

# Pecyn Dogfennau Cyhoeddus

Penallta House,  
Tredomen Park,  
Ystrad Mynach,  
Hengoed CF82 7PG

Tŷ Penallta,  
Parc Tredomen,  
Ystrad Mynach,  
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Emma Sullivan  
(Rhif Ffôn: 01443 864420 Ebst: [sullie@caerphilly.gov.uk](mailto:sullie@caerphilly.gov.uk))

**Dyddiad: Dydd Iau, 9 Mawrth 2023**

Bydd y cyfarfod hwn yn cael ei ffrydio'n fyw ac yn cael ei recordio a bydd ar gael i'w weld ar wefan y Cyngor, ac eithrio trafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig. Felly, bydd delweddau/sain yr unigolion sy'n siarad ar gael yn gyhoeddus i bawb trwy'r recordiad ar wefan y Cyngor: [www.caerffili.gov.uk](http://www.caerffili.gov.uk)

Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os byddwch chi'n dymuno gwneud hynny. Bydd gwasanaeth cyfieithu ar y pryd yn cael ei ddarparu ar gais.

I bwy bynnag a fynno wybod,

Bydd cyfarfod y **Cyngor** yn cael ei gynnal yn y Siambr, Tŷ Penallta a thrwy Microsoft Teams ar **Dydd Mercher, 15fed Mawrth, 2023** am **5.00 pm** i ystyried materion a gynhwysir yn yr agenda canlynol. Gall aelodau'r Cyhoedd neu'r Wasg fynychu'n bersonol yn Nhŷ Penallta neu gallant weld y cyfarfod yn fyw drwy'r ddolen ganlynol: <https://civico.net/caerphilly>

Yr eiddoch yn gywir,

**Christina Harrhy**  
PRIF WEITHREDWR

## AGENDA

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Cyhoeddiadau'r Maer.
- 3 I dderbyn deisebau o dan Reol Gweithdrefn 28(3).

A greener place Man gwyrddach



Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat

4 Cyflwyno Gwobrau.

5 Datganiadau o Ddiddordeb.

Atgoffi'r Cyngorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cyngorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

6 Cyngor 17eg Ionawr 2023.

1 - 10

7 I dderbyn ac i ateb cwestiynau a dderbyniwyd o dan Reol Gweithdrefn 10(4).

Cwestiwn gan y Cyngorydd A. Hussey i'r Aelod Cabinet dros Addysg a Chymunedau, y Cyngorydd C. Andrews.

A wnaiff yr Aelod Cabinet dros Addysg a Chymunedau roi'r wybodaeth ddiweddaraf am waith Tîm Gofalu am Gaerffili?

I dderbyn ac ystyried yr adroddiad(au) canlynol:-

8 Terfyniad Gwirfoddol Arfaethedig o Gontract Menter Cyllid Preifat Ysgolion Cyngor Bwrdeistref Sirol Caerffili.

11 - 44

9 Datganiad Polisi Talu 2023/24.

45 - 70

10 Bwrdd Gwasanaethau Cyhoeddus Gwent – Cynllun Lles 2023/2028.

71 - 102

11 Prawf Lles y cyhoedd.

I dderbyn ac ystyried yr adroddiad canlynol sydd ym marn y Swyddog Priodol yn gallu cael ei drafod pan nad yw'r cyfarfod ar agor i'r cyhoedd ac i ystyried yn gyntaf os yw lles y cyhoedd yn golygu y dylai'r cyfarfod gael ei gau i'r cyhoedd ar gyfer ystyriaeth: -

12 Benthyciad Clwb Rygbi Bedwas.

105 - 108

### **Cylchrediad:**

Pob Aelod a Swyddog Priodol

### **SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH**

Bydd yr unigolion hynny sy'n mynychu cyfarfodydd pwyllgor i siarad/roi tystiolaeth yn cael eu henwi yng nghofnodion y cyfarfod hynny, weithiau bydd hyn yn cynnwys eu man gweithio neu fusnes a'r barnau a fynegir. Bydd cofnodion o'r cyfarfod gan gynnwys manylion y siaradwyr ar gael i'r cyhoedd ar wefan y Cyngor ar [www.caerffili.gov.uk](http://www.caerffili.gov.uk) ac eithrio am drafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig.

Mae gennych nifer o hawliau mewn perthynas â'r wybodaeth, gan gynnwys yr hawl i gael mynediad at wybodaeth sydd gennym andanoch a'r hawl i gwyno os ydych yn anhapus gyda'r modd y mae eich gwybodaeth yn cael ei brosesu.

Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r [Hysbysiad Preifatwydd Cyfarfodydd Pwylgor Llawn](#) ar ein gwefan neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio [griffd2@caerffili.gov.uk](mailto:griffd2@caerffili.gov.uk) neu ffoniwch 01443 863028.

Gadewir y dudalen hon yn wag yn fwriadol



## COUNCIL

### MINUTES OF THE MULTI-LOCATIONAL MEETING HELD IN THE CHAMBER PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY, 17TH JANUARY 2023 AT 5.00PM

#### PRESENT:

Councillor E.M. Aldworth - Mayor  
Councillor M.A. Adams - Deputy Mayor

#### Councillors:

C. Andrews, A. Angel, C. Bishop, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, D. Cushing, C. Cuss, D.T. Davies MBE, N. Dix, C. Elsbury, G. Enright, K. Etheridge, M. Evans, A. Farina-Childs, C. Forehead, E. Forehead, J. E. Fussell, A. Gair, N. George, C. Gordon, D. Harse, T. Heron, A. Hussey, D. Ingram-Jones, M. James, L. Jeremiah, G. Johnston, J. Jones, S. Kent, A. Leonard, P. Leonard, C. Mann, A. McConnell, B. Miles, C. Morgan, S. Morgan, T. Parry, L. Phipps, M. Powell, D.W.R. Preece, D. Price, H. Pritchard, J. Pritchard, J.A. Pritchard, J. Roberts, R. Saralis, J. Scriven, S. Skivens, E. Stenner, J. Taylor, C. Thomas, A. Whitcombe, L. Whittle, S. Williams, W. Williams, J. Winslade, K. Woodland, C. Wright

#### Together with:

C. Harrhy (Chief Executive), R. Tranter (Head of Legal Services and Monitoring Officer), R. Edmunds (Corporate Director Education and Corporate Services), D. Street (Corporate Director Social Services and Housing), M.S. Williams (Corporate Director Economy and Environment), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), S. Harris (Head of Financial Services and Section 151 Officer), J. Williams (Deputy Director Social Services, Adult Services), A. Southcombe (Finance Manager), D. Beecham (Electoral Services Manager), N. Roberts (Principal Group Accountant), S. Pugh (Head of Communications), E. Sullivan (Senior Committee Services Officer), R. Barrett (Minute Taker)

#### Also present:

M. Jones (Audit Wales)

## IN MEMORIUM

The Mayor referred to the recent passing of Mrs Carol Sadler, former county councillor and past Mayor, and wife of Councillor Jim Sadler. Council stood for a moment's silence as a mark of respect and extended their condolences to Councillor Sadler at this sad time.

## RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chief Executive reminded those present the meeting was being live streamed, and a recording would be available following the meeting via the Council's website – [Click Here to View](#). She advised that decisions would be made by Microsoft Forms.

## **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors G. Ead, B. Owen, J. Rao, J. Reed, J. Sadler and J. Simmonds.

## **2. MAYOR'S ANNOUNCEMENTS**

The Mayor referred to the engagements and events she had attended since the last meeting of Council and advised Members that she recently had the pleasure of meeting pupils from Bryn School, who visited the Council Chamber to learn more about local democracy. The Mayor also referred to the Council's Operation Santa Appeal which was once again a resounding success, and she had been delighted to visit numerous businesses to collect the presents that had been donated to Operation Santa, praising the overwhelming generosity and response to the appeal from people across the entire county borough.

## **3. TO RECEIVE PETITIONS UNDER RULE OF PROCEDURE 28(3)**

It was confirmed that there were no petitions to be presented on this occasion.

## **4. PRESENTATION OF AWARDS**

### **Shared Lives Awards**

The Cabinet Member for Social Care was delighted to announce that the Shared Lives Team were recently honoured at three prestigious award ceremonies. At the Ajuda Mental Health and Wellbeing Wales Awards (10th October 2022), Pat Roberts and Maggs Evans were nominated as finalists for the Inspiring Individual Awards, and Shared Lives as finalists for Best Mental Health Service during a Pandemic. Clint Attard won the Inspiring Individual Gold Award, and the Shared Lives team won the Best Wellbeing Service Silver Award. At the Shared Lives Plus UK Awards (13th October 2022), the team won the Shared Lives award for scheme innovation and Cliff Attard was highly commended in the Outstanding Shared Lives carer award category.

At the Wales Care Awards (21st October 2022), Michaela Stone won the Exceptional Newcomer award, Jill and Neil Powell won the Excellence in Learning Disability and Mental Health Services award, Cynthia and Morton Webber won the Supported Living or Small Group Community Living Care Practitioner award, and Trevor and Kate Badley won the Excellence in Dementia Care award. Cynthia and Morton Webber received the Spirit of Care Gold Award.

Representatives from the Shared Lives Team came forward and were congratulated by the Mayor and Council on their fantastic achievements.

### **Welsh Housing Awards**

The Cabinet Member for Housing introduced the award to the Communications Team and the Caerphilly Homes Team who during the pandemic worked flexibly and creatively to communicate with the large and diverse tenant base, including social media, printed newsletters, local press, web and e-bulletins to communicate key information to tenants. Caerphilly Homes also went a step above by undertaking assurance calls to every council-owned home.

In November 2022 this approach was recognised at the prestigious Welsh Housing Awards, where Caerphilly Council won the 'Communications in a Crisis' category.

Representatives from both teams came forward and were congratulated by the Mayor and Council on their success.

### **Youth Service Award**

The Cabinet Member for Education and Communities was pleased to announce that the Council's Youth Service had recently been awarded the Bronze Level Quality Mark for Youth Work in Wales, which is awarded for demonstrating leadership and governance, appropriate and effective monitoring and evaluation processes, safeguarding of young people, acting within relevant legal and policy framework, and providing a welcoming and safe environment for young people who can access trusted and skilled staff and volunteers.

Staff from the Youth Service came forward to be congratulated by the Mayor and Council on their impressive success.

## **5. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the start or during the course of the meeting.

## **6. COUNCIL HELD ON 24TH NOVEMBER 2022**

RESOLVED that the minutes of Council held on 24th November 2022 (minute nos. 1-13) be approved as a correct record.

## **7. TO RECEIVE AND TO ANSWER QUESTIONS RECEIVED UNDER RULE OF PROCEDURE 10(2)**

Question from Councillor A. McConnell to the Leader of Council, Councillor S. Morgan.

Could the Leader of Council please provide an update on the Welsh Government Settlement set within the context of the current inflation and service pressures?

Response from the Leader of Council to Councillor A. McConnell

Firstly, I would like to applaud the Welsh Government for what is a much better than expected settlement for the Council. But I must stress that this is by no means a good settlement in the current economic climate, with inflation at its highest level in 40 years, just recently sitting at 11.1%. It does not address the significant challenges we face. The Welsh Government itself has limited resources at its disposal due to the ongoing erosion of investment in public services by the UK Government, as can be seen in the huge rise in industrial action from public service workers across this nation. We have endured over ten years of austerity with budget cuts, wage freezes and a shift in burden to those who can least afford it. We are reeling from the impact of Brexit, a global pandemic, rising energy prices, a cost of living crisis and a UK Government that has, in my opinion, abandoned its responsibilities towards public services.

