

**CABINET**

Minutes of a meeting held on 18<sup>th</sup> February, 2019.

Present: Councillor J.W. Thomas (Chairman); Councillor T.H. Jarvie (Vice-Chairman); Councillors J.C. Bird, G.A. Cox, G.C. Kemp, A.C. Parker and R.A. Penrose.

Also Present: Councillors V.P. Driscoll, N. Moore and L. Rowlands.

**C575 MINUTES –**

RESOLVED – T H A T the minutes of the meeting held on 14<sup>th</sup> February, 2019 be approved as a correct record.

**C576 DECLARATIONS OF INTEREST -**

Councillor A.C. Parker	<p>Agenda Item 10 - Use of the Managing Director's Emergency Powers</p> <p>Councillor Parker declared an interest in that he was a Local Authority appointed Governor to Cowbridge Comprehensive School. Councillor Parker had received dispensation from the Standards Committee to speak and vote on such matters.</p>
Councillor T.H. Jarvie	<p>Agenda Item 10 - Use of the Managing Director's Emergency Powers</p> <p>Councillor Jarvie declared an interest in that he was a Local Authority appointed Governor to Cowbridge Comprehensive School. Councillor Jarvie had received dispensation from the Standards Committee to speak and vote on such matters.</p>
Councillor G. Cox	<p>Agenda Item 10 - Use of the Managing Director's Emergency Powers</p> <p>Councillor Cox declared an interest in that he was a Local Authority appointed Governor to Cowbridge Comprehensive School. Councillor Cox had received dispensation from the Standards Committee to speak and vote on such matters.</p>

Councillor G. Cox	<p>Agenda Item 20 – Cowbridge Physic Garden</p> <p>Councillor Cox declared a prejudicial interest in that he was member of the Cowbridge Physic Garden Trust. Councillor Cox was not able to speak or vote and he withdrew for this item.</p>
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### **C577 TOWN CENTRE FRAMEWORK – IMPLEMENTATION UPDATE (REF) –**

At its meeting on 10<sup>th</sup> January, 2019, the Environment and Regeneration Scrutiny Committee was presented with the updated Town Centre Framework and Implementation Plan.

The Town Centre Framework had been commissioned by the Council in 2012 with the work undertaken by Consultants Nathaniel Litchfield and Partners. The Framework contained a comprehensive implementation plan and since its adoption in February 2014, work had been undertaken to implement the key parts of the Plan. The Implementation Plan was attached at Appendix 1 to the report, with a column added to show progress made as of December 2018.

It was noted that considerable progress had been made in respect of most actions. Appendix 1 initially addressed cross cutting actions which related to specific retail centres. Implementation of these actions required a corporate approach involving many areas of the Council and other stakeholders, and was often closely linked with other strategic documents such as the Local Development Plan.

In relation to Barry, the report outlined that the establishment of the Barry Town Centre Forum had informed a better understanding of the needs of the key stakeholders in the town centre. This had resulted in several initiatives being delivered which included the trial of the use of loading pays for additional parking and environmental improvements such as the painting of street furniture. It had also encouraged retailers to engage more effectively with the Council and consequently they had re-established the Holton Road Traders Group which was delivering initiatives on behalf of the retailers. This partnership working had led to a request by the local businesses for a more detailed evaluation of the potential benefits of a Business Improvement District (BID) for the town. The Council had applied to Welsh Government for funds towards a feasibility study in respect of a BID and this was successful. The Council had also facilitated, jointly with Barry Town Council, a Town Centre Summit on 13<sup>th</sup> November, 2018 to engage with all stakeholders and encourage discussions about the future of the town centre. A separate report regarding the Town Centre Summit was to be discussed later on in the agenda under item 15.

In relation to Cowbridge and Llantwit Major, the report outlined that the Council's Rural Regeneration Partnership, Creative Rural Communities, was important in driving forward initiatives and working with the community. Events were also key in these areas, and the Council had set aside funds to encourage new events to be established. Discussions had been held to establish a stakeholder group for Cowbridge to address issues and concerns facing the town centre and a further presentation was programmed for the new year to encourage greater participation. Traders in Llantwit Major had recently restarted the Llantwit Major Chamber of Trade and the Council's Town Centres Development Officer had been making efforts to engage with this group.

With regard to Penarth, further actions were likely to focus on gateway improvements and the Esplanade. Penarth retailers had agreed to establish a business group to undertake the following roles: promotion of a shopping offer to visitors and locals, co-ordinating marketing and promotional initiatives and liaising with local Councils for improvements to the town centre's infrastructure and facilities and responding to consultations. The group had planned and held a late night Christmas shopping event on Wednesday, 5<sup>th</sup> December, 2018 following the success of a similar event held the previous Christmas. The Council had provided marketing and organisational support for this event.

In considering the Town Centre Framework, the Environment and Regeneration Scrutiny Committee had recommended the following:

- (1) That Cabinet be advised of the importance and emphasis for stakeholder consultation around what town centre traders want from the Council.
- (2) That the importance of the Sense of Place initiative be highlighted and for this to be held in high esteem.

#### Reasons for recommendations

- (1) In order that the Council can consider the views of all town centre stakeholders.
- (2) In order to highlight the importance of the Sense of Place initiative.

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 Cabinet, having considered the reference and recommendations of the Environment and Regeneration Scrutiny Committee

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

#### Reason for decision

To note the contents of the report.

**C578                    GAMBLING ACT 2005 STATEMENT OF PRINCIPLES 2019-2022  
(REF) –**

The Statutory Licensing Committee had been presented with the responses received from the consultation undertaken in respect of the Gambling Act 2005 Statement of Principles.

The draft Statement of Principles was reported to that Committee on 22<sup>nd</sup> October, 2018 and Members were advised that the Statement was subject to a statutory consultation between 25<sup>th</sup> October, 2018 and 19<sup>th</sup> December, 2018. Consultation had therefore been undertaken as outlined in the report and included statutory consultees.

The Licensing Authority had a duty to develop a Statement of Principles that promoted the three Licensing Objectives:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way;
- Protecting children and other vulnerable persons from being harmed or exploited.

The Statement of Principles would also set out how the Licensing Authority would exercise its functions and provide information to the public and the gambling sector alike.

Details of the responses received during the consultation period were attached at Appendix A to the report it was confirmed that there were no responses from the public consultation; however, generic responses were received from two organisations. Having assessed the responses, the majority of issues were addressed within the proposed Statement of Principles but one organisation identified the potential for promotional material (such as window advertising, leaflets, etc.) to have an impact on encouraging young people to enter premises when they were not legally entitled to do so. It had therefore been recommended that operators take this factor into account when carrying out local risk assessments for the premises.

Therefore, the proposed amendment was included at Part B Section 1 of the draft Statement which related to risk assessments as follows:

- The impact of any promotional material associated with the premises and whether this could encourage the use of the premises by children or young people if they are not legally allowed to do so.

The Statutory Licensing Committee had therefore

**RESOLVED -**

(1) T H A T the amendment to the (1) draft Statement of Principles as set out in paragraph 9 of the Officer's report be approved.

(2) T H A T the amended Statement of Principles be referred to Cabinet on 4<sup>th</sup> February, 2019 for comment and then to Full Council for approval on 27<sup>th</sup> February, 2019.

Reason for decisions

(1&2) To comply with the requirements to publish a Statement of Principles relating to the Authority's Gambling Policy.

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Cabinet, having considered the reference and recommendations of the Statutory Licensing Committee,

RESOLVED –

(1) T H A T the amendments to the draft Statement of Principles as set out in paragraph 9 of the officer's report be approved.

(2) T H A T the amended Statement of Principles be referred on to Full Council for approval on 27<sup>th</sup> February, 2019.

Reason for decisions

(1&2) To comply with the requirements to publish a Statement of Principles relating to the Authority's Gambling Policy.

**C579 21<sup>ST</sup> CENTURY SCHOOLS PROGRAMME – BAND B UPDATE AND CURRENT POSITION (REF) –**

The Cabinet Member for Learning and Culture advised that this was a reference from the Learning and Culture Scrutiny Committee meeting held on 15<sup>th</sup> January 2019 with regard to the Cabinet report considered on 7<sup>th</sup> January 2019 which referenced the alteration to the intervention rate afforded by Welsh Government to Band "B" funding.

The reference from Scrutiny was as follows:

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

(2) T H A T the Committee urges the Cabinet to consider that the £11.387m being the reduction in the Council's contribution for the 21<sup>st</sup> Century schools be utilised for older primary schools that required attention and / or refurbishment.

The Cabinet Member advised that the £11.387m was in fact not additional money from Welsh Government but was additional funding which the Council would originally have had to find via the following:

- £4.3m Capital Receipts originally provisioned but not received.
- £5.6m Prudential External Borrowing.
- £1.5m Section 106 monies anticipated but not received.

As the funding was not available, the Cabinet Member was unable to see how the reference from Scrutiny could be implemented.

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

RESOLVED – T H A T the comments of the Learning and Culture Scrutiny Committee as contained in the reference be noted.

Reason for decision

To note the contents of the report.

**C580 FINAL PROPOSALS FOR THE REVENUE BUDGET 2019/20 (L)  
 (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

The Leader presented the report, the purpose of which 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 2019/20.

The Council was required under statute to fix the level of Council Tax for 2019/20 by 11<sup>th</sup> March, 2019. The final decision on the budget could not be delegated and had to be made at a meeting of Council. This was scheduled to be held on 27<sup>th</sup> February, 2019.

The proposed budget for 2019/20 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. The overall budget had been prepared based on the following matters.

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 £330k reduction in the use of the Social Services Fund in 2019/20.

Inflation relating to pay awards of £3.2m had been included. Due to the shortage of funding, no provision had been made for non-pay inflation.

The Budget Working Group (BWG) had reviewed and updated the cost pressures. It was not possible to fully fund all the cost pressures submitted by services due to the reduction in funding. Careful consideration had therefore been given to the allocation of funding and it had been allocated to areas where the pressures could not be mitigated or reduced. The total of Net Growth for 2019/20 was £5.488m and the breakdown of this sum was shown at Appendix D to the report.

The level of savings to be achieved had been reviewed by the BWG and the proposed savings for 2019/20 totalled £2.920m excluding Schools and £3.744m including Schools. Details were contained in Appendix E to the report. This figure was lower than the £6.298m savings target for 2018/19 excluding Schools, however, it was anticipated that the shortfall against this target would be £724k and services were intending to drawdown from reserves. The services have had to find savings of over £55m in the last 9 years and each year it became increasingly difficult to identify budgets to reduce. Within this context, the savings targets that had been set for 2019/20 had been assessed and were considered to be achievable.

After providing funding for cost pressures and allocating savings there was still a large gap between available resources and the required budget. As part of the Initial Revenue Proposals report presented to Cabinet on 19<sup>th</sup> November, 2018, it was projected that the outturn for Policy for 2018/19 would be a favourable variance of £4m and this sum should be transferred into the Council Fund. It was therefore proposed that £2m of the Council Fund be used in 2019/20 and a further £1m be used in 2020/21 to fund the gap in future years. It was proposed that the remaining £1m was retained in the Fund due to the large shortfall in funding projected in 2020/21 and 2021/22.

## Proposed Budgets by Service 2019/20

### 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 2018/19	84,458	11,555	4,650	1,033	232	101,928
Recharges/Tfrs	(227)	(206)	342	25	0	(66)
Changes in Asset Rentals/IAS 19	0	(316)	0	0	0	(316)
Pay Inflation	1,500	106	104	1	2	1,713
Net Growth	2,478	74	273	0	0	2,825

Transfer into RSG	511	0	0	0	0	511
Savings	(824)	(103)	(30)	(29)	0	(986)
<b>Budget 2019/20</b>	<b>87,896</b>	<b>11,110</b>	<b>5,339</b>	<b>1,030</b>	<b>234</b>	<b>105,609</b>

A breakdown of the net growth was shown in Appendix D to the report. After adjustments, the Education SSA had increased by £1.417m from 2018/19. In light of this and the comments made by the Learning and Culture Scrutiny Committee, additional funding of £2.825m had been allocated to this service, in addition to £1.713m for pay inflation.

