properties were released for those in housing need.

C238 HOUSING DEVELOPMENT PROGRAMME - BRECON COURT, BARRY (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

Approval was sought to submit a detailed planning application and to tender the Housing development scheme known as Brecon Court, Barry (the Scheme).

The Council sought to expand its housing stock and satisfy local housing need through the commissioning of new properties as a new development initiative. The principle of developing new homes was established by the Council following a Cabinet meeting on 11 August, 2014 (Minute C2439 refers) and sites across the Vale of Glamorgan were considered for development. Permission to progress with an option appraisal was obtained on 6 February, 2017 (Minute C3453 refers) with a recommendation to be presented to Cabinet following the completion of the appraisal.

Further to the provisional designs presented to Cabinet on 6 February, 2017 the Site density had been amended to achieve 28 no units within an apartment block being arranged over three floors. Pre-application planning advice had been supportive of the Scheme. The Scheme would provide a sustainable community which would comprise of older persons accommodation together with family homes. The Scheme layout was provided at Appendix 1 attached to the report with the street view being provided at Appendix 2 attached to the report.

Further public consultation was required as part of the PAC (Pre-Application Consultation Report) prior to a formal planning submission; this would involve an additional public consultation event. Subject to Cabinet approval, a formal planning application was to be submitted 28 days after the publication of the PAC report.

The Scheme would be part funded by Welsh Government through the Housing Finance Grant 2 for Local Authorities. Funding from the Welsh Government was available from 5 April, 2018 and the intention was that the Council would have entered into a construction contract by this time in order that the Council would be able to draw down these capital funds as soon as they were available.

It was proposed to tender the Scheme in parallel with the planning process on a single stage tender basis, through the Sell2Wales portal, in accordance with Council's procurement requirements. Tender evaluation would be in accordance with the Council's financial regulations.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T approval be granted to submit a detailed planning application and to tender the Scheme in parallel, on the site of Brecon Court, Barry.

(2) T H A T following planning approval and tender receipt, a further report be presented to Cabinet regarding award of contract.

Reasons for decisions

(1) To allow the progression of public consultation, formal planning application and procurement arrangements to enable works to commence at the former Brecon Court site early in the new financial year.

(2) To comply with the Council's Contract Standing Orders, which required contracts with a value in excess of £300k to be agreed by Cabinet.

C239 HOUSING DEVELOPMENT PROGRAMME - HOLM VIEW, PHASE 1 (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

Cabinet was provided with an update on the Council Housing Development Programme and authority was sought to appoint a suitable contractor for the construction of 11 new homes at Holm View, Gibbonsdown.

The original principle of developing new local authority homes was established by the Council following a Cabinet report in 2014 when the Head of Housing and Building Services was authorised to commence feasibility work to establish suitable development sites to contribute to addressing housing need (Minute C2439 refers) within the Vale of Glamorgan. A further Cabinet report was presented on 11 July, 2016, concerning the Housing Development Programme (Minute C3243 refers) which identified land adjacent to Holm View Leisure Centre, Skomer Road and

Francis Road, Barry as potential development sites. A further report was presented on 9 January ,2017 (Minute C3417 refers), seeking authority to re-appropriate land at Holm View, to enable the proposed development to progress.

The scheme for the development of 11 new Council Homes was formally tendered through the Sell2Wales portal. The closing date for the tender return was 12 July, 2017 and three tenders were received on 12 July, 2017 as submitted through the Sell2Wales portal. Following tender evaluation and due diligence tests, the Council failed to successfully appoint a contractor.

On 5 September, 2017 the scheme was re-advertised through the Sell2Wales portal with 20 expressions of interest being received this time during the open tender period. The closing date for this round of tenders was 16 October, 2017 and five tenders were received. These were subsequently opened in accordance with the Council's Procurement Policy. The tender results were addressed in the Part II report later on the agenda.

This was a matter for Executive decision

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

RESOLVED – T H A T the current position with the Housing Development Programme and the contents of the report be noted, with a view to taking decisions on the award of contract detailed within the Part II report later on the agenda.

Reason for decision

To enable the contract documentation to be finalised and for works to start on site.

C240 HOUSING ELECTRICAL INSTALLATIONS - INSPECTION AND MAINTENANCE CONTRACT (HBS) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

Cabinet was advised of the proposed contract award arrangements for the housing electrical installations periodic inspection and maintenance contract.

Since the start of the Welsh Housing Quality Standard (WHQS) Improvement Works Framework Contract in 2012, Council Housing electrical installations had been inspected, maintained and or rewired under this contract. As a result, a large proportion of the housing stock had new electrical installations installed to ensure they comply with current legislative standards.

The Housing and Building Services Team now have a number of properties which would need to have an up to date electrical installation condition test and inspection undertaken in the coming years to ensure these properties remained safe and compliant.

The existing WHQS framework was due to expire on 31 March, 2018 and a tendering process had been conducted via the Sell2Wales procurement site. Housing and Building Services sought to appoint two contractors offering best value for money for this service over the next 3 years, with an option of a further 1 year extension based on performance.

Since development of the tender package, the Compliance Team had received competitive tenders from competent contractors for the Works. The tender results were addressed in the Part II report later on the agenda.