Tomorrow the Cabinet will be considering a draft budget report, prior to a period of public consultation and I would urge all members of the public to consider taking part in the consultation. While the report clearly outlines the significant service pressures we are

seeing, we are, thankfully, in a strong position to face those pressures due to sound financial management over recent years. One of the key proposals in the report is a one-off use of council reserves totalling over £15 million. Caerphilly has healthy reserves, some of which can be used, as in this case for a 'rainy day', but the majority of reserves are ear-marked for specific schemes. But we are going to have to look at each and every one of those schemes in light of the unprecedented inflation, which is eroding the value, and eroding the purchasing power of those reserves as each day passes. As an example, a new school build that was set to cost approximately £10 million, now due to super high inflation, that same school could cost £13 million. The one-off use of reserves and temporary savings will buy us time to reshape our services to address the significant financial challenges that lie ahead, with anticipated savings of circa £48m needing to be found over the next three years.

So, the short answer to the question is, while the Welsh Government settlement was better than we could have expected given the shortfall in funding they have from central government, it only goes a small way to helping the increasing service and inflationary pressures we face, and we are going to have to make significant changes to the way in which this Council operates in order for us to deliver our services to residents.

## **8. TO RECEIVE AND TO ANSWER QUESTIONS RECEIVED UNDER RULE OF PROCEDURE 10(4)**

Question from Councillor K. Woodland to the Cabinet Member for Prosperity, Regeneration and Climate Change, Councillor J. Pritchard

Will the Cabinet Member for Prosperity, Regeneration and Climate Change provide Council with an update on how many events were in the programme for 2022 and were they successful?

Response from the Cabinet Member for Prosperity, Regeneration and Climate Change to Councillor K. Woodland

Can I firstly take the opportunity to offer some words of thanks to the fantastic Events Team. Without our hard-working team, the success of the events programme would not have been possible. The team are full of positivity and a pleasure to work with. I would like to thank all those businesses who embraced the events and worked with us to generate footfall in the towns, the town and community councils who played their part in funding some of the events, and last but certainly not least, the general public who came out in great numbers.

The events that took place between April and December of last year in chronological order were:

- A Dog Trail with Snoopy;
- Caerphilly Food Festival;
- Caerphilly 10K;
- Risca Beach Party;
- Little Cheese Festival;
- Ystrad Mynach Winter Food and Craft Fair;
- River of Light Lantern Making Workshops;
- Caerphilly Winter Food and Craft Fair;
- River Of Light Lantern Parade;
- Bargoed Roller Skating Rink;
- Bargoed Winter Food and Craft Fair.

Turning to some of the numbers from events across the borough, nearly 5,000 visitors flocked to Risca as the town held its first ever 'Beach Party'. The Little Cheese Festival



welcomed 33,000 visitors through Castle Court Shopping Centre and over 10,000 people through the town centre. The event hosted three live music areas along with a main stage in the Twyn Car Park, bringing a new lease of life to the town for the weekend. Over 34,500 people attended the Food and Craft Fairs and the River of Light Lantern Parade in total, and with record high footfall for a winter event achieved in Ystrad Mynach and Bargoed. The busiest days in the town centres of Ystrad Mynach, Blackwood and Bargoed occurred at the winter fairs.

So, those are the figures, but what did the traders have to say?

Tara Holloway, from We Connect Coffee Shop said: *“The beach day was fabulous and the amount of people enjoying the park was wonderful to see We ended up staying open two hours past our usual closing time due to the number of people coming through the door”.*

Aviary’s Calvin Evans said: *“We were delighted to be at the first ever Little Cheese Festival in Caerphilly and wow, what a hit!! It was great to see all the local and remote companies and traders pulling together.”*

Alex at Hancox’s Pies commented: *“The Bargoed event for us was, as with all other events, perfect. It was cheerful, with lots of customers – especially when the entertainers stopped in front of our stall!*

Louise Berry at Andrew Berry Jewellery, commented: *“Here at Andrew Berry Jewellery we had a great day Saturday at the Winter Fair in Ystrad Mynach - it was great to see the village so full and busy!”*

Huw Edwards of Tidal’s Stores Ltd commented regarding the Blackwood Winter Fair: *“We need these events as they bring people into town, and it’s become a staple of the Christmas calendar. It’s lovely to see the high street busy and show what Blackwood has to offer.”*

We cannot underestimate the success of the events programme, as evidenced by the comments from the business community. There is ample evidence that residents will support our town centres if we continue to positively make the case with an extensive programme. We’re looking forward to the year ahead.

## **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **9. FINANCIAL STATEMENTS FOR 2021/22**

The Mayor welcomed Mr Mark Jones from Audit Wales to the meeting.

The Cabinet Member for Finance and Performance introduced the report, which presented Council with the Audit Wales ‘Audit of Accounts Report’ for the 2021/22 financial year and sought Council approval of the 2021/22 Audited Financial Accounts to ensure that these can be certified by the Auditor General in accordance with Welsh Government (WG) guidelines. The report had also been considered by the Governance and Audit Committee at its meeting on 10th January 2023.

Due to the ongoing impact of Covid-19, WG wrote to all Councils extending the statutory deadline for the submission of the draft accounts to 31st August 2022, for them to be audited and certified by 30th November 2022. WG recently moved the 2021/22 deadline for

Councils further back to 31st January 2023 to enable all Councils to consider their adoption of new temporary accounting arrangements for infrastructure (road) assets.

The Cabinet Member was pleased to announce that it was the Auditor General's intention to issue an unqualified audit opinion on the 2021/22 financial accounts, and she placed on record her thanks to the Council's Finance staff and to the team from Audit Wales for their hard work and professionalism throughout the audit process.

Council noted Appendix 3 of the Auditor's report which provided details of the misstatements identified during the audit process, which have subsequently been corrected by management. There was one uncorrected non-trivial misstatement highlighted in the 'Audit of Accounts Report' relating to expenditure that had been incorrectly classified as revenue expenditure. Officers have decided not to correct the misstatement because it is not material, and the adjustment will instead be made in the 2022/23 financial year.

At its meeting on 10th January 2023, the Governance and Audit Committee considered the Audit Wales report and the 2021/22 Financial Accounts, and following due consideration, including a number of questions being raised by Members, the Committee unanimously endorsed the recommendation to Council that the 2021/22 audited financial accounts should be approved.

Council thanked the Finance Team and Audit Wales for their hard work in the preparation of the reports, and in response to a query on the meaning of the term "unqualified audit opinion" Mr Mark Jones (Audit Wales) explained that this term is used under the international auditing standards for the public and private sector to give a positive opinion on the accounts.

It was moved and seconded that the recommendations contained in the Officer's report be approved and by way of Microsoft Forms and verbal confirmation (and in noting there were 54 for, 3 against and 3 abstentions) this was agreed by the majority present.

RESOLVED that: -

- (i) the Audit Wales 'Audit of Accounts Report' be received and commented on;
- (ii) the 2021/22 Audited Financial Accounts be approved;
- (iii) it be noted that an 'Audit of Accounts Addendum Report' will be presented to the Governance and Audit Committee at its meeting on 18 April 2023, setting out details of Audit Wales' recommendations arising from the audit of the Council's 2021/22 Financial Accounts and the associated management responses.

## **10. COUNCIL TAX REDUCTION SCHEME 2023/24**

Consideration was given to the report, which sought Council approval of the Council Tax Reduction Scheme for the 2023/24 financial year. Council is required annually to adopt a Council Tax Reduction Scheme and local discretions. The report recommended that the Council Tax Reduction Scheme should continue for the 2023/24 financial year along with the previously agreed local discretions.

Council were advised that the Draft Regulations in relation to 2023/24 Council Tax Reduction Schemes had been presented to the Senedd earlier that day and will come into force on 19th January 2023. Welsh Government had advised that 2023/24 Council Tax Reduction Schemes can be considered and approved by Councils prior to Senedd approval, as no changes to the Draft Regulations were anticipated. It was noted that the Council Tax Reduction Scheme currently provides vital support to 15,999 households, which represents

19.89% of all households in the county borough, and furthermore 8253 of these households receive a 100% reduction in their council tax payments.

It was moved and seconded that the recommendations contained in the Officer's report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 60 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that the current Council Tax Reduction Scheme should continue for the 2023/24 financial year along with the previously agreed local discretions.

## **11. ANNUAL REPORT OF THE DIRECTOR OF SOCIAL SERVICES AND HOUSING 2021-22**

Consideration was given to the report which had been presented to the Social Services Scrutiny Committee at its meeting on 22nd October 2022. The report provided Council with the key messages that have been identified in the preparation of the Annual Report of the Director of Social Services and Housing for 2021/22.

Mr Dave Street (Corporate Director Social Services and Housing) presented an overview of the report, with it noted that it is a requirement of the Social Services and Wellbeing (Wales) Act 2014 for Directors of Social Services in Wales to publish an annual report about the exercise of the local authority's social services functions. The Annual Report for 2021/22 recognises the significant backlog of requests for assessments/services as a result of the Covid-19 pandemic that now needs to be addressed. One of the key challenges that has emerged for both the Council and independent sector partners is the difficulty in recruiting and retaining care staff and replacing care vacancies in adequate numbers, which will be a key priority for the Council moving forward.

Despite a significant number of challenges, the Directorate's performance has been strong throughout the financial year and the report set out how the Council has addressed key priorities for 2021/22, together with the priorities for 2022/23. The key achievements for 2021/22 (listed at Section 5.7 of the Officer's covering report) included the expansion of the Home First ethos to include Prince Charles Hospital in Merthyr Tydfil, with funding also secured to include the Grange University Hospital, together with implementation of the nationally agreed 6 pathways in respect of Discharge to Assess and Recover to improve outcomes for individuals. The Council embedded the new All Wales Safeguarding Procedures and introduced a Corporate Safeguarding Self-Assessment Tool for all Council Service areas in order to support the Council's safeguarding policies and practices.

The key priorities for 2022/23 were set out at Section 5.8 of the report, and include work with the Health Board to increase capacity in the community, particularly in light of the current and continuing pressures being faced by the NHS and the subsequent impact on social care. The Council will continue to support the National Transfer Scheme by offering accommodation for Unaccompanied Asylum-Seeking Children. A record number of staff have also been seconded to undertake the Social Work Degree which will hopefully address some of the recruitment issues being faced by the Council. The Council has also embedded the Caerphilly Cares service, which has been very much at the centre of the Authority's response to the cost-of-living crisis.

Mr Street placed on record his gratitude and thanks to all staff across Social Services, whether employed by the local authority, the independent sector or third sector, for stepping up and meeting the challenges that the Directorate have experienced over the last year and will continue to face in the future.

Council discussed the report and in response to a Member's query around staff from independent care providers being brought in from further afield (such as Birmingham) to meet staffing shortfalls/pressures across the sector, Mr Street confirmed that he was not

aware of any such instances but offered to discuss the query with the Member further following the meeting. In response to another query, Mr Street confirmed that the pressures across the social care sector are being felt on a UK-wide basis, and particularly across Wales, although the 5 Gwent authorities working in partnership are comparing their position on an almost daily basis, and Caerphilly Council is in a more favourable position in terms of health and social care performance when compared to many other local authorities across Wales.