Funding had been provided to Schools to fund the full increase in costs as a result of the increase in the employer's pension contribution rate increasing from 16.48% to 23.6%, even though no additional funding had been received from Welsh Government (WG). There were some teaching staff who were based in central Education and these budgets had also been increased to fully fund additional pension costs. £770k had also been provided to contribute towards other pressures in schools such as demographic growth.

During the year it had been reported that the complex needs Out of County placements, independent placements and Looked After Children residential placements budget would overspend in total by £319k. Part of this overspend was being offset by budget underspends within the Directorate. There were also other pressures within the central Education budget and the BWG had allocated recurring funding of £200k to this area, which would be allocated to specific areas by the Director of Learning and Skills. Funding had also been provided for the increase costs of Microsoft licences.

A breakdown of the savings target was shown in Appendix E to the report. 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 and Skills to determine the split in the light of that consultation.

WG had transferred two grants into the RSG from 1<sup>st</sup> April, 2019 namely Teachers Pay and School Meal grants.

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

### Social Services

	Children & Young People	Adult Services	Resource Mgmt. & Safe-guarding	YOS	Total
	£000	£000	£000	£000	£000
Budget 2018/19	15,235	46,644	201	728	62,808



Recharges/Tfr	399	(265)	3	(6)	131
Adjustments	0	330	0	0	330
Pay Inflation	97	400	68	14	579
Net Growth	525	963	13	5	1,506
Transfer into RSG	0	260	0	0	260
Savings	(149)	(378)	(18)	0	(545)
Changes in Asset Rentals/IAS 19	(9)	3	5	0	(1)
<b>Budget 2019/20</b>	<b>16,098</b>	<b>47,957</b>	<b>272</b>	<b>741</b>	<b>65,068</b>

The Social Services Directorate had been reporting an overspend of £500k during 2018/19 however this had been offset by the receipt of a one off grant from WG to support Sustainable Social Services which, for this Council, was £513k. There remained continuing pressures on the service, particularly on the Children's Placement budget which was resulting in a projected overspend of £500k 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. There was also continuing pressure on the adult care packages budget.

A breakdown of the net growth was shown in Appendix D to the report. Having regard to the current financial pressures 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. It was also acknowledged that service providers would require an increase in fees to fund the increase in the National Living Wage. The BWG had taken all these factors into account and it was proposed that an additional £500k be allocated to Children's Services and £923k to Adults Services, however, the split by service of this additional funding may be reviewed during the new financial year by the Director of Social Services once details of WG grant funding was received. Funding had also been provided for the increase costs of Microsoft licences.

The Social Services SSA for 2019/20 had increased by £1.981m from 2018/19, however WG announced as part of the provisional settlement an extra £30m for Social Care across Wales. It was not known at this stage the value of the allocation to this Council or whether there were specific terms and conditions attached as no formal correspondence had been received from WG, however, it was anticipated that the additional funding could be worth around £1m and would be allocated directly to the Social Services budget once received.

Additional funding of £260k had been included in the final settlement for the increase in the capital limits for Residential Care from £40k to £50k and had been included in the Adults Service budget for 2019/20.

WG had advised that the maximum weekly charge for non-residential care would increase next year from £80 per week to £90 which would provide additional funding to the service. The Intermediate Care Fund (ICF) grant would continue to be

provided to Health by WG and the Service would work with Health to ensure the monies were spent in the most cost effective way.

A breakdown of the savings target was shown in Appendix E to the report.

### Environment and Housing

	Neighbour -hood and Transport	Building	Regulatory	Council Fund Housing	Total
	£000	£000	£000	£000	£000
Budget 2018/19	26,842	0	2,239	1,383	30,464
Recharges/Tfr	57	0	(96)	(3)	(42)
Pay Inflation	413	0	0	27	440
Net Growth	660	0	0	8	668
Savings	(932)	0	(102)	(106)	(1,140)
Changes in Asset Rentals/IAS 19	(338)	0	0	0	(338)
<b>Budget 2019/20</b>	<b>26,702</b>	<b>0</b>	<b>2,041</b>	<b>1,309</b>	<b>30,052</b>

A breakdown of the net growth was shown in Appendix D to the report. During 2019/20 there would be a further pressure on the Waste Collection and Recycling services from increasing costs in this sector and concern was expressed by Scrutiny Committee. The BWG had therefore been able to allocate funding of £625k to this area which included funding for the projected increase in waste contracts. Funding had also been provided for the increase costs of Microsoft licences.

### Managing Director and Resources

	Resources	Regen	Develop Mgt	Private Hsing	Total
	£000	£000	£000	£000	£000
Budget 2018/19	497	2,055	1,076	11,007	14,635
Recharges/Tfr	(259)	(26)	(46)	(9,844)	(10,175)
Pay Inflation	357	56	45	10	468
Net Growth	140	9	7	39	195
Savings	(679)	(29)	(110)	(3)	(821)
Changes in Asset Rentals/IAS 19	53	(8)	0	0	45
<b>Budget 2019/20</b>	<b>109</b>	<b>2,057</b>	<b>972</b>	<b>1,209</b>	<b>4,347</b>

A breakdown of the net growth was shown in Appendix D to the report. There was support from Scrutiny Committees to provide funding for the continuation of the Homes Loan Service and the necessary funding had been provided. There had also

been additional pressure identified in the Democratic Services area which had been funded. Funding had also been provided for the increase costs of Microsoft licences.

A virement of £9.94m was approved as part of the initial budget proposal report. The Council Tax Reduction Scheme had been held under the Private Housing heading. Due to changes in guidance received from the Wales Audit Office, the Council had been asked to report this scheme under the central Policy heading. A virement was therefore approved and was shown under the Recharges/Tfr line in the above table.

In setting the revenue budget, the Council needed to consider its corporate priorities as set out in the Corporate Plan 2016-2020 through the four well-being outcomes which are shown below with examples of how the Council was providing support through the 2019/20 revenue budget.

- An Inclusive and Safe Vale – Funding would be provided for the Homes Loan Service;
- An Environmentally Responsible and Prosperous Vale - Additional funding was being allocated to support the waste and recycling service;
- 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 towards this agenda.

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

- Looking to the long term – The budget proposals were a means of planning for the future and took a strategic approach to ensure services were sustainable and that future need and demand for services was understood.
- Taking an integrated approach – The budget proposals highlighted and encouraged ways of working with partners.
- 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 budget proposals recognised that more could be achieved and better services could be provided by collaboration and it encouraged this as a way of working in the future.
- Understanding the root cause of issues and preventing them – The budget process was proactive and allowed an understanding of the financial position so that issues could be tackled at the source.

## **Financial Strategy for 2020/21 to 2021/22**

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 and Schools, Social Services and all Other Services.

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

The Council would continue to strive to ensure that the Education and 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 if reductions in funding continued in future years.

The BWG considered that the principles applied above to Education and 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 this report for Education and Schools and Social Services would continue to be applied.

WG had not provided the Council with indicative settlement figures for 2020/21 or beyond. The MTFP was based upon a cash reduction of 1% in both 2020/21 and 2021/22. Each 1% change in AEF affected the Council by approximately £1.5m. As there had been no indication from WG that there would be a positive settlement for Local Authorities in future years, it was considered necessary to take a prudent approach to future settlements and a reduction of 1% had continued to be used for the projections contained within the report.

Pay inflation for the next two years had been based upon a similar increase to the 2019/20 pay award. This assumption would be reviewed again when the next iteration of the MTFP was produced.

As previously stated, the Council had been required to make a high level of savings for a number of years. Identifying further savings was becoming more challenging. The Reshaping Services change programme would continue to identify further savings. Appendix F to the report included the proposed identified savings for 2020/21 and 2021/22. These were currently at a low level, however work would start immediately to establish detailed proposals for savings for future years.

Cost pressures for future years had been considered and assessed by the BWG and totalled £10.550m for 2020/21 and 2021/22. Details were attached at Appendix G to the report. This included a possible level of funding for schools and the full year

effect of the increase in employers pension contribution for Teachers. Also included was a sum for the pressures in 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.

It was proposed that £1m of the Council Fund reserve be utilised in 2020/21 to support the revenue budget. After the use of the fund as details above, the balance as at 31<sup>st</sup> March, 2022 would be £10.634m. However, there was considerable uncertainty on the effects of Britain's exit from the Europe Union. In addition, after achieving savings over the past years it was becoming increasingly difficult to achieve savings in the short term and they would need a longer lead in time to implement. That being the case, the Council Fund could be used further 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.

The tables below show the projected shortfall in 2020/21 and 2021/22 firstly assuming a Council Tax increase in each of the two years of 2.1%, based on CPI for December 2018 and secondly based on the same increase in Council Tax as proposed for 2019/20. It must however be emphasised that these projections are based upon information available at the current time and they would be subject to change e.g. changes in AEF.

<b>Financial Projections to 2021/22 BASED ON 2.1% COUNCIL TAX INCREASE</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>Total £000</b>
Assumed Decrease in AEF (1% and 1%)	1,521	1,505	3,026
Cost Pressures	6,111	4,439	10,550
Pay Inflation	3,554	3,554	7,108
Net Savings Targets Allocated - Non Schools	(732)	(116)	(848)
Net Savings Targets Allocated - Schools	(881)	(919)	(1,800)
Use of General Fund	(1,000)	0	(1,000)
Assumed 2.1% Gross Council Tax Increase	(1,555)	(1,587)	(3,142)
<b>(Surplus)/Shortfall in Savings Required</b>	<b>7,018</b>	<b>6,876</b>	<b>13,894</b>

<b>Financial Projections to 2021/22 BASED ON 4.9% COUNCIL TAX INCREASE</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>Total £000</b>
Assumed Decrease in AEF (1% and 1%)	1,521	1,505	3,026
Cost Pressures	6,111	4,439	10,550
Pay Inflation	3,554	3,554	7,108
Net Savings Targets Allocated - Non Schools	(732)	(116)	(848)
Net Savings Targets Allocated - Schools	(881)	(919)	(1,800)
Use of General Fund	(1,000)	0	(1,000)
Assumed 4.9% Gross Council Tax Increase	(3,627)	(3,805)	(7,432)
<b>(Surplus)/Shortfall in Savings Required</b>	<b>4,946</b>	<b>4,658</b>	<b>9,604</b>

This showed that the possible shortfall in funding for 2020/21 and 2021/22 could total between £9.604m and £13.894m and require savings of between £10.452m and

£14.742m, excluding schools. The position would be reassessed as part of the MTFP and options for achieving the shortfall in savings would be addressed further.

## **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. Neighbourhood Services and in particular the Capital Programme, e.g. School Investment Reserve, Project Fund, Building Fund. This was important as the Council had limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums had also been set aside to assist in budget management. The Housing Revenue Account Reserve was ring-fenced to Housing and the majority would be used to fund improvements to the Council's housing stock.

The Council presently benefitted from a reasonable level of reserves, however, they were not inexhaustible and had taken years of careful financial management to develop to their current position. After several years of real term reductions in funding and with no confirmation of positive settlements in the foreseeable future, there was reducing contingency in the normal operational Council budgets and the management and use of reserves would become increasingly important to be able to continue to provide services and to mitigate risks, while still trying to deliver corporate priorities.