This was a matter for Executive decision

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

RESOLVED – T H A T the contents of the report be noted, with a view to taking decisions on the award of the lots under the framework contract detailed within the Part II report later on the agenda.

Reason for decision

To advise Cabinet of the intention to award a contract and to enable the matter to be dealt with under Part II.

C241 EXCLUSION OF PRESS AND PUBLIC –

RESOLVED - T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

C242 COLDBROOK CATCHMENT FLOOD RISK MANAGEMENT SCHEME – UPDATE (NST) (EXEMPT INFORMATION – PARAGRAPH 14) (SCRUTINY COMMITTEE – ENVIRONMENT AND REGENERATION) -

Cabinet was informed of the progress made in delivering the Coldbrook Catchment Flood Risk Management Scheme and advised of an additional increase in scheme costs. Approval was sought to allocate the Council's additional match funding element and to apply for and accept additional grant provision from Welsh Government.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the progress in delivering the Coldbrook Catchment Flood Risk Management Scheme be noted.

(2) T H A T an increase in construction contract cost to £8,374,602 (formerly £7,932,000) be approved.

(3) T H A T an increase in the design & development (including site supervision) contract cost to £1,149,737 (formerly £1,034,000) be approved.

(4) T H A T the Capital Programme for the Construction Phase of the Coldbrook Catchment FRMS be amended for 2017/18 and 2018/19 up to £525,000 and £58,000, respectively. The increase would be funded by the additional capital Flood and Coastal Erosion Risk Management grant, subject to formal Welsh Government funding approval being obtained, existing capital budget allocation and Visible Services Reserves.

(5) T H A T a report detailing the Coldbrook Catchment Flood Risk Management Scheme be tabled at a future meeting of the Scrutiny (Environment and Regeneration) Committee for information.

(6) T H A T the Director of Environment and Housing, in consultation with the Head of Finance and the Cabinet Member for Neighbourhood Services and Transport, be authorised to accept a corresponding increase in Welsh Government Grant in Aid Funding for the scheme.

(7) T H A T delegated authority be granted to the Head of Legal Services in consultation with the Director of Environment and Housing and the Cabinet Member for Neighbourhood Services and Transport to enter into an appropriate agreement with Natural Resources Wales to recover the costs of works on main river upon receipt of the necessary instructions.

(8) T H A T the use of 14.14 of the Council's Constitution (Urgent Decision Procedure) be authorised for resolutions 2-7 above.

Reasons for decisions

(1) To note the flood risk management work being undertaken.

(2) To enable the Council to continue to meet its contractual obligations for funding delivery of the scheme and ensure compliance with the Council's Financial Regulations and Standing Orders.

(3) To enable the Council to continue to meet its contractual obligations for funding delivery of the scheme and ensure compliance with the Council's Financial Regulations and Standing Orders.

(4) To make adequate provision in the Capital Programme for delivery of the scheme.

(5) To enable the appropriate Scrutiny Committee to continue to have oversight of this scheme.

(6-8) To enable the Council to continue to meet its contractual obligations for funding delivery of the scheme and ensure compliance with the Council's Financial Regulations and Standing Orders.

C243 HOUSING DEVELOPMENT PROGRAMME - HOLM VIEW, PHASE 1 (HBS) (EXEMPT INFORMATION – PARAGRAPH(S) 13, 14) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

An update on the Council Housing Development Programme was provided and authority to appoint a suitable contractor for the construction of 11 new homes at Holm View, Gibbonsdown was sought.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the current position with the Housing Development Programme be noted.

(2) T H A T the tender from Pendragon Design and Build be accepted as the most economically advantageous tender submitted.

(3) T H A T delegated authority be granted to the Head of Legal Services, in consultation with the Cabinet Member for Housing and Building Services and the Director of Environment and Housing Services, to prepare and execute a JCT Design and Build Form of Contract with Pendragon Design and Build upon receipt of instruction.

Reasons for decisions

(1) To note the current position of the Housing Development Programme.

(2) To comply with the Council's Contract Standing Orders which required contracts with a value in excess of £300k to be agreed by Cabinet.

(3) To enable the contract documentation to be finalised and for works to start on site.

C244 HOUSING ELECTRICAL INSTALLATIONS - INSPECTION AND MAINTENANCE CONTRACT (HBS) (EXEMPT INFORMATION – PARAGRAPH(S) 13, 14) (SCRUTINY COMMITTEE – HOMES AND SAFE COMMUNITIES) -

Approval was sought to proceed with the award of a new Council housing electrical installations inspection and maintenance contract.

This was a matter for Executive decision

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

RESOLVED –

(1) T H A T the award of the Housing Stock Electrical Installations Inspection and Maintenance Contract to the successful contractors be approved.

(2) T H A T delegated authority be granted to the Head of Legal Services, in consultation with the Cabinet Member for Housing and Building Services and the Director of Environment and Housing Services, to prepare and execute a framework contract with Fusion Building Services and Engineering Ltd (Lot 1) and Lightning Solutions Wales Ltd (Lot 2) upon receipt of instructions.

Reasons for decisions

(1) To comply with the Council's Contract Standing Orders, which required contracts with a value in excess of £300k to be agreed by Cabinet.

(2) To enable the contract documentation to be finalised.