A Member asked whether the recent increase in domiciliary care fee payments had led to a noticeable impact in terms of retention/recruitment. Mr Street confirmed that a greater impact had been seen in terms of retention, as the payments include an improved mileage allowance, and Welsh Government funding has also been made available to enable all providers to ensure their staff are in receipt of the Real Living Wage. However the Council is still facing challenges in terms of recruitment and their ability to compete with vacancies across the hospitality and retail sector. In response to a query on whether there will be an increase in demand and use of the private sector rather than use of the Council's in-house service, Mr Street explained the position across Caerphilly has improved and currently around 30% of the service is internal, with the remaining 70% commissioned either from the independent sector or the voluntary sector. Mr Street referenced a number of providers who have left the care service and explained that Caerphilly have been able to recruit these staff into their own workforce, and so at the current time, Caerphilly now has a larger proportion of in-house workforce than has ever been the case previously. Mr Street emphasised that the Council are not complacent about the situation as this could change very quickly but explained that the Council are in a strong position with their in-house staff, and that when difficult circumstances arise, it will be far easier to deploy their own resources than engage resources from the private sector.

Members expressed their thanks to staff across the health and social care sector and acknowledged the hard work being carried out in Caerphilly with regards to the recruitment and retention of care staff.

It was moved and seconded that the recommendations contained in the Officer's covering report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 59 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that the report be endorsed and adopted and submitted to Welsh Government, Care Inspectorate Wales and published to the Authority's website.

## **12. REVIEW OF COMMUNITIES AND ELECTORAL ARRANGEMENTS**

Consideration was given to the report, which advised Members of the Council's duty under the Local Government (Democracy) (Wales) Act 2013 to keep its communities under review and report to the Local Democracy and Boundary Commission for Wales (the Commission) on how it keeps its communities under review. To achieve this the Council has approached the Commission to carry out a review of communities and electoral arrangements in Caerphilly on its' behalf. The report recommended that the Council carries out a Section 25 review of community boundaries commencing in February 2023, with a working group comprising of cross-party membership being established to oversee the review, and that the Council Size Policy outlined in the report be adopted for this and future reviews.

Members were advised that it is the Council's statutory duty to keep its community boundaries under review, and this is very much the start of the process which will begin in February 2023 and be completed in April 2024, and which will see a series of further reports presented to Council containing draft and final proposals arising from the review.

In response to a query on the reorganisation of community council boundaries when compared to county boundaries, Mr Dave Beecham (Electoral Services Manager) confirmed that the Council has the power to move community council boundary wards, but that this could have a consequential effect on the county boundary, and that this would be subject to a review carried out by the Boundary Commission.

It was moved and seconded that the recommendations contained in the Officer's report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 59 for, 1 against and 0 abstentions) this was agreed by the majority present.

RESOLVED that: -

- (i) The Section 25 review of community boundaries commence in February 2023;
- (ii) A working group comprising of the following members be established:
  - Leader of the Council
  - Leader of the Plaid Cymru Group
  - Leader of the Independent Group
  - 2 additional members from the Labour group
  - 1 additional member from the Plaid Cymru Group
- (iii) That the Council Size Policy outlined in the body of the report be adopted for this and future reviews.

### **13. STANDARDS COMMITTEE APPOINTMENT OF TWO INDEPENDENT LAY MEMBERS AND COMMUNITY COUNCILLOR MEMBER**

Consideration was given to the report, which set out the process undertaken to fill the current vacancies that have arisen on the Council's Standards Committee. The report recommended that Council accept the recommendations of the Appointments Panel in relation to the filling of the two independent lay member vacancies; the appointment of the community council representative and the appointment of three independent lay member reserves to the Standards Committee. Full details of the process and the names of the recommended members and reserves were set out in Section 5 of the report.

Council placed on record their thanks to the outgoing members of the Standards Committee, Mrs G. Davies, Mr D. Lewis and Mr C. Finn, for their service and dedication to the committee, and also thanked the Community Council for providing a suitable nomination and the Appointments Panel for their deliberations and recommendations of the two independent lay representatives and the reserve members.

It was moved and seconded that the recommendations contained in the Officer's report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 55 for, 1 against and 4 abstentions) this was agreed by the majority present.

RESOLVED that: -

- (i) Community Councillor Anne Gray be appointed as the Community Council representative on the Standards Committee, until the next Community/Town Council election in May 2027;
- (ii) Lisa Jay and Vik Yadh be appointed for a period of six years from 17th January 2023 as Independent Lay Members of the Standards Committee;

- (iii) a reserve list of Independent Lay Members be established, and that Maeve Williams, Robert Butcher and David Williams be invited to remain on that list for a period of twelve months from 17th January 2023.

The meeting closed at 6.21 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 15<sup>th</sup> March 2023 they were signed by the Mayor.

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MAYOR



## COUNCIL – 15<sup>th</sup> MARCH 2023

**SUBJECT: PROPOSED VOLUNTARY TERMINATION OF THE CAERPHILLY CBC SCHOOL PFI CONTRACT**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

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### 1. PURPOSE OF REPORT

- 1.1 To provide details of a proposal to voluntarily terminate the Caerphilly CBC School PFI Contract and to seek Council approval of the proposal.

### 2. SUMMARY

- 2.1 The report provides details of a proposal to voluntarily terminate the Council's School PFI Contract.
- 2.2 The Welsh Government has requested that all Welsh local authorities with PFI contracts review them to assess whether they continue to offer value for money.
- 2.3 Over a number of years, the Council has sought to achieve savings from the School PFI Contract, to ensure value for money services are being provided to the schools and to minimise affordability implications.
- 2.4 The Council has considered all options including increasing the contract management, reviewing the services provided to identify and implement savings, and using mechanisms in the Contract such as benchmarking to reduce costs. However, despite the funding support from Welsh Government there continues to be a significant affordability gap between the Council's normal school funding levels and the payments made to the Contractor. As such, a business case has been prepared setting out details of a proposal to voluntarily terminate the School PFI Contract.

### 3. RECOMMENDATIONS

- 3.1 Council is asked: -
- 3.1.1 To approve the proposal to voluntarily terminate the Council's School PFI Contract.
- 3.1.2 To agree that delegated authority be given to the Head of Financial Services & Section 151 Officer, the Head of Legal Services & Monitoring Officer, and the Cabinet Member for Finance and Performance to agree the final terms of the termination.
- 3.1.3 To agree that the final compensation sum and other associated external adviser costs will be funded through a combination of existing PFI reserves and borrowing.

- 3.1.4 To agree that the borrowing requirement will be determined by the Head of Financial Services and Section 151 Officer in line with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 3.1.5 To note that a further report will be presented to Council following the payment of the compensation sum setting out details of the funding of the payment, the revenue budget savings arising and the options for utilising the savings.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To seek from Council the required approvals to commence the voluntary termination process.

#### **5. THE REPORT**

##### **5.1 Background**

- 5.1.1 Caerphilly County Borough Council entered into a concession agreement (the "Contract") with Machrie Limited (the "Contractor") on 6 April 2001 in relation to a project (the "Project") for the provision of two new schools to replace the existing facilities at Fleur de Lys (Ysgol Gyfun Cwm Rhymni) and Pengam (Lewis Boys School). The Contract was for the Design, Build, Finance and Operate ("DBFO") of the new schools and was procured under the Private Finance Initiative ("PFI").
- 5.1.2 The Project was an early PFI scheme in Wales. The Welsh Government supports the Project through a grant, paid annually over the contract term.
- 5.1.3 The successful bidder was Ballast Wiltshier but that company, or any related companies, no longer exist.
- 5.1.4 The Contractor was originally owned by a consortium of shareholders comprising of Royal Bank Investments Ltd (49.0%), Ballast Plc (25.5%) and New Anavon Ltd (25.5%). The current shareholding of the Contractor is 100% with Machrie Limited, a specialist PFI investor which is in the same ownership structure as the now dissolved New Anavon Ltd, thus demonstrating an element of continuity in ownership. Machrie Ltd is in turn owned 100% by Machrie Burn Limited with both companies having the same two directors. Machrie Burn Limited is, in turn, wholly owned by BILF Holdco Limited.
- 5.1.5 The duration of the Contract is for 30 years from the operational start date (1 September 2002 until 31 August 2032). As such, there are just over 9 years of the Contract remaining.
- 5.1.6 Mitie Facilities Management Limited has been the services subcontractor since 2007. At the commencement of the Project that role was performed by Wiltshier FM (part of the Ballast Group). The Project requirement is for the provision of fully serviced schools. The services to be provided under the Contract are cleaning and waste management, security, building maintenance, grounds maintenance, utilities management, caretaking, catering, furniture and equipment maintenance and renewal, and provision of a helpdesk function and emergency response.
- 5.1.7 Senior funding of circa £25.4m was provided by Royal Bank of Scotland (RBS). Lloyds Bank took over the senior funder role from RBS on 15 November 2017. This was part of a broader refinancing of the debt of a number of PFI / PPP contracts and the nature of it had no implications for the Council at the time.

##### **5.2 Development of the Business Case**



- 5.2.1 Over a number of years, the Council has sought to achieve savings from the Project, to ensure value for money services are being provided to the schools and to minimise affordability implications.
- 5.2.2 The Council has considered all options associated with the Project i.e. increasing the contract management, reviewing the Project to identify and implement savings, and using mechanisms in the Contract such as benchmarking to reduce costs. However, despite the funding support from Welsh Government there continues to be a significant affordability gap between the Authority's normal school funding levels and the payments made to the Contractor.
- 5.2.3 As such, the Council is considering voluntary termination of the Contract. The Council commissioned a review of the Project to consider whether it was continuing to provide value for money. As part of that process, the Council sought to obtain a preliminary assessment of the potential costs to terminate the Project, which could then be measured against the predicted payments to the Contractor for the remainder of the Project.
- 5.2.4 Local Partnerships LLP ("Local Partnerships") provided a report to the Council in October 2018, setting out legal, financial, and commercial considerations in undertaking a voluntary termination of the Project under the terms of the Contract. The report demonstrated that significant savings could be achievable through such a termination. As a consequence, and subject to it retaining its Welsh Government grant funding, the Council has decided to progress through the required approvals, working towards termination. Welsh Government requires a business case to be provided before a termination is implemented, as it contributes the grant support payments.
- 5.2.5 Local Partnerships has since prepared a business case for the potential termination of the Project on behalf of the Council (which has now been approved by the Welsh Government), based on a combination of information provided by the Council and experience of the costs of termination, and current market intelligence. Much of the content of the business case is commercially sensitive and needs to remain confidential at this stage so as not to compromise the Council's position in its commercial negotiations and thereby impact upon achieving best value from the process. The remainder of this report sets out the key elements of the business case without disclosing the commercially sensitive or confidential information.

### **5.3 The Strategic Case**

- 5.3.1 The strategic case sets out the rationale and the background for the proposed termination and demonstrates the case for change at a strategic level.
- 5.3.2 The two PFI schools are in generally good condition and the service provision by Mitie is also to a good standard. However, the Council is faced with significant financial pressures. The strategic case for the termination is to realise savings in order to provide additional resource for all the strategic objectives of the Council.