The level of reserves must 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 not provided an indication of the change in the settlement in 2020/21 and beyond. Projections had therefore been based on the assumed cash reduction in AEF of 1% which was equivalent to around £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 between £13.372m and £17.662m needed to be achieved over the next three years. This figure was extremely challenging and there would be significant pressure on services to deliver this level of savings. There was a risk of non-achievement of these savings and the ability to identify and implement savings given the already high level of savings previously delivered by services over the past years. Reserves had been set up where possible to facilitate this process e.g. Early Retirement / Redundancy Fund, Reshaping Services Fund.

There were risks in the budget and the most significant of these were set out in the report. Even though additional funding had been proposed for 2019/20, further

action would need to be undertaken by Directorates to achieve a balanced budget going forward.

Pay and price inflation was a further risk. From 2020/21 onwards, provision had been made in the budget at a similar rate to 2019/20 for pay, with no provision for non-pay inflation. The Consumer Price Index for the 12 months to December 2018 rose by 2.1%. Services would need to manage spending as costs rose.

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

Legislative changes provided a major risk to the Council. The increase in the National Living Wage would put further pressure on staffing budgets. There was uncertainty for future recycling costs due to changes in the global market. In addition, the impact of changes to welfare reforms were at present not clear and a reserve was held for this purpose.

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

Whilst covered by a separate report on the agenda, it was important to point out that a large proportion of the reserves were held for capital expenditure as well as for revenue purposes. There was a large commitment required for the future development of local schools and for the risks in maintaining aging premises. Also, the Council relied heavily on its ICT 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 four well-being outcomes. The Council must 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 meet 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.

The estimated level of the Council Fund Reserve at 1<sup>st</sup> April, 2019 was £13.634m with a planned drawdown of £2m in 2019/20 and a further £1m in 2020/21.

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 £11.3m. However, in view of the prudent approach the Council took with regard to Specific Reserves, £7m was considered a reasonable minimum.

There were Schools balances which were unspent budgets delegated to individual schools. As at 31<sup>st</sup> March, 2018 the aggregate nursery, primary and secondary balances were £2.6m.

Attached at Appendix H to the report was a schedule showing the reserves and the anticipated balances at 31<sup>st</sup> March, 2019, 2020, 2021 and 2022. The Appendix set out the title of the reserve together with its purpose. A summary of the position is set out below and excludes Schools balances and the Housing Revenue Account (HRA).

<b>Summary of Estimated Reserves Projected to 2021/22</b>	<b>Est. Bal. 31/3/2019 £000</b>	<b>Net Movement £000</b>	<b>Est. Bal. 31/3/2022 £000</b>
General Reserves	13,634	(3,000)	10,634
Specific Reserves :			
Insurance Fund	3,452	0	3,452
Capital Reserves	28,796	(18,809)	9,987
Other Specific Reserves	25,937	(7,358)	18,579
<b>Total Council Fund Reserves(excl. Schools and HRA)</b>	<b>71,819</b>	<b>(29,167)</b>	<b>42,652</b>

It was projected that there would be a large fall (41%) in the level of reserves over the three year period as substantial calls on funds were made. However, these were still deemed to be adequate as known risks were largely covered and the Council Fund Reserve was at a reasonable level, not expected to fall below £7m.

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 Cabinet recommends to Council the following:

(1.1) Fix the budget for 2019/20 at £226.098 million including a provision of £240k for discretionary rate relief to rural shops and post offices and charitable organisations.

(1.2) Approve the budgets for 2019/20 as set out in Appendix C to the report and in the following table:

	<b>Proposed Budget 2019/20 £000</b>
Schools	87,896
Strategy, Culture, Community Learning & Resources	11,110
Achievement for All	5,339
School Improvement	1,030
Directors Office	234
Children & Young People	16,098
Adult Services	47,957
Resource Mgt & Safeguarding	272
Youth Offending Service	741
Neighbourhood & Transport Services	26,702
Building Services	0
Regulatory Services	2,041
Council Fund Housing	1,309
Resources	109
Regeneration	2,057
Development Management	972
Private Housing	1,209
General Policy	23,022
Use of Reserves	(2,000)
<b>Grand Total</b>	<b>226,098</b>

(1.3) Approve the recommendations regarding Net Growth for 2019/20 as set out in Appendix D and Savings for 2019/20 as set out in Appendix E to the report.

(1.4) Set the Council Tax for 2019/20 for its own purposes (excluding Police and Town and Community Council precepts) at the following levels:

<b>Band</b>	<b>Council Tax £</b>
A	830.04
B	968.38
C	1,106.72
D	1,245.06
E	1,521.74
F	1,798.42
G	2,075.10
H	2,490.12
I	2,905.14

(1.5) The proposed draft report on Education Budget and Indicator Based Assessment (IBA) 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.

(2) T H A T the following be approved by Cabinet:

(2.1) The initial savings targets for 2020/21 and 2021/22 as set out in Appendix F to the report be approved.

(2.2) The Director of Learning and Skills be given delegated powers to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum.

(2.3) The reclassification of reserves as set out at Appendix H be approved.

#### Reasons for decisions

(1.1) To set the 2019/20 budget in line with statutory requirements.

(1.2) To allocate budgets to services.

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

(1.4) To set Council Tax levels for 2019/20.

(1.5) So that the report can be presented to the Schools Budget Forum.

(2.1) To set minimum targets for achieving savings.

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

(2.3) To ensure that reserves are both adequate in purpose and level.

**C581 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2019/20 (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

Cabinet was asked to set the Housing Revenue Account (HRA) budget for the financial year 2019/20 and to set the rents and service charges for the forthcoming rent year beginning on 1<sup>st</sup> April, 2019.

Each Local Housing Authority was required under Section 74, of the 1989 Local Government and Housing Act to keep a Housing Revenue Account. Section 76 of the Act required Local Authorities to set a budget for their Housing Revenue Account (HRA) on an annual basis. The budget must be such that the HRA 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 needed to take steps that were reasonably practical to prevent this deficit. A Local Authority was not prohibited from being in deficit but would need to demonstrate that the deficit had arisen through exceptional circumstances and that it had revised its original proposals so far as reasonably practical to avoid the deficit. Such a deficit should be carried forward and must be made good the following year.

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

The basis for rent increases was set by the Welsh Government (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 must ensure their average weekly rent for their general needs and sheltered housing was within their target rent bands.

The 2019/20 Policy for Social Housing Rents was issued by WG on 12<sup>th</sup> December, 2018 and included the 2019/20 rent bands and the maximum allowable uplift which had been set at CPI (as at September 2018), that was 2.4% only. However, where a social landlord's average rent was below their target rent band and was required under the rent policy to be within the rent band, an additional £2 per week could be applied.

The initial HRA budget proposals were considered by Cabinet on 19<sup>th</sup> November, 2018 (Minute No. C481). They were subsequently referred to the Homes and Safe Communities Scrutiny Committee on 5<sup>th</sup> December, 2018, who noted the proposals as did Corporate Performance and Resources Scrutiny Committee on 13<sup>th</sup> December, 2018.

**Base Budget 2019/20**

The Budget Strategy for 2019/20 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.

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 2019/20 budget was set out at Appendix 1 to the report and was identified over the following areas:

- Supervision and 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 and Management (Special) – This budget related to the running expenses and the cost of staff employed directly within the Housing Service, in relation to functions such as sheltered housing schemes, running the hostel and temporary accommodation.
- Repairs and Maintenance – This budget related to the revenue repairs and maintenance service for the Council Housing Stock.
- Capital Financing Costs – 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 2019/20 onwards the HRA would receive the Affordable Housing Grant (AHG) from WG which supported new Council house building. The Council would take out a loan to fund capital expenditure and the AHG would be paid as an annual grant over a 28 year period and would be used to finance the interest and capital repayments of the debt.

In summary, the change in the budget is itemised as follows:

2018/19 Original Budget	Pay Inflation	Committed Growth / (Savings)	Dwelling & Non Dwelling Rent Increase	Increase / (Decrease) in CERA	2019/20 Proposed Budget
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£000	£000	£000	£000	£000	£000
(21)	70	(544)	(787)	1,261	(21)

Pay inflation of £70k related to the pay awards for 2019/20 as per the new single status pay structure agreed by Council on 12<sup>th</sup> December, 2018 (Council Minute No. C483).

The net saving of £544k was due to a number of factors:

- A decrease in Capital Financing charges of £387k in relation to unsupported borrowing being taken out in 2019/20 to fund the Housing Improvement Programme;
- A decrease in the provision for bad and doubtful debts of £564k due to the delay in the mass roll-out of Universal Credit;
- An increase in staff costs of £143k, £100k of which was for investment in Apprentices and Trainees within the Housing department;
- An increase of £79k in central recharges;
- An increase in Premises costs of £16k largely due to increases in the grounds maintenance and cleaning contracts;
- An overall increase in Supplies and Services of £202k. There was an anticipated investment of £250k in digital transformation in 2019/20. This had been offset by the following savings: the Incentive to Move scheme had been amended (as per Cabinet Minute No. C237) resulting in a budget reduction of £34k and there were various other savings of £14k;
- An increase of £7k on interest received on balances due to an increase in the base rate;
- An overall decrease in Charges for Services and Facilities and Contributions towards expenditure of £25k;
- An increase in Grant Income of £51k based on forecast Affordable Housing Grant receivable.

An increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £1,261k 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 £873k as at 31<sup>st</sup> March, 2020, which was broadly in line with the Housing Business Plan.

### **Proposed Increase in Rents**

The WG 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 2019/20. In addition, the maximum amount a social landlord could increase an individual tenant's weekly rent was CPI only (2.4%). However, where a social landlord's average rent was below their target rent

band and was required under the rent policy to be within the rent band, an additional £2 per week could be applied.

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 was issued by WG on 31<sup>st</sup> January, 2019; the proposed average rent for 2019/20 was within this draft limit.

A rent increase of CPI (2.4%) only would result in the Vale of Glamorgan Council's average rent falling just below WG's target rent band. It was therefore proposed that rents were increased by 4% which was an average increase of CPI (2.4%) plus £1.22 and was below the maximum limit of CPI plus £2.00. The rents had been set in line with the Council's 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 is detailed below:

Type	Current Average Rent for 2018/19 (Based on 50 Chargeable Weeks)	Proposed Average Rent Incr (+) / Decr (-) (Based on 50 Chargeable Weeks)	Proposed Average Rent for 2019/20 (Based on 50 Chargeable Weeks)
Bungalow	£97.45 per week	+ £3.90 per week	£101.35 per week
Flat	£85.11 per week	+ £3.34 per week	£88.45 per week
House *	£106.04 per week	+ £3.62 per week	£109.66 per week
Maisonette	£93.00 per week	+ £3.72 per week	£96.72 per week
TOTAL *	£97.23 per week	+ £3.52 per week	£100.75 per week

\* Average calculation includes reduction in stock numbers between years due to right to buy sales

### Proposed Increases in Other Charges

Garage Rents – The rent of freestanding garages was currently £7.81 per week. It was proposed that rents for all garages be increased by 4% to £8.12 per week. This percentage increase was in line with the rent increase.

Ty lolo Hostel – The current charge for persons accommodated was £174.68 per week. It was proposed that the weekly rent charge be increased by a maximum of 2.4% + £2 per week to £180.87 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 current weekly charge was £572.58. It was proposed that the charge be increased by a maximum of 2.4% + £2, in line with the recommended increase for the Hostel. The weekly charge would therefore be £588.32 per week.

Temporary Accommodation – The average current weekly charge including additional management, utility and service charge costs was £172.84. It was proposed that the rent element be increased by a maximum of 2.4% +£2. The total charge would therefore be £178.98 per week.