#### Strategic Context

- 5.3.3 In March 2018, the Council adopted a set of Wellbeing Objectives for 2018-2023 within its Corporate Plan. The Corporate Plan is the Council's over-arching vision, supported by clear objectives and priorities. Within the Plan, "Improve education opportunities for all" was selected as Wellbeing Objective 1.
- 5.3.4 The Council's vision for education is to raise standards and ensure learners are healthy, confident, proud, and ambitious. In Caerphilly there are bold ambitions to provide every learner with the best life chances and the Council is committed to doing this through the provision of high quality teaching, learning and leadership across its impressive 21st Century school settings. The Education Attainment Strategy "Shared Ambitions" 2019-2022 set out the strategy of how the Authority would work together to achieve the best outcomes for its young people.

#### Forecast Demand for the Schools

5.3.5 The Council currently has 72 primary schools, 1 VA primary school, 11 secondary schools, 1 3-18 school and 1 special school. All of these schools (apart from the VA primary school) are maintained by the Council, with only the schools in this Project having their capital expenditure funded through PFI.

5.3.6 In March 2019 the Council shared its education strategy for the coming years. Some of the key priorities within the strategy included: -

- improve outcomes at end of Key Stage 4 and 5;
- improve the performance of boys and pupils receiving free school meals;
- build on the recent increase in attendance;
- reduce the number of exclusions across secondary schools;
- focus on improving standards of literacy, particularly in years 7, 8 and 9; and
- improve the quality of teaching and learning.

5.3.7 The following table shows the number of pupils on roll and forecast at the time that the business case was prepared.

**Forecast net full time pupil numbers at the Schools shown by feeder school.**

School name	2020	2021	2022	2023	2024	2025	2026
<b>Lewis Boys (Pengam)</b>							
Coedybrain Primary	11	21	17	23	20	11	13
Derwendeg Primary	11	9	10	10	14	13	12
Glyngaer Primary	11	12	14	15	20	9	11
Greenhill Primary	8	7	16	11	12	15	15
Hengoed Primary	9	10	13	14	12	12	9
Llancaeath Primary	10	19	24	17	18	20	17
Maesycwmmwr Primary	5	8	11	15	8	11	7
Tiryberth Primary	13	11	13	7	10	6	8
Ystrad Mynach	26	25	32	36	28	33	30
<b>Total</b>	<b>104</b>	<b>122</b>	<b>150</b>	<b>148</b>	<b>142</b>	<b>130</b>	<b>122</b>
<b>Fleur de Lys (Ysgol Gyfun Cwm Rhymni)</b>							
YG Bro Allta	37	35	45	30	42	41	30
YG Cwm Dewen	29	30	24	30	30	22	23
YG Cwm Gwyddon	27	32	33	30	30	21	34
YG Gilfach Fargoed	15	21	14	20	12	18	15
YG Trelyn	23	25	19	25	26	23	26
Ysgol Bro Sannan	14	26	24	23	24	26	22
Ysgol Penalltau	26	26	27	28	28	28	27
Ysgol Y Lawnt	21	25	26	29	21	24	28
<b>Total</b>	<b>192</b>	<b>220</b>	<b>212</b>	<b>215</b>	<b>213</b>	<b>203</b>	<b>205</b>

\*Above figures assume that 100% of pupils in feeder schools will apply to their secondary school whether catchment or not.

5.3.8 The table demonstrates that there is on-going need for the schools into the medium term.

The Proposal

5.3.9 For the reasons outlined above there is no intention to close the schools. The strategic case in relation to the provision of the schools remains the same given the demand for the schools remains. However, the Council is faced with significant financial pressures and a need to realise savings.

- 5.3.10 The Contract has a further 9½ years to run (until August 2032) and an early termination could result in significant revenue savings over the remaining contract term if the services and the lease arrangements were brought back into the Council.
- 5.3.11 The proposal is therefore for the Council to voluntarily terminate the Contract. The Contract requires the Council to give the Contractor just under 3 months of notice of such termination.
- 5.3.12 The Council is conscious that it doesn't want the termination of the Contract to impact the schools in any adverse way. It will therefore take this into account in relation to the timing of termination, and the transfer of services from the Contractor to the new provider. The optimum time of the year to implement the termination to allow smooth transition of the Services would be during the school summer holidays. Therefore, with the expectation that there are no significant backlog maintenance issues, and with only two schools in the Project portfolio, a summer 2023 termination date is achievable. The business case assumption is that the requisite notice will be given to the Contractor to allow termination to take place at the end of July 2023.
- 5.3.13 The Council has in-house capability to provide the services that are currently delivered under the Contract, and most schools in the county borough use this service. However, the schools have the right to choose whichever provider(s) they want. This process to determine the basis of on-going services provisions shall only commence if and when the Council approves the business case.

## **5.4 The Economic Case**

### Introduction

- 5.4.1 The Economic Case covers two key areas: -
- An identification of the options available to the Council to deliver the services that are currently provided to the schools under the Contract. Once all potential options are identified a qualitative assessment is undertaken to determine what the preferred option(s) are for that service delivery should the contract be terminated.
  - The preferred alternate delivery approach is then subject to a quantitative analysis to determine whether it represents better value for money than continuing with the Contract.
- 5.4.2 The economic case assesses the economic costs and benefits of the proposal to the Welsh economy as a whole.

### Options Appraisal

- 5.4.3 The current contract and service delivery position can be summarised as: -
- The schools have been built, are open, and as the strategic analysis indicates are required for the foreseeable future;
  - The schools are in good condition and as at the last conditions survey there was limited backlog maintenance. The obligations under the Contract for asset maintenance and expenditure on asset renewals means the two schools benefit from higher levels of asset related expenditure than the majority of the non PFI schools' estate in the county borough, where spend is prioritised based on a number of factors e.g. condition surveys, fire risk assessments;
  - Facilities Management Services (FM Services) are generally good. However, there have been issues in respect of the delivery, quality, and value for money of the catering service which have not been fully resolved to date;
  - The costs of catering and cleaning under the Contract are subject to periodic price benchmarking and potentially market testing. The Council brought in independent support from Local Partnerships for the last benchmarking review in 2017, but despite this focus

on ensuring a robust process the benchmarking exercises have not identified cost savings to date; and

- The Council has to supplement the costs of the Contract over and above normal levels of support to non PFI Schools.

5.4.4 Like all local authorities, Caerphilly CBC continues to face significant financial challenges. The Council is under budgetary pressure. Saving money from the PFI Contract would assist the Council in the delivery of its Medium-Term Financial Plan (MTFP) and may also provide an opportunity for some capital investment across the wider education estate. In addition, the Welsh Government has requested that all Welsh local authorities with PFI contracts review them to assess whether they continue to offer value for money.

5.4.5 In this context the available long list of options relates to both the costs of delivering the existing service specification and whether the service and asset maintenance obligations are too onerous and do not align with the rest of the Council's school estate. As such the identified long list of options is: -

<b>Option 1</b>	Do nothing (continue with the Contract delivering the current services, no savings),
<b>Option 2</b>	FM Services variation of specification (agree a contractual variation to amend or reduce the specification of some or all of the services provided by the Contract. The Contractor would still be responsible for the delivery of the amended Services specification),
<b>Option 3</b>	FM Services removal (agree a contractual variation to remove all the service delivery from the Contract in return for savings. The Contractor would be solely responsible for the maintenance and renewal of the assets),
<b>Option 4</b>	Terminate the Contract by using contractual rights based on Contractor Default (as defined in the Contract), or
<b>Option 5</b>	Terminate the Contract on a voluntary termination basis as defined in the Contract.

5.4.6 For Options 3-5, the Schools would have the option to either use the Council's own in house service provision for delivery of the Services, or to procure Services from the wider market.

#### Shortlisting of the Options

5.4.7 An initial sifting of options was undertaken to identify any that could be discounted without the need for further detailed assessment. The only option that was discounted at this stage was Option 4 (Terminate due to Contractor default). This was discounted on the basis that no events of default had occurred. The Contractor remains a going concern (per the last published accounts), the schools are in generally good condition and service performance is generally satisfactory, with no material deductions levied.

#### Qualitative assessment of the options

5.4.8 Having confirmed the short list of options, a qualitative options appraisal exercise was undertaken. This process involved a range of officers of the Council covering finance, education, procurement, and asset management, as follows: -

- Head of Financial Services & S151 Officer
- Head of Transformation & Education Planning and Strategy
- Sustainable Communities for Learning Manager
- Sustainable Communities for Learning Principal Officer
- Procurement and Information Manager
- Finance Manager (Education)
- Finance Manager (Corporate Finance)
- Interim Head of Property Services

5.4.9 The process was facilitated by Local Partnerships.

## Process

- 5.4.10 Firstly, the assessment criteria were determined through consensus amongst the participants. The agreed criteria reflect the delivery of the services performances under the Contract, the financial implications for the Council, and the impact on pupil attainment and wellbeing.
- 5.4.11 Having determined the assessment criteria, these were given a weighting based on their importance. This was again done by consensus within the group. To make the process easier the criteria were firstly ranked and from this a percentage weighting was able to be more easily derived.
- 5.4.12 The assessment criteria and the related rankings and weightings are set out in the following table: -

Assessment Criteria	Detail	Rank	Weighting (%)
Strategic Flexibility / adaptability	The ease by which the option allows developments or expansion to either or both schools in terms of buildings and equipment, usage, growth, and community activity.	3	15
Maintenance of assets	The extent to which the option allows the buildings, grounds, and equipment to be maintained to a high standard, allows flexibility of use of the existing assets, and ensures that there are appropriate remedies in place for poor asset maintenance. It should be noted that day to day maintenance of assets is an activity that sits within the FM services and is something that can be delivered by caretakers. Therefore, changes envisaged in Options 2 and 3 can impact on the condition of assets as much as major lifecycle replacement works which would remain the responsibility of the Contractor in Options 1, 2 and 3.	3	15
Day to day service provision	The extent to which the option allows the provision of cleaning and waste management, catering, and caretaking services to a high standard, allows flexibility of use of the existing assets and ensures that there are appropriate remedies in place for poor service performance.	3	15
Pupil attainment	The extent to which the option provides an environment and service provision which supports pupil attainment and wellbeing.	1	30
Financial	The extent to which the option is likely to be affordable within the existing budget constraints, and the ability to flex service to meet budget constraints	2	25
			<b>100</b>

- 5.4.13 The rationale for the rankings and weightings are: -

- **Pupil Attainment** – it is ranked the most important and has the highest weighting as this is the rationale for having schools and related services that deliver an environment where pupils can maximise their potential.
- **Financial** – the financial pressures that the Council faces means that having an affordable solution is very important, and hence why it is considered only marginally less important than pupil attainment.

- **Strategic flexibility / adaptability, maintenance of assets and day to day services** – these criteria could not be split in importance and hence were given equal ranking and associated weightings.