Sheltered Housing Guest Suites – It was proposed that the charges for guest room facilities be increased by 4% to £13.60 per person per night for double occupancy and £19.44 for single occupancy.

Vale Community Alarm Service (VCAS) – This was a charge which formed part of the inclusive rent, but was separately identifiable. The proposed new charges for Alarm Monitoring and Alarm Maintenance were required to identify the separate elements. It was proposed that the new charges were £1.24 (which was funded by the Supporting People Programme Grant for eligible service users) and £2.14 per week (payable by the tenant) respectively.

The following paragraphs outline 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 increased. It was proposed that the charge be increased from £5.74 per week to £6.83 per week based on the actual costs incurred in the 12 months prior to the budgeting period.

Warden Housing Management Charge – Warden Management costs had increased. It was proposed that the charge be increased from £9.97 per week to £10.14 per week.

Cleaning of Communal Areas – The cost of cleaning communal areas had increased. It was proposed that the charge be increased from £2.31 per week to £2.45 per week based on the estimated costs for 2019/20.

Lighting of Communal Areas – The cost of providing lighting had increased. It was proposed that the charge be increased from £0.94 per week to £1.21 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 increased, due to an increase in the number of emergency call-outs. It was proposed that the charge be increased from £0.48 per week to £0.75 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 £341.93 per annum, based on the average charge payable if the properties were connected to the main sewerage system. It was proposed that these dwellings continue to be charged at a similar sewerage rates to the Water Schedule 2019/20 issued by Dwr Cymru Welsh Water. The Welsh Water Schedule was not available at the time of writing.

Cesspool Emptying – The current charge of £6.60 per week was based on an equivalent rate to those properties connected to the main sewerage system. It was proposed therefore that these dwellings continue to be charged a rate equivalent to the Water Schedule 2019/20 issued by Dwr Cymru Welsh Water. Whilst the schedule was not available at the time of writing, the 2019/20 equivalent charge could be in the region of £6.54 per week.

### Next Steps

Cabinet's final budget proposals would be considered by Council at a meeting to be held on 27<sup>th</sup> February, 2019.

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 Housing Revenue Account budget proposals for 2019/20 be recommended to Council as outlined below:

	<b>Proposed Budget 2019/20 £'000</b>
<b>Expenditure</b>	
Supervision & Management	5,361
Repairs & Maintenance	4,043
Capital Financing Costs	4,590
Rent, Rates & Taxes & Other Charges	215
Increase in Bad Debt Provision	595
Capital Expenditure from Revenue Account (CERA)	5,846
<b>Income</b>	
Dwelling Rents	(19,552)
Non Dwelling Rents	(172)
Interest	(10)
Charges for Services and Facilities	(491)
Contribution towards expenditure	(312)
Grant Income	(134)
<b>(Surplus)/Deficit for the Year</b>	<b>(21)</b>



**Working Balance Brought Forward as at 1<sup>st</sup> April 2019 (852)**

**Working Balance Carried Forward as at 31<sup>st</sup> March 2020 (873)**

- (2) T H A T an average rent increase of 4% be approved and recommended to Council, as set out in paragraphs 4.8 - 4.10 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 4.11 - 4.24 of the report.
- (4) T H A T the following charges for 2019/20 financial year be recommended to Council:

<b>50 Week Basis</b>	<b>Current Charges</b>	<b>Proposed Charges</b>
Heating	£5.74 per week	£6.83 per week
Warden Housing Management	£9.97 per week	£10.14 per week
VCAS:		
- Piper	£4.34 per week	Shown Below
- Communicall	£4.92 per week	Shown Below
VCAS:		
- Monitoring	Shown Above	£1.24 per week
- Maintenance	Shown Above	£2.14 per week
Grounds Maintenance	£1.35 per week	£1.38 per week
Cleaning of Communal Areas	£2.31 per week	£2.45 per week
Lighting of Communal Areas	£0.94 per week	£1.21 per week
Laundry Facilities	£0.26 per week	£0.27 per week
Window Cleaning	£0.17 per week	£0.17 per week
Lift Maintenance	£0.48 per week	£0.75 per week
Door Entry	£0.73 per week	£0.67 per week
Intercom	£0.71 per week	£0.71 per week
CCTV	£0.90 per week	£0.90 per week
Sewerage Treatment Plants	£341.93 per annum	Based on the Rateable Value (RV) from the Welsh Water Schedule 2019/20
Cesspool Emptying	£330.00 per annum	Based on the Rateable Value (RV) from the

- (5) T H A T all changes to rents and service charges be implemented from 1<sup>st</sup> April, 2019 and that increase notices be sent to tenants 28 days in advance of the new charges coming into effect.

#### Reason for decisions

(1-5) In order that charges are approved, new rent levels are set within the specified Welsh Government (WG) guidelines and to meet the tenant notification deadline as required by statute.

### **C582 CAPITAL STRATEGY 2019/20 AND FINAL CAPITAL PROPOSALS 2019/20 TO 2023/24 (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

Approval was sought for the final Capital Programme proposals for the financial year 2019/20 to 2023/24.

#### **Capital Strategy**

The Local Government Act 2003 set out a framework for the financing of capital investments in Local Authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support Local Authorities' decision making in the areas of capital investment and financing. Authorities were required by regulation to have regard to the Prudential Code.

CIPFA released an updated version of the Prudential Code in December 2017. The revised code included a new requirement for Authorities to produce a Capital Strategy. To comply with the new requirements, a Capital Strategy had been produced for 2019/20 and was attached at Appendix 1 to the report. The Strategy would also be submitted to Full Council for approval.

The Capital Strategy provided a framework which outlined how capital expenditure, capital financing and treasury management activity contributed to the provision of corporate objectives, along with an overview of how associated risk was managed and the implications for future financial sustainability. It therefore outlined the Council's need to acquire, dispose or enhance assets such as land, buildings, roads, vehicles and plant to provide sustainable service provision to support its objectives. As resources available to meet the capital requirements of the Council were limited, the Strategy explained how priorities were set and outlined the sources of funding available, including the level of borrowing it would need and could afford to undertake and its investment strategy.

## Capital Programme

The Council had produced a detailed five year Capital Programme, with the proposed Programme for 2019/20 to 2023/24 being included in Appendix 2 to the report.

The Initial Capital Programme Proposals 2019/20 to 2023/24 were presented to Cabinet on 19<sup>th</sup> November, 2018, Minute No. C482. They were subsequently referred to Scrutiny Committees in December 2018.

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

- Scrutiny Committee (Healthy Living and Social Care) – 4<sup>th</sup> December, 2018 – Minute No. 533
  - (2) ***T H A T the Initial Capital Proposals for 2019/20 be agreed.***
- Scrutiny Committee (Homes and Safer Communities) – 5<sup>th</sup> December, 2018 – Minute No. 546
  - (2) ***T H A T the Initial Capital Proposals for 2019/20 be noted and that the Committee's comments be referred to the Corporate Performance and Resources Scrutiny Committee.***

The comments made referred to the 2018/19 Capital Programme.

- Scrutiny Committee (Environment and Regeneration) – 6<sup>th</sup> December, 2018 – Minute No. 569 :
  - (1) ***T H A T the Corporate Performance and Resources Scrutiny Committee pass on to Cabinet the Committee's recommendation that additional funding should be allocated for capital bid E1 Carriageway Resurfacing/ Surface Treatments, with extra investment to come from the Council's General Reserve.***
  - (2) ***T H A T the Corporate Performance and Resources Scrutiny Committee be requested to consider a future report outlining the use of Council Capital Receipts and the land/property portfolio held by the Council, with consideration of how the Council's assets could be used.***
- Scrutiny Committee (Learning and Culture) – 11<sup>th</sup> December, 2018 – Minute No. 578 :
  - (2) ***T H A T Cabinet be requested to consider that if there was any additional funding forthcoming for asset renewal in schools, that the aspect of dignity and privacy for pupils be considered.***

The recommendations of Scrutiny Committees were referred to the Corporate Performance and Resources Scrutiny Committee, which is the lead Scrutiny Committee for the budget. On 13<sup>th</sup> December, 2018 that Committee supported the recommendations of the other Scrutiny Committees and referred their recommendations to Cabinet , Minute No. 602.

Corporate Performance and Resources Committee's recommendations were referred to Cabinet on 21<sup>st</sup> January, 2019, Minute No. C551.

***RESOLVED – T H A T the contents of the report be noted and passed to the Budget Working Group for consideration in concluding the budget proposals for 2019/20.***

The Budget Working Group (BWG) had had consideration for the recommendations of the Scrutiny Committees when preparing the 2019/20 Capital Programme.

### **Capital Strategy**

The Capital Strategy looked at a longer term view of the Council's capital investment requirements. It was acknowledged that this was the first year that the Capital Strategy had been produced in this format therefore it would be updated annually and will evolve over future years.

There were a number of factors that would influence the Council's priority areas of spend and its future capital investment. The Capital Strategy outlined the various Council strategies which identified the priority areas for capital investment and the external factors that resulted in the need to incur capital expenditure.

It was difficult to predict capital resources over a long term period as the level of general capital funding provided by Welsh Government (WG) was usually advised on a year by year basis and their priority areas of spend, which they influenced by the provision of specific grants, would change over a period of time. Capital receipts were difficult to predict as while the Council would strive to maximise receipts where possible, the uncertainty in the current economic climate, particularly with regard to Britain's exit from the European Union had an impact on developers.

An initial assessment however had been undertaken to identify the possible requirements for capital investment over a longer period of 10 years and also the potential funding that was available to finance such work. The funding gap could be in the region of £11m over the period. This data would be reviewed and updated on an annual basis to provide a basis for future capital strategies.

Unsupported borrowing could be an option to bridge any funding gap however a full financial appraisal would need to be undertaken to ensure that the financial consequences were affordable and sustainable.

The Strategy confirmed the importance of ensuring the efficient, effective and sustainable use of land and buildings to deliver fit for purpose property to support the Council's service delivery.

The Council appetite for risk needed to be discussed as part of the Strategy. This Council had always been prudent with regard to its borrowing and did not take risk when investing as the Treasury Management Strategy only allowed for investments to be placed with the Debt Management Office (DMO) or other Local Authorities.

As part of the Strategy, confirmation of any material commercial activities needed to be detailed. This Council did not have any material commercial activities.

In considering this Strategy the Council would need to undertake a number of actions in order to make the most of potential funding and to meet the requirement to invest in assets. These were detailed in Section 10 of the Strategy.

### Capital Resources Available

On 20<sup>th</sup> December, 2018, WG announced the final 2019/20 General Capital funding (GCF) settlement which was £6.643m, being made up of £3.23m grant and £3.413m of supported borrowing. This was an increase of £1.138m from the 2018/19 funding of £5.505m and an increase of £1.1m from the provisional figure provided in October 2018.

The Cabinet Secretary for Finance announced on 20<sup>th</sup> November, 2018 in the Draft Budget for 2019/20, proposals for an extra £100m of capital funding to be made available for Local Authorities over three years. The first instalment of £50m was to be paid in 2018/19, with £30m being paid in 2019/20 and £20m in 2020/21. The 2018/19 allocation of £1.927m would be paid to the Council during February 2019 and WG had advised that this sum could be carried forward into the next financial year through reserves. The 2019/20 allocation had been included in the Final Settlement and was the reason for the increase from the Provisional Settlement. This additional funding had been factored into projections going forward, however as no further indication had been received from WG, it had been assumed that from 2021/22 onwards, the level of capital funding would revert back to the same level as set out in the 2018/19 Provisional Settlement and would then remain constant for the remainder of the period of this programme.

On this basis, the following table represented the capital funding from WG assumed as part of the five year programme.