5.4.14 The final phase of the process was to determine a score for how each shortlisted option performs against each of the assessment criteria. Again, a consensus score was agreed. The scoring was in a range of 1-5 as follows: -

5	Likely to exceed expectations to meet the criteria
4	Fully delivers the criteria
3	Largely delivers the requirements of the criteria
2	Only partially delivers the requirements of the criteria
1	Does not deliver the requirements of the criteria at all

5.4.15 Having scored each option against each of the assessment criteria, and applying the criteria weightings, a weighted score was able to be derived. The results of the scoring were as follows: -

		Option 1	Option 2	Option 3	Option 4	Option 5
	Weighting	Do Nothing	Specification Variation	Remove service delivery	Contractor default termination	Council voluntary Termination
Strategic Flexibility / adaptability	15.00	2	2	2		4
Maintenance of assets	15.00	5	3	4		2
Day to day service provision	15.00	2	2	4		4
Pupil attainment	30.00	4	4	4		4
Financial	25.00	1	2	2		4
<b>Total</b>	<b>100.00</b>	<b>14</b>	<b>13</b>	<b>16</b>		<b>18</b>
<b>Weighted score</b>		<b>280.00</b>	<b>275.00</b>	<b>320.00</b>		<b>370.00</b>
<b>Rank</b>		<b>3</b>	<b>4</b>	<b>2</b>		<b>1</b>

#### Rationale for Scoring

5.4.16 **Strategic Flexibility / Adaptability** – PFI Contracts are designed and structured for the delivery of new schools and for the on-going maintenance and delivery of facilities management services to those schools, in order to deliver a specification and meet requirements that were appropriate at the start of the contract. Whilst there are variation mechanisms in PFI contracts, they are clunky and can be expensive for the Council to use.

5.4.17 Therefore, keeping the assets (buildings and equipment), as well as services, relevant to delivering an ever-changing curriculum can be challenging even if the overall strategic requirements do not alter – major alterations to scope, including additional buildings, are even harder to accomplish. It requires a strong contract management team on the Council's side and a willingness to engage and adapt by the Contractor, and the FM Services provider. Based on the contract to date neither has been fully in evidence, and therefore the potential to do this going forward is considered limited on all options that continue the PFI contract (i.e. Options 1-3), and hence the score of 2 for each.

5.4.18 Conversely having the asset management and service delivery back under Schools / Council day to day control allows that greater flexibility hence the score awarded.

5.4.19 **Maintenance of Assets** - The obligations under the Contract for asset maintenance and expenditure on asset renewals means the two schools benefit from higher levels of asset related expenditure than the majority of the non PFI schools' estate in the Borough, where spend is prioritised based on a number of factors e.g. condition surveys and fire risk assessments. The

very good state of the schools and the planned renewal programme to the end of the Contract term demonstrate this. Hence Option 1 is scored as exceeding expectations.

- 5.4.20 As Option 3 is removal of service delivery from the Contract, rather than asset management, it should not have a material impact on asset maintenance but losing that joined up position with caretaking etc (as will be provided by different entities), may have a marginally negative effect and hence scores 4.
- 5.4.21 Option 2 requires reducing the specification and funding for asset maintenance and was considered to have a greater negative effect on the state of the schools' long term, as the day to day asset maintenance would be to a lower specification, meaning likely shorter replacement intervals and pressure on lifecycle budgets. Hence the score of 3.
- 5.4.22 An even worse position would arise in the event of a termination (Option 5), albeit with lower capital expenditure budgets to effect major replacement works. Capital expenditure would be allocated based on need and aligned with the rest of the school estate. This is the rationale for the low score of 2 for Option 5.
- 5.4.23 **Day to day service provision** – This criterion assesses the quality of the service provided, therefore moving to Option 2 would reduce cost but would reduce the level of service delivered. Therefore, Option 1 and 2 were given the same score of 2 but for different reasons.
- 5.4.24 Removing the services from the Contract (Option 3) and terminating the whole Contract (Option 5) allows a more cost effective service provision to be put in place, hence the scores of 4.
- 5.4.25 **Pupil Attainment** – Although there are significant differences between the service provision and asset management arrangements for each of the options, what each of the options delivers is not likely to relatively impact pupil attainment differently. Consideration was given as to whether the lower level of asset maintenance under Options 2 and 5, compared to Option 1 in particular, could have a negative effect. However, based on comparative attainment levels at PFI and non PFI schools in the county borough, this does not appear to be the case.
- 5.4.26 **Financial** – As stated earlier the costs of facilities management provision under the Contract are relatively high when compared with the Authority's own service provision. Option 1 (doing nothing) will not improve that position and is not affordable. The scoring reflects the known costs of delivering Options 1 and Option 5 within the county borough. Option 1 requires significant financial subsidy. Whilst savings can be made through Options 2 and 3, they are unlikely to materially impact the current cost.

#### Overall Result

- 5.4.27 Option 5 (Voluntary Termination of the Contract) is the highest ranked option. It scores significantly better (16%) than the second ranked option (Option 3 – removal of the services). As such Option 5 has been financially compared with doing nothing.

#### Value for Money Assessment

- 5.4.28 The VFM assessment compares the costs of continuing with the Contract (Do nothing) with the sum of: -
- Paying a termination sum to the Contractor to exit the Contract;
  - The net costs to the Authority of on-going service provision; and
  - An estimate of the net impact on tax receipts for Welsh Government.
- 5.4.29 The assessment is on the basis of a termination on 31 July 2023 and the assessment covers the period from 1 April 2023 (the start of the financial year in which termination is assumed to occur) to 31 August 2032 (the Contract Expiry Date). Information for the assessment has been sourced from: -

- The contractual Financial Model “Caerphilly\_Financial\_Close\_060401”. This is understood to be the latest contractual financial model and no changes have been made. Given the compensation payments are based on values from the latest agreed contractual financial model it will be important to ensure there is agreement with the Contractor at an early stage that the correct version is being used.
- Various financial information supplied by the Council relating to budgeted costs, unitary charge and other Contract payments, and the Council's sinking fund model.

#### Contract Termination Compensation Sum

5.4.30 The compensation payable as a result of a voluntary termination is set out in the Contract (the “Compensation Sum”). Based on Local Partnership’s understanding of how the Contract provisions should work and the relevant information in the Financial Model, a notional best and worst case Compensation Sum has been derived. This gives a reasonable range of the Compensation Sum that is likely to be paid and the transaction costs the Authority would incur in undertaking the termination process. This information is currently commercially sensitive, and if approval is given to proceed with a voluntary termination the final compensation sum will be subject to detailed negotiations with the Contractor.

#### Overall VFM Assessment

5.4.31 The HM Treasury Green Book guidance (the “Green Book”) varies in approach from the Council's own financial assessment as it requires a ‘society as a whole’ view. In the context of this termination assessment, we are therefore required to include the tax impacts of the termination, which would be (i) the tax gross up element of the Compensation Sum, and (ii) the lost corporation tax that the Contractor is forecast to pay to Contract Expiry.

5.4.32 The Green Book requires that value for money is assessed on a net present value basis using a discount rate of 3.5% in real (i.e. uninflated) terms to which forecast inflation (2.0%) is applied using the required formula. This creates a discount rate of 5.57%. The VFM assessment shows a significant net financial benefit for both best and worst case scenarios, but this information is currently commercially sensitive.

#### Outcome of VFM Analysis

5.4.33 The analysis indicates there is a strong VFM basis for terminating the Contract given that there is both a strong qualitative case and a significant financial benefit from doing so.

5.4.34 In applying a range of cost assumptions and including contingency in the Worst Case it is not considered necessary to undertake further risk or optimism bias.

### **5.5 The Commercial Case**

5.5.1 The commercial case addresses commercial feasibility and demonstrates that the proposed solution can be delivered effectively.

#### Contractual provisions for voluntary termination

5.5.2 There is a mechanism set out in the Contract for the Council to terminate voluntarily. These provisions are at Clause 46 of the Contract. These provisions have been reviewed from a commercial perspective but prior to entering into any termination process formal legal advice would be sought.

5.5.3 The basis of compensation to the Contractor from the Council is the same as for Council default (Clause 35 of the Contract). This contains defined Compensation Sum payments in relation to



the senior debt, costs for the Contractor and its subcontractors, and to the shareholders' subordinated debt (referred to as junior debt in the Contract) or share capital (equity) investments. This has to be paid within 20 business days by way of one lump sum. The defined calculation allows for the Compensation Sum covering: -

- i. The outstanding senior debt including swap break costs and outstanding interest, less upside swap break gains.
- ii. Redundancy costs only for the Contractor and broader Sub-Contractor breakage costs, both only to the extent they are as a direct result of the termination.
- iii. Future forecast distributions of subordinated debt and equity for the remainder of the Contract term, each separately discounted at the Financial Model Real IRR respectively.
- iv. Less any amounts standing in accounts, but only to the extent the senior funder has a fixed charge over them.

5.5.4 The Compensation Sum is then increased so as to leave the Contractor with the calculated amount after paying tax as necessary on the relevant elements of the gross receipt (i.e. tax gross up).

5.5.5 There are standard PFI set off provisions which prevent the Council setting off any outstanding amounts from the compensation sum save to the extent it doesn't reduce the senior debt payments.

#### Effecting the termination of the Contract

5.5.6 There are a number of elements of the termination process and Compensation Sum payments which either cannot be finalised at this time and / or are open to interpretation. These are explored in further detail in the business case.

#### Transfer of property and assets

5.5.7 The Contractor's lease arrangements to occupy the schools terminate automatically on termination of the Contract.

5.5.8 The Council has the option that all property and assets transfer to the Council in the event of voluntary termination.

#### TUPE Transfer of employees

5.5.9 Although this has not been explored in detail, Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") provisions are almost certain to apply as the same Services will continue to be delivered post a termination albeit by a new provider. Until a decision is made on who the provider will be, the staff and TUPE implications cannot be resolved.

5.5.10 These will be the subject of discussion both with the Contractor and Mitie. The Council's Education and Human Resources teams have expertise and experience with TUPE transfer arrangements of staff between organisations and anticipate no significant issues.

#### Reprovisioning of the Services

5.5.11 In the event of termination, the schools have the right to choose who provides the services that are currently delivered under the Contract. The Council provides such services to other schools in the county borough, but the schools could select other private sector providers and / or deliver services in-house. Time has been allocated in the programme to allow the schools to make that decision and for the schools and new provider(s) to be engaged and feed into the termination and handover process with the existing Contractor.

#### Schools condition at handover

- 5.5.12 The schools were subject to a condition survey in 2018. These surveys concluded that both schools were in generally good condition. There was some backlog maintenance identified in those surveys, but the vast majority was low category, and it is likely that this would be built into the Contractor's upcoming lifecycle plans.
- 5.5.13 However, given the passage of time it is recommended that updated condition surveys are procured during school holidays prior to the issuing of a Termination Notice to obtain an up to date position. In particular, given the schools are around 20 years old, there are a number of items that would be due for major overhaul or replacement, including the boilers.
- 5.5.14 Identifying the latest assets conditions will support discussions on handover and financial settlement with the outgoing contractor, and the implications for lifecycle spend by the Council in upcoming years.

#### Risk Assessment

- 5.5.15 The most critical risks associated with the termination and with the Council providing the Services going forwards have been assessed. The allowances and risk contingency built into the business case are discussed in the economic case.

### **5.6 The Financial Case**

- 5.6.1 The financial case represents the Council's own assessment of the financial impact of terminating the Contract. This differs in some specific areas from the Green Book assessment captured in the economic case. In particular, it ignores the tax implications to government of the termination, and it factors in how the Council will fund the Compensation Sum.
- 5.6.2 The assessment demonstrates that the proposed termination significantly reduces costs compared to the current position, therefore improving affordability and budget positions. However, this is only the case if the Welsh Government continues to provide the grant support. Importantly, having reviewed the business case, the Welsh Government has now confirmed that the grant support will continue in the event of voluntary termination.
- 5.6.3 As with the economic case assessment the analysis is done over a period from the 1 April 2023 (i.e. the start of the financial year in which the assumed termination date of 31 July 2023 occurs). The assessment is considered in NPV terms based on the same 5.57% discount rate as applied in the economic case. The analysis applies the same underpinning assumptions as for the economic case and includes both Best Case and Worst Case scenarios.
- 5.6.4 As with the VFM assessment the analysis shows a significant net financial benefit for both Best Case and Worst Case scenarios, but the details of the financial case are currently commercially sensitive. However, at a high level early indications are that the revenue budget savings for the Council may be circa £2m per annum. The actual level of savings cannot be determined with certainty unless a termination actually takes place, but it is clear that the financial benefit is significant and will make an important contribution to the Authority's Medium-Term Financial Plan (MTFP) and may also provide an opportunity for some capital investment across the wider education estate.

### **5.7 The Management Case**

- 5.7.1 The management case identifies the key management responsibilities and key individuals for the proposed solution.
- 5.7.2 Ultimate Responsibility

- The Chief Executive of the Authority is Christina Harray.

- The Senior Responsible Officer for the proposed termination is Stephen Harris, Head of Financial Services & Section 151 Officer.
- The Project Manager for the proposed termination is Sue Richards, Head of Transformation & Education Planning and Strategy.

#### Timetable for Termination

5.7.3 Based on the contractual requirements for serving of termination notices, and the requirements in respect of negotiation of the commercial terms of the termination, as well as the logistical handover issues, the following draft timetable has been set out which assumes a termination on 31 July 2023. The programme has been separated into two phases:

**Phase 1** – Council decision making process and preparation for Phase 2.

**Phase 2** – The contract termination and transition phase (this will only happen if the Council decision from Phase 1 is to terminate the contract).

<b>Action</b>	<b>Date</b>	<b>Comment</b>
Council business case Approval	February – March 2023	The decision making process to be as follows: - <ul style="list-style-type: none"> <li>• Joint Scrutiny (28/2/23)</li> <li>• Cabinet (8/3/23)</li> <li>• Council (15/3/23)</li> </ul> A full Council decision is required due to the need for borrowing to pay the termination compensation sum to the Contractor.
Discuss and agree process with Schools	February - March 2023	Includes how services will be delivered post the termination of the Contract. This will commence ahead of final approvals to allow sufficient time.
Appoint adviser team to manage the termination process	March onwards 2023	Includes legal, technical, commercial, and financial advisers.
Undertake surveys at schools	March/April 2023	Allows for any contractual remedies to be implemented should issues be found ahead of finalising the compensation sum and the assets handover.
Issue termination notice	Early May 2023	Provides the 84 days' notice required for 31 July termination.
Engage with the Contractor and funder and finalise termination sum and agree process for handover including finalising a termination settlement agreement	March – July 2023	Discussions to cover financial, commercial, and logistical / staff related issues.
Compensation sum agreed and finalised	June - July 2023	Finalise funder breakage costs.
Handover process	March -July 2023	Process to be agreed and most activity to happen in school summer holidays.
Terminate Contract	28 July 2023 (Friday)	Handover for the purposes of responsibility, insurance cover etc to happen on this date.

Contractor final accounts settled, and Compensation Sum paid	July – September 2023	Contract requires Compensation Sum to paid within 20 business days
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- 5.7.4 Whilst the above timelines are achievable and have been delivered on other projects it requires the co-operation of the Contractor and Sub Contractor, and also the ability to be able to get alternate services in place for a smooth handover.
- 5.7.5 Should there be delays to the timetable the termination could happen at a later date and would not materially impact on the value for money. October half term 2023 or Christmas 2023 are alternate options. However, the Council will have to be comfortable with the actual termination date before issuing the Termination Notice as that is a formal contractual trigger. Therefore, engagement with the schools and the Contractor before formally starting the process will be important.

#### The Working Group

- 5.7.6 The Project Manager will be supported in the proposed termination exercise by a Working Group consisting of key Council Officers. In addition to the internal team, the Authority will be supported by Local Partnerships, providing commercial and financial advice in relation to the termination, and supporting the project management. Other external advisers that will need to be appointed are: -
- Legal Advisers – potentially Counsel input may be additionally required to provide advice in relation to some of the aspects of the voluntary termination Contract provisions. This would be determined on appointment of legal advice.
  - Technical advisers – primarily in relation to School condition surveys and broader advice in relation to schools’ condition on hand-back.
  - Swap benchmark advisers – to advise on the breaking of the funding agreements and negotiation of the swap breakage cost.
  - Accounting & tax advisers – due diligence on behalf of the Council relating to the financial consequences on termination of final company accounts and tax liabilities of termination.

- 5.7.7 The cost of external advisers has been factored into the business case.

#### Approval Process

- 5.7.8 Further to Cabinet endorsement of the proposed voluntary termination on 08 March 2023, Council is now requested to consider and approve the proposal.
- 5.7.9 If a decision is made to proceed with the voluntary termination, then Council approval is also sought for delegated authority to be given to the Head of Financial Services & Section 151 Officer, the Head of Legal Services & Monitoring Officer, and the Cabinet Member for Finance and Performance to agree the final terms of the termination.

### **5.8 Conclusion**

- 5.8.1 The business case sets out a robust case for the Council to voluntarily terminate the Contract, on the basis of the financial benefits that can be achieved. In reaching this conclusion full consideration has been given to HM Treasury’s five case model as it applies to this process.
- 5.8.2 Subject to the effective management of the termination process and the risks involved the termination of the Project represents the best solution identified. This will allow the schools to continue to provide much needed educational facilities, whilst achieving savings which the Council can utilise as part of its budget planning.

5.8.3 In order to achieve these savings for the Council and for the benefit of the local community, no additional funding is required from the Welsh Government, now that approval to proceed and confirmation that the grant support payments will continue unchanged for the original Contract period has been provided.

## **6. ASSUMPTIONS**

6.1 There are a range of assumptions in the business case which are presented as best and worst case scenarios.

6.2 If a decision is made to proceed with the voluntary termination, then it is currently assumed that the contract can be terminated by the end of July 2023. Should there be delays to the timetable the termination could happen at a later date and would not materially impact on the value for money assessment within the business case.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 An Integrated Impact Assessment has been completed and concludes that in line with the processes and rationale outlined as part of the report being taken to Members, that Members endorse the proposal for voluntary termination of the Private Finance Initiative (PFI) agreements at Lewis School Pengam and Ysgol Gyfun Cwm Rhymni – Gelli Haf site only.

7.2 The Integrated Impact Assessment demonstrates that the proposal would have no impact on the current Educational provision offered at the two PFI sites.

7.3 The proposal will also ensure equity in terms of investment across the entire school estate.

7.4 Therefore, Members are asked to consider the Integrated Impact Assessment alongside the formal report and provide a final determination in support of the Voluntary Termination of the PFI contract.

7.5 The full Integrated Impact Assessment is available through the following links: -

<https://www.caerphilly.gov.uk/caerphillydocs/iia/iia-pfi-report-2023>

<https://www.caerphilly.gov.uk/caerphillydocs/iia/iia-pfi-report-welsh>

## **8. FINANCIAL IMPLICATIONS**

8.1 Like all local authorities, Caerphilly CBC continues to face significant financial challenges. Saving money from the PFI Contract would assist the Authority in the delivery of its Medium-Term Financial Plan (MTFP) and may also provide an opportunity for some capital investment across the wider education estate. In addition, the Welsh Government has requested that all Welsh local authorities with PFI contracts review them to assess whether they continue to offer value for money.

8.2 The financial assessment in the business case shows a significant net financial benefit for both Best Case and Worst Case scenarios. No detailed financial values are included in this report so as not to compromise the Council's position in its commercial negotiations and thereby impact upon the Council achieving best value from the process. However, at a high level early indications are that the revenue budget savings for the Authority may be circa £2m per annum. The actual level of savings cannot be determined with certainty unless a termination actually takes place, but it is clear that the financial benefit is significant.

- 8.3 The obligations under the Contract for asset maintenance and expenditure on asset renewals means the two PFI schools benefit from higher levels of asset related expenditure than the majority of the non PFI schools' estate in the county borough, where spend is prioritised based on a number of factors e.g. condition surveys, fire risk assessments. However, the Council has supplemented the costs of the Contract over and above normal levels of support to non PFI schools. The proposed voluntary termination will result in an equitable process across all schools in terms of capital expenditure post termination.
- 8.4 The Council has in-house capability to provide the services that are currently delivered under the Contract, and most schools in the county borough use these services. However, the schools have the right to choose whichever provider(s) they want. The process to determine the basis of on-going services provision will only commence if and when the Council approves the business case.
- 8.5 If the proposed termination is approved the two schools will receive funding through the schools' funding formula for the ongoing provision of services.
- 8.6 The final compensation sum and other associated external adviser costs will be funded through a combination of existing PFI reserves and borrowing. If a decision is made to proceed with the voluntary termination, then Council approval will be sought for delegated authority to be given to the Head of Financial Services & Section 151 Officer, the Head of Legal Services & Monitoring Officer, and the Cabinet Member for Finance and Performance to agree the final terms of the termination.
- 8.7 Council will also be asked to agree that the borrowing requirement will be determined by the Head of Financial Services & Section 151 Officer in line with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 8.8 Following payment of the compensation sum a further report will be presented to Council setting out details of the funding of the payment, the revenue budget savings arising and the options for utilising the savings.
- 8.9 It is important to note that the Council already has a legal obligation to make repayments under the existing PFI contractual arrangement and the proposal in the business case is to replace that current liability with one which provides better value for money for the Council.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 Although this has not been explored in detail, Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") provisions are almost certain to apply as the same Services will continue to be delivered post a termination albeit by a new provider. Until a decision is made on who the provider will be, the staff and TUPE implications cannot be resolved.
- 9.2 These will be the subject of discussion both with the Contractor and Mitie. The Council's Education and Human Resources teams have expertise and experience with TUPE transfer arrangements of staff between organisations and anticipate no significant issues.

## **10. CONSULTATIONS**

- 10.1 A briefing note has been shared with the headteachers and Chairs of Governors of the two PFI schools which is largely based on the content of this report.
- 10.2 Responses have been received from the Governing Bodies of both schools, and Officer responses have been provided (see Appendix 1 and Appendix 2).

10.3 The report on the “Proposed Voluntary Termination of the Caerphilly CBC School PFI Contract” came before a joint meeting of the Policy and Resources Scrutiny Committee and the Education Scrutiny Committee on 28 February 2023. The key points raised during the meeting were as follows: -

- One Member asked what the preferred option for providing maintenance services would be should the current PFI Contract be terminated at the two schools. The Member enquired if future provision would be provided by in-house or private operators. The Head of Financial Services and Section 151 Officer advised that this would be for both schools to determine individually should Council approve the business case.
- A Member observed that if the contract was terminated, she would like to see any savings made kept within the Education service area. The Head of Financial Services and Section 151 Officer highlighted that a process to agree compensation would follow a decision to voluntarily terminate the PFI Contract under discussion. It was also outlined how the joint-meeting of both Scrutiny Committees would be reconvened in the future to discuss options around any potential savings.
- One Member enquired why it had taken so long to reach this stage of the process given that Local Partnerships LLP provided their original report to Council in 2018. Members heard how the original decision to commission the development of a business case was made in 2018 and that a review of the subsequent findings had been delayed by the need to redirect resources due to the national Covid-19 pandemic. The Member also asked if legal considerations had been fully explored around the fact that the original successful bidder for the PFI contract “Ballast Wiltshier” no longer existed. Members received assurances that such matters had been fully considered. Mr Mike Read (Project Director with Local Partnerships LLP) outlined how the terms of the agreement had not changed, how the contract was now with Machrie Limited, and that external legal advice would be sought if the Council decided to voluntarily terminate the PFI contract.
- A Member expressed concern over the lack of consultation and information highlighted by the Ysgol Gyfun Cwm Rhymni governing body in Appendix 1. The Head of Transformation and Education Planning and Strategy highlighted the commercially sensitive nature of data within the Business Case and provided details of meetings that have taken place with both schools and the support that would be made available to them if the process progressed.
- One Committee Member wished to know if there was a risk that the level of compensation due as a result of terminating the PFI contract would make the decision economically unviable. The Head of Financial Services and Section 151 Officer advised that the contract would not end until a notice of termination was officially served and that this would not happen if it was not financially viable for the Council. The Member asked why the original contract had not been circulated as it was not confidential due to being initially signed by school representatives. During the ensuing discussion the issue of the need for commercial confidentiality was highlighted and it was suggested that distribution of the original contract should be discussed outside of the meeting. It was also suggested that the contract with sensitive information redacted could be circulated to Committee Members. Members also heard how release of the contract was the subject of a recent Freedom of Information request and that this had been refused by the provider on the basis that putting the PFI contract into the public domain could affect their commercial interests.
- The Head of Financial Services and Section 151 Officer provided assurances to one Member on the provision for any slippage in terms of the timescale set out in the report.