WG Funding	19/20	20/21	21/22	22/23	23/24
	£000	£000	£000	£000	£000
Supported Borrowing	3,413	3,413	3,413	3,413	3,413
General Fund					
General Capital Grant	3,230	2,846	2,077	2,077	2,077
TOTAL	6,643	6,259	5,490	5,490	5,490

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. Further details were contained in Section 3 of the Capital Strategy.

Projected use and income generated from the sale of assets for the next five years is shown in the following table.

Capital Receipts	General	Ring-fenced Social Services	Ring-fenced Education
	£000	£000	£000
Projected Balance as at 31 <sup>st</sup> March 2019	4,756	1,339	5,234
Anticipated Requirements – 2019/20	-1,610	0	0
Anticipated Receipts – 2019/20	0	0	639
Balance as at 31 <sup>st</sup> March 2020	3,146	1,339	5,873
Anticipated Requirements – 2020/21	0	-1,339	-7,967
Anticipated Receipts – 2020/21	0	0	2,096
Balance as at 31 <sup>st</sup> March 2021	3,146	0	2
Anticipated Requirements – 2021/22	0	0	-1,470
Anticipated Receipts – 2021/22	0	0	1,519
Balance as at 31 <sup>st</sup> March 2022	3,146	0	51
Anticipated Requirements – 2022/23	0	0	-49
Anticipated Receipts – 2022/23	0	0	0
Balance as at 31 <sup>st</sup> March 2023	3,146	0	2
Anticipated Requirements – 2023/24	0	0	-1,211
Anticipated Receipts – 2023/24	0	0	1,243
Balance as at 31 <sup>st</sup> March 2024	3,146	0	34

Capital expenditure could also be funded by revenue contributions or the utilisation of existing reserves. Schemes were also included in the programme that had funding under Section 106 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. It was estimated that over the next five years, the level of specific grant funding for General Fund Capital Schemes was approximately £103.182m which was around £73.810m more than the level of General Capital Funding for the same period (£29.372m). The £103.182m grant funding was made up of £93.831m Band B 21<sup>st</sup> Century Schools grant, £0.350m Flood Defence and Structures grants, £0.227m ICF grant, £0.749m Highways Refurbishment grant and £8.025m Five Mile Lane Improvement grant.

The Council was also able to borrow to finance capital expenditure. This could be supported where funding was received from WG to fund the cost of borrowing or



		switchboard cannot be tested without isolating the IT servers which is problematic. Equipment is now 10 years old and in need of testing
Vale Enterprise Centre Windows	100	The original steel windows need to be replaced with UPVC double glazed units in order to meet the legal minimum energy standard to be let to new business tenants
J Sub Repair	25	The J-Sub is owned and maintained by the Council. It houses a distribution panel and meters for the supply of electricity to Barry Town Station and the former EWS depot. Urgent action is required to make the building weatherproof and secure

It had also been considered that while the bid for Replacement Playgrounds did not obtain a high score in all factors, it scored highly under the Well Being of Future Generations and it was proposed that £150k be included in the Capital Programme for 2019/20.

Since the Initial Capital Programme Proposals were prepared, the lights at Jenner Park had failed and need to be replaced. It was proposed that £125k be included in 2019/20 for their replacement. Also additional work had been identified at Eastern Shelter, Barry Island and £90k had been included in the Capital Programme for 2019/20. Both these schemes contributed to the Council's corporate priorities and the Well-Being of Future Generations.

As noted earlier, the Environment and Regeneration Scrutiny Committee recommended further investment in highways. As shown in the table above, the Budget Working Group proposed that an additional £300k be included in the 2019/20 Capital Programme to bring the Council's contribution towards highway improvements in 2019/20 to £1m. When the WG grant for 2018/19 and 2019/20 was added to the Council's funding this would bring the total road and pavement resurfacing works budget next year to £2.507m.

Unlike previous years, the Initial Capital Proposals advised that the Asset Renewal budgets for each Directorate would be reviewed and schemes would be identified prior to the approval of the Final Capital proposals for 2019/20 to ensure that funding is allocated to priority schemes. A full breakdown of the Asset Renewal budgets was now included in the 2019/20 Capital Programme.

WG had advised that the £1.927m additional grant allocated for 2018/19 could be carried forward into the next financial year through reserves. It was proposed that as it was very late in the budget setting process this additional funding be transferred into a specific reserve and consideration for its allocation be made early in the new



financial year. One of the potential uses of this funding would be to purchase the necessary car parking meters to support the implementation of the Council's Parking Strategy. Commitments would be finalised and included in the Capital Programme once the Strategy was approved.

Potential funding for 2020/21 onwards which had not been allocated to specific schemes was being shown under the All Services Asset Renewal heading.

### Schools Investment Programme

The Schools Investment Programme was a priority programme of investment in the future of the Vale of Glamorgan's schools and further background was contained in Section 2 of the Capital Strategy.

In late November 2018, WG advised that the intervention rate for the 21<sup>st</sup> Century Schools Programme for non-faith school schemes would increase from 50% to 65%. A new intervention rate was introduced for facilities for those pupils with additional learning needs (ALN) and those in pupil referral units (PRU) at 75% Welsh Government funding. The St. Richards / St. Helen scheme would now be a Band C scheme and the options of financing the scheme as a Mutual Investment Model (MIM) were being considered.

As a result of this change, Cabinet on 7<sup>th</sup> January, 2019 approved a revised programme of works. The total of the revised Band B programme was £143.792m of which £3.079m was being funded in 2018/19. The breakdown of Band B schemes for 2019/20 to 2023/24 is shown in the following table.

<b>Band B Schemes</b>	<b>£000</b>
Whitmore High School	29,296
Pencoedre High School	33,993
Centre for Learning and Wellbeing	4,263
Ysgol Gymraeg Bro Morgannwg	20,423
Barry Waterfront	7,394
Primary Provision in the Western Vale	4,166
Cowbridge Primary Provision	9,847
St David's Primary School	4,181
St Nicholas	4,185
Ysgol Y Deri	11,000
Primary Provision in Penarth	9,239
Review Nursery Provision	2,726
<b>TOTAL</b>	<b>140,713</b>

The change in the intervention rate had resulted in a reduction in the funding to be provided by the Council. Part of the funding for the programme was via unsupported borrowing. This means of funding had a financial cost and therefore it was preferable to minimise the level of unsupported borrowing. The funding of the programme had therefore been reassessed to reduce unsupported borrowing to the minimum level possible. The revised funding for this programme is shown in the following table.

<b>Band B Schemes</b>	<b>£000</b>
WG Grant	93,831
S106	17,191
Borrowing Pending Capital Receipts	176
Repay Borrowing Pending Capital Receipts	-176
Capital Receipts	10,697
General Capital Funding	5,178
Reserves and Revenue Contribution	12,857
Prudential Borrowing	959
<b>TOTAL</b>	<b>140,713</b>

## Housing Improvement Programme

The Council achieved Welsh Housing Quality Standard (WHQS) at the end of March 2018. The Final Capital Programme Proposals therefore reflected the level of works required to maintain WHQS and the Council's aspirations as part of the Housing Asset Management Plan, which included the building of new houses. Further details were contained in section 2 of the Capital Strategy.

WG 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 to ensure that its financial plans were sustainable and affordable.

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 2019/20 had not yet been announced by WG but the assumed level of grant in Appendix 2 to the report remained at £2.759m per annum which was the sum received in 2018/19.

The sources of funding to be used to finance HRA expenditure in 2019/20 to 2023/24 are detailed in the table below.

<b>Funding</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
Revenue/Reserves	5,846	5,268	5,691	7,073	6,650
MRA Grant	2,759	2,759	2,759	2,759	2,759
Unsupported Borrowing	9,293	10,653	11,094	1,698	0
Section 106	0	1,300	0	0	0
<b>Total Budget</b>	<b>17,898</b>	<b>19,980</b>	<b>19,544</b>	<b>11,530</b>	<b>9,409</b>

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 Capital Strategy 2019/20 as set out in Appendix 1 to the report be approved.
- (2) T H A T the final Capital Programme for the years 2019/20 to 2023/24 as set out in Appendix 2 be approved.
- (3) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, be given delegated authority to make additions, deletions or transfers to or from the 2019/20 to 2023/24 Housing Improvement Programme as appropriate.
- (4) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, be given delegated authority to make additions, deletions or transfers to or from the 2019/20 to 2023/24 Asset Renewal budgets as appropriate.
- (5) T H A T the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, be given delegated authority 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 the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, be given delegated authority to make additions, deletions or transfers to or from the 2019/20 Energy Conservation Refit budget as appropriate.

Reasons for decisions

- (1) To approve the Capital Strategy for 2019/20.
- (2) To set and approve future capital programmes to 2023/24.
- (3) To enable the Housing Capital budget to be managed effectively.
- (4) To enable the Asset Renewal budgets 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.

**C583 USE OF THE MANAGING DIRECTOR'S EMERGENCY POWERS (L) –**

The Leader presented the report, the purpose of which was to notify Cabinet of the exercising of Emergency Powers by the Managing Director since the last report on 5<sup>th</sup> March, 2018.

The Council's Constitution at page 270 (Delegated Powers) stated:

- “1. Power to act, after consulting the appropriate Cabinet Member and, in the case only of matters involving the Council in financial commitments, the Leader, Section 151 Officer and the appropriate Chief Officer, in respect of any matter which, in his opinion:
- (b) does not justify holding a special meeting of the body which would ordinarily consider the matter or is of such urgency or emergency as not to allow time for such a meeting; use of such delegated powers to be subsequently reported back to the Cabinet or Council as appropriate.”

The use of the Managing Director's Emergency Powers was highlighted in Section 4 of the report and was numbered (a) through to (ae).

This was a matter for Executive decision.

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

RESOLVED – T H A T the use of the Managing Director's Emergency Powers be noted.

Reason for decision

To inform Cabinet.

**C584 STRATEGIC COLLABORATIVE WORKING INITIATIVES UPDATE (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

The Leader presented the report, the purpose of which was to provide an update on the Council's strategic collaborative working initiatives.

The report outlined that collaborative working activity had increased in pace in response to the challenging financial climate and in recognition of the value that working in partnership to share skills, expertise and experience could have in tackling complex issues.

Cabinet received a quarterly update on those collaborations which the Corporate Management Team deemed to be strategically significant although there were many more operational examples of collaboration underway across the Authority.

A Compendium of Strategic Working Initiatives, which was attached at Appendix A, provides an oversight of the strategic level collaborative working activity in which the Council was involved, and captured the detail of the various initiatives underway.

This was a matter for Executive decision.

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

RESOLVED –

- (1) T H A T the strategic collaborative working initiatives that are in place to support the delivery and development of Council services and the Council's well-being outcomes and objectives be noted.
- (2) T H A T the report be circulated by e-mail to all Vale of Glamorgan Council elected members and members of the Public Services Board.
- (3) T H A T further updates are provided to Cabinet on a quarterly basis, and in accordance with the forward work programme.

Reasons for decisions

- (1) To provide Cabinet with an overview of strategic collaborative working initiatives.
- (2) To provide elected members and strategic partners with an overview of strategic collaborative working initiatives.
- (3) To provide regular updates for Cabinet.

**C585 STAFF ENGAGEMENT UPDATE (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

The Leader presented the report which provided Cabinet with an overview of the staff engagement activity that had been undertaken by a series of work streams over the past year.

The report also provided a summary of the 2018 Staff Survey, a report setting out the results of this was appended.

It was noted that an update was also provided on the “Big Conversation 2” which was taking place in February and March 2019 as a means of meeting with all staff in order to provide an update on key Council issues and to provide an opportunity for all colleagues to become involved in engagement and innovation activities.

Finally, the report outlined the way in which engagement and innovation activity would be progressed during 2019 and future years.

This was a matter for Executive decision.