10.4 Having noted the content of the report, it was moved and seconded that the following recommendation be forwarded to Cabinet for approval. By way of Microsoft Forms (and in noting there were 18 for, 0 against and 1 abstention) this was agreed by the majority present.

RECOMMENDED to Cabinet that they:

Consider the content of the report and support the proposal to voluntarily terminate the Caerphilly CBC School PFI Contract prior to Council consideration.

10.5 The report on the “Proposed Voluntary Termination of the Caerphilly CBC School PFI Contract” was presented to Cabinet at its meeting on 08 March 2023. During the morning prior to the Cabinet meeting a letter was received from the Chair of Governors on behalf of the Governing Body of Ysgol Gyfun Cwm Rhymni, which is attached as Appendix 3. The key points raised during the Cabinet meeting were as follows: -

- Cabinet noted that the report had been considered by the Joint Scrutiny Committee (Policy and Resources Scrutiny Committee and Education Scrutiny Committee) on 28 February 2023.
- The Cabinet Member for Finance and Performance brought to Cabinet’s attention the letter from the Governing Body of Ysgol Gyfun Cwm Rhymni, which had been received at 10.30am that morning and had been shared with the Cabinet just prior to the commencement of the meeting.
- The letter expressed the concerns of the Governing Body as to the pace with which the consultation process had been undertaken and which they felt would have been more beneficial if more time had been available for the consideration of the process. The letter highlighted concerns that some factors of the business case lacked detail and ultimately, they felt would be to the detriment of the pupil experience, particularly because of the ‘ending of life cycle’ arrangements. The Governing Body also expressed concern that they had not seen the full PFI agreement and contract and that the school would not receive adequate support going forward.
- Cabinet sought clarification in relation to the consultation process and the possible impact on pupils. It was confirmed that Officers had met with both of the PFI schools in mid-January to confirm the timescales and to provide details of the proposal. Extracts of the business case were made available in the form of a briefing note, but due to commercial sensitivities it was not possible to share the full business case. The Officer responding confirmed that as this was a purely contractual arrangement, there were clear contractual processes which had to be followed.
- Cabinet was advised that should the Chair of Governors wish to see the full details of the business case then Officers would be more than happy for him to visit Penallta House and view it confidentially, but no copies could be made available due to the commercially sensitive nature of some of the content.
- Officers also advised that it was not possible to release the PFI contract as following a recent Freedom of Information request this had been refused by the provider on the basis that putting the PFI contract into the public domain could affect their commercial interests.
- Reassurances were given that the change would make no difference to the way in which education would be delivered to the children in these schools.
- In response, an example was given in relation to Ysgol Gyfun Cwm Rhymni where the school covers 2 sites, Y Gwindy and Gellihaf. Y Gwindy is currently managed as a non PFI School, the Gellihaf site as PFI. and if the proposal was progressed it would see both sites managed in exactly the same way.
- Cabinet were reassured that if the voluntary termination progresses, then the schools would be fully supported throughout the process to ensure a smooth transition.



- The Head of Financial Services and Section 151 Officer provided clarification in relation to the life cycle costs and advised that under the PFI contract the two schools had enjoyed additional investment in terms of life cycle over a number of years but that this had come at a significant cost. Moving forward, if the termination does take place, the 2 PFI schools would be treated the same as all the other schools in the county borough in terms of capital investment.
- Clarification was then sought by Cabinet as to whether potential savings could be ring-fenced for Education. The Head of Financial Services and Section 151 Officer confirmed that this was discussed at the Joint Scrutiny Committee meeting and would be the subject of a further report at the end of the process. The report would confirm the final compensation sum that was paid, the actual level of savings arising, and would also outline options in terms of utilising the savings. It was noted that this report would not only be presented to the Joint Scrutiny Committee but also to Cabinet and Council.
- In relation to potential slippage in the timeline for the termination process it was confirmed that the business case is based on an assumed termination date of 31 July 2023. It was stressed that it is important that a decision to proceed is confirmed as the voluntary termination process is very complex and there is potential for delays. The business case recognises the potential for delays post approval and that the termination could happen at a later date without materially impacting on value for money, with October half term 2023 or Christmas 2023 being alternate options. It was reaffirmed that the schools will be fully supported throughout the process.

10.6 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RECOMMENDED that Council consider and endorse the proposal to voluntarily terminate the Caerphilly CBC Schools PFI Contract.

10.7 All other consultation responses have been reflected in the report.

## 11. STATUTORY POWER

11.1 The Local Government Acts 1998 and 2003.

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Appendices:

- Appendix 1 Response by Governing Body of Ysgol Gyfun Cwm Rhymni regarding the potential termination of the Caerphilly CBC School PFI Contract.
  
- Appendix 2 Response by Governing Body of Lewis School Pengam regarding the potential termination of the Caerphilly CBC School PFI Contract.
  
- Appendix 3 Letter to Cllrs Morgan, Andrews, and Stenner from the Chair of Governors on behalf of the Governing Body of Ysgol Gyfun Cwm Rhymni.

**Response by Governing Body of Ysgol Gyfun Cwm Rhymni regarding the potential termination of the Caerphilly CBC School PFI Contract.**

**Consultation**

As the local authority has chosen to consult, the consultation must be adequate and fair. It is generally accepted that a consultation must:

- (a) **take place when proposals are still at a formative stage** - to be meaningful, consultation must be undertaken at a point where the decision-maker is still open to change its position and can be influenced by responses to the consultation. It does not appear that this is the case.
- (b) **give reasons for any proposal to permit intelligent consideration and response** – although the key driver for the proposal is the financial savings to the local authority, the wider rationale and key factors are not known. This means that it is difficult for us to provide an effective response – it would seem the only response that we could give to put our position in the most persuasive light would be focused on savings the local authority will make – that is only one element of the decision. Partial answers to some of our questions were only received on the evening prior to the deadline for responding to the Council's briefing paper, giving very little time for governors to give that intelligent consideration to the issues.
- (c) **give adequate time for consideration and response** – although the question of what is adequate time for consideration can be complex and is fact specific, we do not think the local authority can genuinely and reasonably defend the timescales it is proposing, particularly in light of the fact that a report from Local Partnerships was provided in October 2018. The urgency now being referenced is due to the Council's own actions and delays – the local authority could have chosen to engage with the school at a much earlier stage, which would have provided the school with adequate time for consideration.
- (d) **give conscientious consideration** – we trust that the local authority will feed our response into the decision-making process, including making it available to councillors involved in the decision-making process.

We are particularly disappointed with the timing of this consultation – the report pertaining to the proposal to voluntarily terminate the PFI agreement was not received until 5:02pm on Friday 10th February and was not read by the school until the morning of Monday 13th February. As we told you in our earlier correspondence, the Governing Body is required to give 5 days' notice to the EAS to convene a meeting, and naturally needs time after the meeting to formally respond to such a consultation. It has not been possible for us to convene a meeting and respond to the consultation as we would wish before the stated deadline of Friday 17th February.

Further, we are disappointed to receive partial responses to our queries on the evening prior to the deadline for responding to the Council's briefing paper.

**CCBC Officers Response:**

*The Council acknowledges the comments made in relation to consultation, however, it is important to be clear on what level of engagement is appropriate in this particular circumstance, as per the guidance in the Council's Consultation and Engagement Framework.*

*This proposal relates to a voluntary termination of a contractual agreement between the Authority and the PFI Contractor only through which the provision of building maintenance, catering facilities, cleaning facilities and caretaking facilities are provided. As such, there is a clear contractual mechanism to follow in this instance.*

*The school has been engaged with to advise them of the publication of the Report and provide information to assist them in understanding the opportunities and/or solutions which are anticipated to result from the withdrawal from the PFI arrangement with the contractor.*

*Officers will continue to keep the school informed of the process and provide support to the school in determining the ongoing provision of services, subject to approval of the proposal as no formal decision has been taken to proceed at this stage.*

*To ensure openness and transparency, this document will be included as an annex to the main report going forward to Members to enable conscientious consideration.*

**Strategic Case**

It is appreciated that the local authority is faced with significant financial pressures and it appears that the local authority intends to realise savings to its education budget to provide additional resource for all the other strategic objectives. It is not clear whether these savings will be ringfenced within the education budget, or whether it could be reassigned to other budgets.

Although we acknowledge and accept the need for the local authority to raise standards and ensure learners are healthy, confident, proud and ambitious, we are concerned that the decision to voluntarily terminate the contract could have negative consequences for our school. We have raised separately our concerns about the need for equity of funding for our school – the only two campus school in the county borough. We appreciate the authorities ongoing work in this area in supporting the school although we are concerned that this decision could create further tensions and pressures on our school, possibly leading to even more concerning financial projections in the future.

We are disappointed with the Council's view that "The school funding mechanism / formula distributes funding in a consistent way to all schools. The split site issue has been addressed with a "lump sum" element of funding for each of the 2 sites". We do not believe equality of funding is the right concept - it is equity that we are seeking. There are unique challenges of running a school divided between two geographically distant sites in the county borough.

We remain concerned that the Council is unwilling to acknowledge that, and to assist with the challenges we are facing to ensure that pupils, teachers and staff in Welsh medium secondary schools (of which we are the only one in the county borough) are not adversely affected when compared to their English medium counterparts.

**CCBC Officers Response:**

*This proposal seeks to secure equality of investment across all the schools in Caerphilly County Borough dependant on need based on a number of factors e.g. condition surveys and Health and Safety. Currently the level of investment into the two PFI schools is disproportionate at present and is significantly higher when compared to all other schools.*

*There is also inequality across the two Ysgol Gyfun Cwm Rhymini sites as only the Gelli-Haf site is PFI funded.*

*With reference to the paragraphs relating to 'a two campus school' and 'Funding Formula', this is a separate matter which is outside the remit of this PFI proposal. Officers from within the Education Finance Team have met with the school to discuss the issue raised and future meetings are scheduled.*

**Impact on the school**

We very much appreciate the recognition that “the Authority is conscious that it doesn’t want the termination of the Contract to impact the schools in any adverse way”. However, we believe that the impact is not limited solely to the timing of the decision and is likely to have a greater impact during both the medium and the long term.