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

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the report be referred to Corporate Performance and Resources Scrutiny Committee for its consideration, with any views being referred back to Cabinet for consideration.
- (3) T H A T subject to consideration by Corporate Performance and Resources Scrutiny Committee, the approach to progressing staff engagement activity throughout 2019 be endorsed and Cabinet to receive further updates in due course.

Reason for decisions

- (1) To provide Cabinet with an update on staff engagement activity, including the results of the Council's annual staff survey.
- (2) To incorporate the views of this Committee in progressing the Council's staff engagement agenda.
- (3) To enable the Council to progress the staff engagement activity throughout 2019 in support of Reshaping Services and the Council's Corporate Plan.

**C586 COUNCIL TAX UNOCCUPIED DWELLINGS (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

Approval was sought to amend the existing policy for the 2019/20 financial year in relation to the Council's discretionary powers when determining the level of discount to be applied to unoccupied dwellings.

The report brought to the attention of Cabinet the Council's discretionary powers when determining the level of Council Tax discount to be applied to unoccupied dwellings. The report set out the current procedure adopted by the Council when applying empty property discounts and the financial implications in continuing to award the discounts.

The report drew Cabinet's attention to the results and conclusions of the recent consultation on the Council's proposals to remove the 50% empty property discount currently afforded to owners of empty properties and second homes.

It was proposed that Cabinet recommends to Full Council the removal of the 50% empty property discount both from a financial perspective and due to the many positive impacts that could be achieved by bringing empty properties back into use.

This was a matter for Executive and Council decision.

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

RESOLVED –

**That it be recommended to Full Council**

- (1) T H A T that no discount be allowed from 2019-20 in respect of unoccupied dwellings as defined in classes A, B and C to the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 1998, as amended
- (2) T H AT delegated authority be given to the Head of Finance to implement the changes and to notify the owners of all affected properties.

Reason for decisions

- (1) The Council is required to determine its policy on discounts in relation to unoccupied dwellings each year.
- (2) To ensure all of those impacted by the removal of the discount are aware of the changes.

**C587 TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2019/20 AND UPDATE FOR 2018/19 (L) (CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE) –**

Cabinet was provided with an interim report on the Council's Treasury Management operations for the period 1<sup>st</sup> April to 31<sup>st</sup> December, 2018 and the proposed 2019/20 Treasury Management Strategy was submitted for consideration.

The Welsh Government (WG) provided the Council with a General Capital Funding grant and the Council 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 revenue 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 were within prudent and sustainable levels; and
- The treasury management decisions were taken in accordance with professional good practice.

In March 2018 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which together with the WG revised guide on Local Government Investments (April 2010), required the Council to receive and approve as a minimum three main treasury reports each year which incorporate a variety of policies, estimates and actuals. All reports would be reviewed at Cabinet and Scrutiny Committee before being reported to Council. These are as follows:

#### Treasury Management and Investment Strategy

A report presented and approved before the start of the financial year which was forward looking and covered the Authority's

- Capital Plans (including prudential indicators);
- Minimum Revenue Provision (MRP);
- The Borrowing Strategy; and
- The Investment Strategy.

#### Mid-Year Treasury Management Report

A progress report to update Members on the Council's treasury activities to date and to provide an opportunity to revise policy or prudential indicators if required.

A backward looking review report comparing actual outturn to estimates together with a selection of actual prudential and treasury indicators.

The proposed Treasury Management and Investment Strategy for 2019/20, 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 into 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 2019/20**

#### **Borrowing Strategy**

As interest rates and investment returns were likely to remain low during 2019/20 the Council would continue the policy of avoiding new external borrowing by running down spare cash balances and reserves to finance capital expenditure. However this approach would be carefully reviewed to avoid higher borrowing costs in future years when the Council may not be able to avoid external borrowing at higher interest rates. The Council would need to consider the effect on revenue and credit risk if it opted to borrow externally in 2019/20.

#### **Investment Strategy**

In 2019/20 the Council 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. The Council would



continually review the financial stability of all Local Authorities with whom it placed investments.

Although not guaranteed by the UK Government, if a Local Authority with whom the Council had placed an investment were to default on repayment, the Council would have recourse under the Local Government Act 2003 to collect any outstanding sums.

The Treasury Management section would in 2019/20 retain the maximum principal investment at £5m and the maximum period of investment to 12 months. Any change on this position would be brought to Cabinet as part of future Treasury Management monitoring reports.

The Council would continue to pursue the possible use of other investment tools, i.e. Treasury Bills and Money Market Funds during 2019/20 and may introduce these once relevant appraisals had been undertaken. However the ongoing uncertainty in the financial markets would continue to dictate that capital security would still outweigh the importance of financial performance at present.

The Council would continue to use credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service and Standard and 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.

### Interim Report

Insofar as the Council's Treasury Management operations entered into for the period 1<sup>st</sup> April to 31<sup>st</sup> December, 2018 were concerned, all activities were in accordance with the Council's approved strategy on Treasury Management. The following table sets out the monies borrowed / repaid during the period.

<b>Loan Type</b>	<b>Opening Balance</b>	<b>Received</b>	<b>Repaid</b>	<b>Closing Balance</b>
	<b>01/04/2018</b>			<b>31/12/2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
PWLB	147,165	0	(719)	146,446
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
<b>Total</b>	<b>155,365</b>	<b>0</b>	<b>(719)</b>	<b>154,646</b>

Loans borrowed from the Public Works Loan Board (PWLB) were intended to assist Local Authorities in meeting their longer term borrowing requirements. The above loans were all at fixed rates of interest. The rate paid on each loan was largely dependent upon the original duration of the loan and date taken out. The average interest rate on all the Council's outstanding PWLB debt had moved over the period 1<sup>st</sup> April - 31<sup>st</sup> December, 2018 from 4.7425% to 4.7211%.

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. The average interest rate on the Authority's outstanding market loans was 5.322%.

The Concessionary Loan was advanced to the Council by the WG on 1<sup>st</sup> April, 2015 for a period of 10 years. The loan would mature on 31<sup>st</sup> March, 2025 and was interest free.

Temporary loans represented loans that had no fixed maturity date. Current loans had been borrowed from The Vale of Glamorgan Welsh Church Act Fund. Interest was calculated on a monthly basis using the "Average 7 Day Rate".

The Council's investment for the period to 31<sup>st</sup> December, 2018 is set out below:

<b>Investment Counterparty</b>	<b>Opening Balance</b>	<b>Invested</b>	<b>Repaid</b>	<b>Closing Balance</b>
	<b>01/04/2018</b>			<b>31/12/2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local Authorities	60,000	255,450	(237,450)	78,000
Debt Management Account Deposit Facility	6,900	1,361,550	(1,362,450)	6,000
<b>Total</b>	<b>66,900</b>	<b>1,617,000</b>	<b>(1,599,900)</b>	<b>84,000</b>

Whilst considerations, such as interest rate forecasts, would inevitably inform the Treasury Management Strategy to be adopted over the coming years, account must also be taken of certain fundamental parameters that the Council must work within. These may include political, environmental, social, technical, economic and legislative factors and form the basis of the Treasury Management Policy that underpins the Strategy. Adherence to its requirements was mandatory for all matters relating to Treasury Management and investments and the Policy for 2019/20 was attached at Appendix 2 to the report.

This was a matter for Executive and Council decision.

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

RESOLVED –

- (1) T H A T the Treasury Management interim report for the period 1<sup>st</sup> April to 31<sup>st</sup> December, 2018 be endorsed.
- (2) The policy for making Minimum Revenue Provision in 2019/20 be approved.
- (3) That Cabinet recommend to Council that the proposed 2019/20 Treasury Management and Investment Strategy be approved including the following specific resolutions:

- The Authorised Limit for External Debt be set at £200.854m for 2018/19, £201.556m for 2019/20, £217.263m for 2020/21 and £234.895m for 2021/22.
- The Operational Boundary for External Debt be set at £185.812m for 2018/19, £194.831m for 2019/20, £198.861m for 2020/21 and £222.014m for 2021/22.
- The Section 151 Officer be given 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 is set on its fixed interest rate exposures of £148.545m for 2018/19, for 2019/20 of £147.310m, for 2020/21 of £165.610m and for 2021/22 of £180.393m of its net outstanding principal sum on its borrowings / investments.
- An upper limit is set on its variable interest rate exposures of £0 for 2018/19, 2019/20, 2020/21 and 2021/22 of its net outstanding principal sum on its investments.
- An upper limit of £0m for 2018/19, £2m for 2019/20, £2m in 2020/21 and £2m in 2021/22 is 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 2019/20 be set as below:

	<b>Upper Limit</b>	<b>Lower Limit</b>
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 to the report be approved.
- The Treasury Management Policy set out in Appendix 2 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 2019/20.
- (3) The Treasury Management and Annual Investment Strategy is prepared as required by the Local Government Act 2003.

**C588 BARRY TOWN CENTRE SUMMIT (RP) (ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE) –**

The Cabinet Member for Regeneration and Planning presented the report which detailed outcomes of the discussions at the Barry Town Centre Summit held on 13<sup>th</sup> November, 2018.

The report set out the challenges and issues facing Barry Town Centre as discussed at the Town Centre Summit, in light of the challenges high streets throughout the United Kingdom.

The Summit, set up in partnership with Barry Town Council, was held to address many of the issues currently affecting Holton Road, in particular given the recent closures of a number of large national stores.

The Summit was attended by representatives from across the business community in Barry Town Centre, Councillors from the Vale of Glamorgan Council and Barry Town Council, officers from the Vale of Glamorgan Council and Barry Town Council, the Police, The Mosaic Partnership (consultants) and landlords (a full list of attendees was included in the report).

The Summit format was based on workshops to identify and discuss opportunities to improve the viability of the town centre. A full report was attached at Appendix 1.

This was a matter for Executive decision.

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

**RESOLVED –**

- (1) T H A T the record of proceedings attached (Appendix 1) and the progress that has already been delivered since the summit be noted.
- (2) T H A T the report be referred to the Environment and Regeneration Scrutiny Committee for consideration.
- (3) T H A T subject to consideration by the Environment and Regeneration Scrutiny Committee, preparatory work commences on scoping a replacement for the Town Centre Framework for Barry which seeks to link regeneration and investment opportunities, including the role of the town centre.
- (4) T H A T a further report be presented to Cabinet in due course to set out progress on scoping work linked to a replacement for the Town Centre Framework.

**Reasons for decisions**

- (1) To apprise Cabinet of the key themes emerging from the summit.
- (2) To advise Scrutiny Committee of the key themes and issues

arising out of the November Summit and to inform possible future actions.

- (3) To ensure an up-to-date strategy for Barry in light of the changing demands and challenges for town centres.
- (4) To keep Cabinet apprised of progress.

**C589 WITHDRAWAL OF DISCRETIONARY FUNDING FOR FARE PAYING SCHOOL TRANSPORT SERVICES (NST) (ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE) –**

The Cabinet Member for Neighbourhood Services and Transport presented the report, the purpose of which was to seek Cabinet approval to undertake a consultation on the withdrawal of Council funding for fare paying school transport services that the Local Authority had no absolute statutory duty to provide.

The withdrawn of this funding would assist in the savings that the Neighbourhood Services and Transport section were expected to make in 2019/20 and would assist the Council in funding statutory free school transport for pupils who qualified by virtue of distance from school and availability of walking routes.

The public consultation would inform a further report that would present public views on this proposal and list any potential alternative solutions that could achieve the desired outcome.

This was a matter for Executive decision.

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

RESOLVED –

- (1) T H A T the report be referred to Environment and Regeneration and Corporate Performance and Resources Scrutiny Committees for consideration.
- (2) T H A T the contents of the report be noted and, subject to prior consideration by Environment and Regeneration Scrutiny Committee, approval be granted to undertake a public consultation on the proposed withdrawal of funding for the fare paying school bus service exercise listed in Appendix A to the report.
- (3) T H A T, if the withdrawal of funding does go ahead, approval be granted for the transfer of £57,000 from the fare paying school transport budget into the budget held by Learning and Skills which funds free school transport.
- (4) T H A T a further report be received by Cabinet following the public consultation exercise, referred to in Recommendation (2).

Reason for decisions

- (1) To ensure the views of the relevant Scrutiny Committees are considered prior to a decision being taken by Cabinet on the future of fare paying school transport services.
- (2) To contribute to the savings that Neighbourhood Services and Transport is expected to achieve in the financial year 2019/20.
- (3) To continue to provide statutory free school transport to those pupils who qualify on distance/unavailable walking route grounds who are currently allocated to a fare paying school transport service in accordance with statutory requirements.
- (4) To advise of the results following the public consultation and determine the next steps.

**C590 PENARTH HEIGHTS SUSTAINABLE TRANSPORT  
CONSULTATION REPORT (NST) (ENVIRONMENT AND REGENERATION  
SCRUTINY COMMITTEE) –**

Cabinet was updated on proposals to introduce Active Travel improvements in the Windsor Road / Plassey Street area of Penarth.

The report outlined that the Council had circa £1.26m remaining from the Penarth heights development Section 106 monies to carry out sustainable transport infrastructure improvements of which circa £1.1m had to be spent by February 2020.

A detailed consultation on the four potential options identified in the report to improve the Windsor Road / Plassey Street roundabout junction had been undertaken from Monday, 14<sup>th</sup> May, 2018 to Monday, 9<sup>th</sup> July, 2018.

All the options considered Active Travel requirements in order to promote walking and cycling with the outcome of the consultation process detailed in a report entitled "Penarth Heights Highways and Sustainable Transport" attached at Appendix A to the report.

Following a review of the Penarth Heights Highways and Sustainable Transport consultation, it clearly identified an overwhelming majority of respondents considered Option 1 as the preferred scheme. It was therefore proposed to progress implementation of Option 1 with Active Travel enhancements along Plassey Street to recognise the Project Board's aspirations.

The total cost of implementation Option 1 was currently estimated at £870k subject to further site and ground investigation works and completion of a detailed design phase funded by Section 106 monies from the Penarth Heights development.

Any outstanding Section 106 sustainable transport contribution monies would be used to undertake minor footway and bus stop improvement schemes or other schemes that encouraged and promoted more walking and cycling movements.

The report therefore sought to obtain the approval of Cabinet to progress the implementation of Option 1, the re-aligned roundabout junction at Windsor Road and Plassey Street, as being the preferred option following the public consultation exercise previously undertaken.

For Cabinet's information, comments made to the consultation from the Penarth Cycling Campaign were tabled as the copy that was contained in the consultation report was unfortunately too small to read and therefore unclear.

The Cabinet Member for Neighbourhood Services and Transport advised that a further review had taken place on the outcome of the detailed Penarth Heights Highways and Sustainable Transport consultation to ascertain community views on all options presented. From this consultation it was clear that the an overwhelming majority of respondents considered Option 1, the re-aligned roundabout junction at Windsor Road and Plassey Street junction as the most preferred option.

The revised report before Cabinet, proposed that Option 1 be taken forward which would enhance the current roundabout and gateway route into Penarth whilst incorporating additional safety facilities and linkages for cyclists and pedestrians on this existing active travel route. It was hoped that this Scheme would encourage and promote opportunities for active travel within this area and the wider community in line with S106 sustainable travel funding from Penarth Heights development.

The Cabinet Member outlined that Officers would be happy to meet the Penarth Cycling Campaign to explain the proposals in more detail if they would find this of assistance.

This was a matter for Executive decision.

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

RESOLVED –

(1) T H A T the contents of the report and the consultation report entitled 'Penarth heights Highways and Sustainable Transport; attached at Appendix A to the report be noted.

(2) T H A T the implementation of Option 1 as described in the report, including improvements to Plassey Street, be approved subject to final detailed design.

(3) T H A the use of monies from the Section 106 agreement between the Council and the Developer of the Penarth Heights development to implement Option 1 be approved.

Reasons for decisions

- (1) For information.
- (2) To obtain approval to progress with Option 1 as described in the report.
- (3) To ensure sufficient funds area available for the proposal to be progressed.

**C591            RESHAPING SERVICES – ENFORCEMENT SERVICES (NST)  
(ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE) –**

The Cabinet Member for Neighbourhood Services and Transport presented the report, the purpose of which was to advise Cabinet of the annual performance of the environmental enforcement contract between the Council and 3GS (UK) Limited, to present Cabinet with proposals for the creation of an in-house enforcement team and to consider revising Fixed Penalty Notice values for certain environmental offences.

The report outlined that the Council currently provided enforcement services for both environmental and Civil Parking Enforcement (CPE) via partnership arrangements with 3GS (UK) Limited and Bridgend County Borough Council respectively. In addition, educational enforcement was provided by two in-house Council officers whose job roles encompassed both education enforcement and Highways inspections.

Enforcement services had been identified as a Reshaping Services project under the Council's Income Generation and Commercial Opportunities Strategy due to there being the potential to operate more proactively in this area, and in doing so work towards a cost neutral model. This involved a review of performance of the 3GS contract and in line with the principles contained in the Council's Income Generation and Commercial Opportunities Strategy. The outcome of this review, including proposals for the future of the Council's enforcement service were contained within the report which recommended the creation of a centralised in-house enforcement team that provided more flexibility and control to the Council.

The report suggested that a new in-house enforcement service be created with the focus on environmental and highway enforcement initially, followed by integrating CPE following the development of a Corporate Parking Policy. As such, it was proposed that CPE would be introduced at a later stage to allow time until the Parking Strategy was finalised and for the required notice period to be service to Bridgend Council. At such time it was recommended that a further report be brought to Cabinet outlining the future intentions for CPE. Additionally, the report recommended a review of certain Fixed Penalty Notices where limits could be set by the Council and presented for consideration, revised amounts from April 2019.

This was a matter for Executive decision.

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



## RESOLVED –

- (1) T H A T the report be referred to the Environment and Regeneration Scrutiny Committee for its consideration.
- (2) T H A T the annual performance of the environmental enforcement contract between the Council and 3GS (UK) Limited be noted.
- (3) T H A T subject to consideration by the Environment and Regeneration Scrutiny Committee, the full implementation of the proposals contained in the report to create a centralised enforcement team be approved, and the creation of five new environmental enforcement permanent posts, namely one Enforcement Supervisor and four Enforcement Officers, be initially approved.
- (4) T H A T, subject to consideration by the Environment and Regeneration Scrutiny Committee and in pursuance of Recommendation (3) above, delegated authority be granted to the Director of Environment and Housing in consultation with the Monitoring Officer / Head of Legal and Democratic Services, and the Cabinet Member for Neighbourhood Services and Transport to arrange the Transfer Undertaking for the Protection of Employment (TUPE) arrangements for the existing 3GS staff to allow direct transfer into three of the newly created posts (one Supervisor and two Enforcement Officers).
- (5) T H A T, subject to consideration by the Environment and Regeneration Scrutiny Committee, delegated authority be granted to the Director of Environment and Housing in consultation with the Monitoring Officer / Head of Legal and Democratic Services, and the Cabinet Member for Neighbourhood Services and Transport to vary the existing Enforcement Policy to include a zero tolerance approach to Environmental and Highway offences and to refine the policy accordingly.
- (6) T H A T subject to consideration by the Environment and Regeneration Scrutiny Committee, the Council to give formal notice to Bridgend County Borough Council to exit the current Civil Parking Enforcement arrangement.
- (7) T H A T a further report be presented to Cabinet later this year during the notice period outlining the details of the integration of Civil Parking Enforcement into the newly created centralised enforcement team.
- (8) T H A T subject to consideration by Environment and Regeneration Scrutiny Committee, the proposals to amend the level of Fixed Penalty Notices issued by the Council, which are contained within the report be approved.
- (9) T H A T subject to consideration by Environment and Regeneration Scrutiny Committee, the proposals contained in the report to introduce a Fixed Penalty Notice in respect of small scale fly tipping as suggested within the report be approved.
- (10) T H A T a further report be presented to Cabinet within 12 months of the implementation of the new arrangements providing an update of the service.

### Reasons for decisions

- (1) To provide the Environment and Regeneration Scrutiny Committee with an opportunity to consider the details of this report.
- (2) To update Cabinet and to provide an opportunity to review the performance of the contract to date.
- (3) To allow the service to form a centralised enforcement team.
- (4) To ensure that the Council complies with current employment legislation.
- (5) To ensure the Council has a defined policy in terms of Environmental and Highway offences.
- (6) To allow the Council to control enforcement activities in-house and work towards a cost-neutral enforcement model in line with the Council's Income Generation and Commercial Opportunities strategy and to improve resilience of the service.
- (7) To ensure a robust and value for money Civil Parking Enforcement service and to further strengthen the proposed central enforcement team.
- (8) To ensure Fixed Penalty Notices are being issued where required which are proportionate to the offence.
- (9) To ensure the Council are issuing appropriate penalties in respect of small scale fly tipping in line with new legislation.
- (10) To ensure Cabinet are kept up to date following implementation of the proposals contained in the report.

### **C592 STRATEGIC TRANSPORT IMPROVEMENTS IN DINAS POWYS UPDATE (NST) (ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE) –**

Cabinet was updated on the Draft WelTAG Stage 2 report for Dinas Powys.

The report provided Cabinet with an update on progress of the transport assessments being undertaken in Dinas Powys and identified, following a meeting of the Review Group for this study, the further work needed to be undertaken in respect of:

- Engaging with Network Rail to understand the constraints and potential costs associated with the construction of a bypass and junction in the vicinity of the railway tunnel;

- Undertaking concept design, modelling and costing of suggested improvements to the Merrie Harrier junction to improve capacity. To consider costs in context of the bypass scheme costs (blue and green options);
- Commissioning strategic modelling using the South East Wales Transport Model of the bypass proposals (via Transport for Wales who managed the model);
- Updating the economic appraisal for the green alignment and providing an appraisal for the blue alignment and update the transport case and the Stage 2 report;
- Undertaking public consultation on the findings of the Stage 2 report and finalising the Stage 2 report and making recommendations for option(s) to be taken forward to the WeITAG Stage 3 Full Business Case.

The report recommended that should grant funding not be available from Welsh Government (WG) for the completion of this work, that the Head of Neighbourhood Services and Transport be authorised to seek any ways of funding it.

At the Cabinet meeting, Appendices B, C and D were tabled as supplementary information, and the Cabinet Member for Neighbourhood Services and Transport issued an apology for their omission.

The Cabinet Member referred to paragraph 3.5 of the report and the development of land to the west of Dinas Powys. The Cabinet Member clarified that the Council was not considering any development in this area.

This was a matter for Executive decision.

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

RESOLVED –

(1) T H A T the progress made on the WeITAG studies relating to improving strategic transport in Dinas Powys be noted and that this matter be referred to Environment and Regeneration Scrutiny Committee for consideration.

(2) T H A T should grant funding not be available from Welsh Government for the completion of the Stage 2 WeITAG work, as identified in paragraph 4.7 of the report, the Head of Neighbourhood Services and Transport be authorised to seek an alternative funding source.

#### Reasons for decisions

(1) To update Members on progress made on the scheme and to allow the report to be considered by the relevant Scrutiny Committee

(2) To secure funding to deliver a final Stage 2 report for the Project.

**C593 COWBRIDGE PHYSIC GARDEN (SCHL) (HEALTHY LIVING AND SOCIAL CARE SCRUTINY COMMITTEE) –**

The Cabinet Member for Social Care, Health and Leisure presented the report, the purpose of which was to seek Cabinet approval to enter into a Deed of Dedication with Fields in Trust to provide protected green space status to the Cowbridge Physic Garden.

At its meeting of 7<sup>th</sup> January, 2019, Cabinet agreed to authorise a new 25 year lease for the Physic Garden but it deferred a decision on whether to protect the area under the Fields in Trust Green Spaces for Good Programme and to enter into a Deed of Dedication with the Organisation to that effect.

The report detailed the further information requested by Cabinet. In addition, confirmation had been received from the Trust that it would wish the Physic Garden to be dedicated as it believed this would secure the future of the open space for future generations.

The dedication would restrict the Council's options for this land in perpetuity and the risks associated with this were also detailed in the report.

The Cabinet Member for Social Care, Health and Leisure added that a lease of 25 years was "fine", but a longer period of time was needed in order to see improvements come to fruition. He added that he wanted to protect the Gardens as a green space and leave a legacy for future generations. In addition, the Cabinet Member wanted to provide reassurance to members of the public, and he outlined that no one would know the situation of the Council in years to come and that was why he felt it necessary to put the Fields in Trust safeguard in place. The Cabinet Member referred to Appendix B, which provided further information regarding Fields in Trust, and he drew attention to Appendix C. This contained a list of current Fields in Trust registered land in the Vale of Glamorgan, which provided a variety of uses.

The Cabinet Member for Social Care, Health and Leisure moved the recommendation as per the report, which required that authority be given to dedicate the Physic Garden as a Fields in Trust site. This was not seconded.

The Cabinet Member for Housing and Building Services, as local ward member expressed concern with the Field in Trust proposal, which he felt would tie down and restrict both the Physic Trust and the Vale of Glamorgan Council. The Cabinet Member stated that he welcomed the 25 year lease, but he had resigned from the Physic Trust because of the Field in Trust issue. He added that the Field in Trust would not be in the best interests of the Trust or the Council as they would be "tied down" for a period in perpetuity, with the Physic Garden area not able to be used other than for the purpose of a green space/garden. In addition Field in Trust would not allow any building to be constructed on the site without their permission, even if the Physic Trust wished to do so. This would therefore inhibit the Trust to develop or construct any new improvements. The Cabinet Member then moved a recommendation inviting Cabinet not to approve the dedication of the Cowbridge Physic Garden to become a Field in Trust. This was duly seconded by the Cabinet

Member for Learning and Culture. He later added that a lease of 25 years had already been agreed and the garden was within a conservation area.

The Cabinet Member for Learning and Culture then stated that he agreed with the statement made by the Cabinet Member for Housing and Building Service that the Field in Trust status would inhibit the Vale Council, and he cited previous examples around sport facilities, which had created difficulties when considering a change of use.

In referring to the comments made by the Cabinet Member for Housing and Building Services, the Cabinet Member for Social Care, Health and Leisure stated that no one would know what any future Vale Council would want to do with the gardens, which was why he wanted to protect the garden's status. The Cabinet Member referred to Appendix A to the report, which outlined how well the Gardens were known nationally and internationally, and he stated that 25 years was not a long time.

The Deputy Leader and Cabinet Member for Regulatory & Legal Services then commented that he was a long-time supporter of the Physic Garden, and he referred to other examples which had caused difficulties for the Council and the Trusts involved. The Deputy Leader stated that the main purpose of the report was to provide greater clarity around Fields of Trust, and after receiving further information, and for this case, it was something that he could not support.

This was a matter for Executive decision.

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

**RESOLVED – T H A T** Cabinet is not minded to dedicate the Physic Garden under the Fields in Trust 'Green Space for Good' programme.

#### Reason for decisions

Not to progress the formal dedication under the appropriate Fields in Trust programme.

#### **C594            RESHAPING SERVICES: A SUSTAINABLE APPROACH TO THE PROVISION OF SINGLE USER OUTDOOR SPORTS FACILITIES (SCHL) (HEALTHY LIVING AND SOCIAL CARE SCRUTINY COMMITTEE) –**

The report provided an update on the progress being made in relation to the Reshaping Services programme – a sustainable approach to the provision of single user outdoor sports grounds.

The report provided an update on progress being made in relation to the transferring of responsibility for single use sports facilities from the Council to Clubs. The report also detailed the progress made to date and highlighted issues that had arisen in initial conversations with Clubs.

It was proposed that the transfers now be divided into various tranches with priority being given to Bowls Clubs in Tranche 1. Two further tranches involving mainly Clubs with their own Clubhouse facilities would come under Tranche 2 and those Clubs where the issues were more complicated would be grouped in Tranche 3. A breakdown of the various tranches was attached at Appendix A to the report.

This was a matter for Executive decision.

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

RESOLVED –

- (1) T H A T the significant and positive progress made in relation to single user sports grounds facilities be noted.
- (2) T H A T the report be referred to the Healthy Living and Social Scrutiny Committee for its consideration.
- (3) T H A T subject to consideration by the Healthy Living & Social Care Scrutiny Committee, Cabinet agrees to clubs in Tranche 1 using Council facilities being given a deadline of 1st September, 2019 to take over the management of their individual sites.
- (4) T H A T subject to consideration by the Healthy Living & Social Care Scrutiny Committee, a further report is submitted to Cabinet on timescales for Clubs in Tranches 2 and 3 to take over the management of their individual sites.
- (5) T H A T subject to consideration by the Healthy Living & Social Care Scrutiny Committee, a capital reserve be established for Clubs taking over buildings for the first time for the first five years of operation to cover unexpected major capital costs with buildings where the Club was not at fault.
- (6) T H A T subject to consideration by the Healthy Living & Social Care Scrutiny Committee, Cabinet endorses the principle of determination / eligibility of access to the reserve for payments in respect to Resolution (5) above be delegated to the Director of Environment and Housing in consultation with the Head of Finance and the Cabinet Member for Social Care, Health and Leisure.
- (7) T H A T Cabinet receives a further report on this matter in spring 2019.

#### Reasons for decisions

- (1) To make Cabinet aware of progress being made.
- (2) To allow this matter to be considered by the appropriate Scrutiny Committee.
- (3) To provide single user Clubs, in Tranche 1, with a realistic date for transfers to be complete.

- (3) To allow Clubs in Tranches 2 and 3 further time to plan for the change.
- (4) To provide Clubs with a better opportunity to plan their finances for the future.
- (5) To ensure accurate and consistent decisions in respect to any claims for funding from Clubs from the capital reserve.
- (6) To allow further consideration of any further issues arising and to provide a further update on multi-use facilities.
- (7) To update Cabinet on the position on all tranches of this programme.

**C595 SUPPORTING PEOPLE LOCAL COMMISSIONING PLAN 2019 – 2022 (HBS) (HOMES AND SAFE COMMUNITIES SCRUTINY COMMITTEE) –**

The purpose of the report was to seek adoption of the draft Supporting People Local Commissioning Plan 2019 – 2022 and to seek authorisation for its submission to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff.

In addition, the report provided an update on the Council's indicative allocation of Supporting People Programme Grant for 2019/20 from Welsh Government.

The Supporting People Programme was the policy and funding framework for delivering housing related support to vulnerable people in different types of accommodation and across all tenures. At a local level, the programme took forward a number of strategic aims, reflecting community safety and health and social care and wellbeing objectives. Its aims were to deliver high quality strategically planned housing-related support services that were cost effective, complementary to existing services and provided service users with the best possible outcomes.

In accordance with the Welsh Government Guidance for Supporting People, all Local Authorities were required to develop a three year Local Commissioning Plan, which must be submitted to the relevant Regional Collaborative Committee.

The report outlined that the programme contributed to meeting the aims of "Improvement Lives and Communities – Homes in Wales" the National Housing Strategy and the ten year Homelessness Plan, with a strong emphasis on the prevention of homelessness. Its importance was also recognised in the Housing (Wales) Act 2014 that was implemented in April 2015 and was an essential element for delivering the actions within the Homelessness Strategy.

The Supporting People budget for 2019/20 remained static at £3,466,829, but would be merged with the Homelessness Prevention Grant and the Rent Smart Wales Enforcement Grant to create the Housing Support Grant, with a total budget of £3,586,848.

It was highlighted that there were no direct resource implications associated with the report, and all funding requirements identified for resourcing under the Supporting People Programme was financed through grant funding from Welsh Government.

The report recommended that the Supporting People Local Commissioning Plan 2019 – 2022 be approved and for Cabinet to agree its submission to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff in order to ensure that the Council complied with the requirements of the Supporting People Programme Grant Guidance (Wales) July 2018.

Attached at Appendix 1 to the report was a copy of the Local Commissioning Plan 2019 – 2022.

This was a matter for Executive decision.

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

**RESOLVED – T H A T** the Supporting People Local Commissioning Plan 2019 – 2022 be approved and authority granted for its submission to the Regional Collaborative Committee for the Vale of Glamorgan and Cardiff.

#### Reasons for decision

To ensure that the Council complied with the requirements of the Supporting People Programme Grant Guidance (Wales) July 2018.

#### **C596 PROPOSAL TO INCREASE THE NUMBER OF PRIMARY SCHOOL PLACES AND ESTABLISH 48 PART TIME NURSERY PLACES AT ST. NICHOLAS CIW PRIMARY SCHOOL (LC) (LEARNING AND CULTURE SCRUTINY COMMITTEE) –**

The Cabinet Member for Learning and Culture presented the report, the purpose of which was to seek Cabinet approval to consult stakeholders on a proposal to increase the number of school places and establish 48 part time nursery places at St. Nicholas CIW Primary School from September 2021.

Approval was sought to undertaken a statutory consultation, as outlined in the School Organisation Code 2018, on the following proposals:

- Alter the lowest age range of pupils at St. Nicholas CIW Primary School from 4 to 3, to consist of the addition of anew nursery class containing 48 part time places from September 2021;
- To increase the capacity of St. Nicholas CIW Primary School from 126 places to 210 places from September 2021.

The proposals would ensure St. Nicholas CIW Primary School was able to meet increased demand for school places as a result of recent housing developments within the catchment area and would address the condition and suitability issues with the existing buildings.



The report outlined that the establishment of a nursery would develop continuity and progression in children's learning from the age of 3.

St. Nicholas CIW Primary School had been included as part of Band B of the Council's 21<sup>st</sup> Century Schools Programme with the creation of a new 210 primary school building scheduled for completion by September 2021.

The feedback received throughout the consultation period would be presented to Cabinet for consideration in June 2019.

This was a matter for Executive decision.

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

RESOLVED –

(1) T H A T authority be granted to the Director of Learning and Skills to undertake consultation from 18<sup>th</sup> March, 2019 to 3<sup>rd</sup> May, 2019 on the proposal to make a regulated alteration under Section 2.3 of the School Organisation Code November 2018 to:

- Alter the lowest age range of pupils at St. Nicholas CIW Primary School from 4 to 3, to consist of the addition of a new nursery class containing 48 part time places from September 2021;
- Increase the capacity of St. Nicholas CIW Primary School from 126 places to 210 places from September 2021.

(2) T H A T it be noted that implementation of the proposal would be subject to the relevant statutory processes and that Welsh Government capital funding would be subject to approval of a rigorous business case.

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

#### Reasons for decisions

(1) To seek feedback through a formal consultation with prescribed stakeholders, and to enable the Council to comply with the requirements of the Schools Standards and Organisation (Wales) Act 2013 and the School Organisation Code 2018.

(2) To clarify the process to be followed and the need for a rigorous business case.

(3) To ensure that the Learning and Culture Scrutiny Committee is consulted on the proposal.