**CCBC Officers Response :**

*The current contractual arrangement has circa 9 years left to run at which point it would end and new arrangements would need to be implemented.*

*A full options appraisal has been undertaken, utilising both quantitative and qualitative assessment criteria which included consideration of the impact on day to day service provision, pupil attainment, maintenance of assets, strategic fit and financial fit.*

*In addition, an Integrated Impact Assessment has been undertaken to help support the Council in making informed and effective decisions.*

*Officers will continue to keep the school informed of the process and provide support to the school in determining the ongoing provision of services, subject to approval of the proposal as no formal decision has been taken to proceed at this stage.*

**Transfer to new provider**

We note that the local authority has in-house capability to provide the services, which we assume is all services, that are currently delivered under the Contract. We have not

received any details about the costs of these, and therefore cannot ascertain the effect on our budget. We appreciate having the right to choose our provider.

We have asked for confirmation that we will have support to manage any TUPE transfer that might occur, including the necessary legal and HR support. It is noted that the local authority refers to “discussion both with the Contractor and Mitie. The Authority’s Education and Human Resources teams have expertise and experience with TUPE transfer arrangements of staff between organisations and anticipate no significant issues.” We assume that the Council will be solely responsible for all costs if the TUPE transfer was from the incumbent provider to the Council.

If we do not choose the local authority as the provider of services, we will need to undertake a procurement process to appoint a provider. We would welcome the chance to consider this option with the Council and ensure an appropriate project plan is put in place. We note that “Time has been allocated in the programme to allow the [school] to make that decision and for the [school] and new provider(s) to be engaged and feed into the termination and handover process with the existing Contractor”. This would appear to need urgent attention, and the school will need to be involved in the development of the timeframe to ensure it can resource as necessary, alongside the already busy duties of the school’s senior leadership team.

#### **CCBC Officers Response:**

*The School has the right to choose whichever provider(s) and level of service they want.*

*The Authority has in-house capability to provide the services that are currently delivered under the Contract, and most schools in the county borough use this service.*

*It is noted that the school is already utilising Council Catering services at their Y Gwyndy (Non-PFI) site.*

*Officers will continue to keep the school informed of the process and provide support to the school in determining the ongoing provision of services, subject to approval of the proposal as no formal decision has been taken to proceed at this stage.*

#### **Capital spend**

We acknowledge that the schools are in good condition, that there is limited backlog maintenance and that our school benefits from higher levels of asset related expenditure than the majority of the non PFI schools estate in the county borough. We are concerned that the state of the school will deteriorate quickly, particularly when it would need to be considered against other priorities identified by the local authority. There is also a risk that the local authority is making a short term revenue gain at the expense, and to the detriment of, future capital requirements. We note the Council has identified that “There are also other Welsh Government Grants that maybe [our emphasis] available for investment into the school” but are disappointed that there is no certainty.

**CCBC Officers Response:**

*The Authority is fully committed to investing in the educational estate as evidenced by its ongoing Capital Maintenance programme and Sustainable Communities for Learning Programme.*

*This proposal seeks to secure equality of investment across all the schools in Caerphilly County Borough dependant on need based on a number of factors e.g. condition surveys and Health and Safety. Currently the level of investment into the two PFI schools is disproportionate at present and is significantly higher when compared to all other schools.*

*There is also inequality across the two Ysgol Gyfun Cwm Rhymni sites as only the Gelli-Haf site is PFI funded.*

**Catering spend**

We note that Local Partnerships, in their last benchmarking review in 2017, have not identified cost savings to date. We are concerned that this means we are receiving an excellent, value for money service at present, and that we will be exposed to significant turbulence in costs of alternative provision in the future.

**CCBC Officers Response:**

*The School has the right to choose whichever provider(s) and level of service they want.*

*The Authority has in-house capability to provide the services that are currently delivered under the Contract, and most schools in the county borough use this service.*

*It is noted that the school is already utilising Council Catering services at their Y Gwyndy (Non-PFI) site.*

**Pupil attainment**

We agree that pupil attainment should be ranked the most important factor in the local authority's option's appraisal. We would appreciate receiving confirmations that pupil attainment will not be negatively affected by the decision as a result of additional pressures on our already-stretched budget.

**CCBC Officers Response:**

*Although there are significant differences between the service provision and asset management arrangements for each of the options, consideration was given as to whether the lower level of asset maintenance under Options 2 and 5, compared to Option 1 in particular, could have a negative effect. However, based on comparative attainment levels at PFI and non PFI schools in the Borough, this does not appear to be the case.*

## **Day to day service provision and financial**

We note that this criterion assesses the quality of the service provided, and that voluntary termination has been assessed as allowing “a more cost effective service provision to be put in place, hence the scores of 4”. We are not sure of the basis on which this has been assessed, but it would appear to relate to the impact on the Council’s budget rather than the school’s budget. We have asked for information on how we might financially benefit from the proposal, but have not received that detail. We are concerned that we could be exposed to increasing financial budgetary pressures when compared with the fixed cost of the existing provision.

### **CCBC Officers Response:**

*Finance Officers within Education have met with the school to clarify the budget position. The schools formula funding allocation is not impacted by this proposal, the only change relates to the fact that the school will retain the identified elements of funding rather than be included within the PFI contract and claw back from the school. Discussions are continuing as further meetings have been scheduled.*

## **Scoring**

Taking account of our points above on pupil attainment, day to day service provision and financial could result in the scoring being reconsidered and to the voluntary termination option being scored second. We raise this point as it demonstrates how the assessment might be effected by different views. We appreciate that some of our concerns might not arise, but the speed at which this consultation is taking place has not allowed us to properly and fully analyse the impact on the school. We have not seen evidence that the local authority has considered the impact on the school.

### **CCBC Officers Response:**

*A full options appraisal has been undertaken, utilising both quantitative and qualitative assessment criteria which included consideration of the impact on day to day service provision, pupil attainment, maintenance of assets, strategic fit and financial fit. In addition, an Integrated Impact Assessment was carried out to identify any impact on the educational and community elements as a direct result of any decision to proceed being taken. The Integrated Impact Assessment demonstrates that the proposal would have no impact on the current Educational provision offered at the two PFI sites.*

*This proposal seeks to secure equality of investment across all the schools in Caerphilly County Borough dependant on need based on a number of factors e.g. condition surveys and Health and Safety. Currently the level of investment into the two PFI schools is disproportionate at present being significantly higher when compared to all other schools.*



### **School condition at handover**

We note that the local authority recommends undertaking an updated condition survey prior to issuing the Termination Notice to obtain an up to date position. We note the comments on the items that would be due for major overhaul or replacement, including the boilers. We have not received any indication of how any relevant costs would be funded, including whether the savings realised by the voluntary termination could be used to offset those costs. We would appreciate a commitment from the local authority to use some of the possible up to £2m per annum savings to ensure there is no adverse impact to the school. We are disappointed that the Council has not considered this and intends to “redirect a proportion of the savings from the potential termination to support Capital Expenditure across the wider school estate”.

### **CCBC Officers Response:**

*Identifying the latest assets conditions will support discussions on handover and financial settlement with the outgoing contractor, and the implications for lifecycle spend by the Authority in upcoming years.*

### **Welsh Language and equality impact assessment**

We understand that an integrated impact assessment has been completed, but have not seen this (or any other equality impact assessment) for the project and so are unable to provide any views on issues for the school which may need to be taken into account.

It is very disappointing to note that whilst the briefing note includes an assessment of impact in the following areas; strategy; maintenance of assets; service provision; pupil attainment; and finance; no assessment has been made regarding the impact on the proposal on the Welsh language and on Welsh medium education within the county borough. Ysgol Gyfun Cwm Rhymni is the only Welsh medium secondary school in Caerphilly and it's the Governing Body's view that due consideration must be given to this when making a decision on this proposal.

We note that the Council states that “This proposal does not impact on this [the WESP] as it is merely a contractual matter between the Authority and the PFI Contractor. We are surprised that this is the Council's response. It seems to raise questions about the Council's approach to the WESP and it is disappointing that the officer responsible for the WESP does not appear to have been engaged in this matter (or at least is not part of the project team identified in the briefing note).

In view of the above, the Governing Body is disappointed that the report gives no consideration to the impact on the WESP. In particular the impact on outcomes 3, 4 and 7 over the next 10 years, along with the impact on the Welsh Government's long-term objective of ensuring 1 million Welsh speakers by 2050. Once again, it's the Governing Body's view that due consideration must be given to this when making a decision on this proposal.

### **CCBC Officers Response:**

*An Integrated Impact Assessment has been undertaken to help support the Council in making informed and effective decisions whilst ensuring compliance with a range of relevant legislation, including:*

- *Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011*
- *Socio-economic Duty – Sections 1 to 3 of the Equality Act 2010*
- *Welsh Language (Wales) Measure 2011*
- *Well-being of Future Generations (Wales) Act 2015*
- *Statutory Consultation v Doctrine of Legitimate Expectation and Gunning Principles*

*The proposal is a contractual change, which will bring the PFI site at Gelli-Haf in line with the arrangements already in place at the Y Gwyndy (Non-PFI) site for the school.*

### **Wider budget setting**

We asked why the proposal was not included as part of the Council's wider public consultation on the draft budget proposals for 2023/4. The Council's response was that "This did not form part of the 23/24 Draft Budget Proposals as no decision has been made at this point". We do not understand the point being made with this response - as noted in the opening of this response, consultation should take place before a decision has been made (otherwise it is not consultation). Given the length of time that this matter has been under consideration by the Council, it remains unclear why this proposal was not included as part of the Council's wider ongoing public consultation, not least as it would have ensured greater time to consider the Council's proposal, an opportunity to raise issues and discuss them at the Council's consultation sessions and an opportunity for pupils, staff and parents to feed into the consultation.

### **CCBC Officers Response:**

*This proposal relates to a voluntary termination of a contractual agreement between the Authority and the PFI Contractor only through which the provision of building maintenance, catering facilities, cleaning facilities and caretaking facilities are provided. As such, there is a clear contractual mechanism to follow in this instance.*

### **Contract with the school**

We note that the Council has refused to release the contract which was entered into by the school, and which was signed by representatives of the school - without reason, the Council has responded to our request that "We are unable to release this information". To be clear, we are requesting a copy of the contract that was signed by our chair on behalf of the school. As a party to that contract, we are entitled to a copy, and we are disappointed that the Council is unable to release it to us.

**CCBC Officers Response:**

*This proposal relates to a voluntary termination of a contractual agreement between the Authority and the PFI Contractor only through which the provision of building maintenance, catering facilities, cleaning facilities and caretaking facilities are provided. As such, there is a clear contractual mechanism to follow in this instance.*

**Outstanding issues**

We previously wrote to officers to ask for additional information to help our Governing Body properly consider the proposal. Although the Briefing Note addresses some of our issues and questions, there remain a significant number of unknowns which have not enabled us to conclusively offer our support, or objection, to the proposals. Although we received a late response to our queries, governors have not had time to properly consider and digest those response, some of which are very brief and do not address our underlying concerns.

**CCBC Officers Response:**

*The Council acknowledges the comments made. To ensure openness and transparency, this document will be included as an annex to the main report going forward to Members to enable conscientious consideration.*

**Conclusion**

We would like to emphasise once again that we are not absolutely opposed to the proposed voluntary termination. We can see some of the advantages, but have concerns which have not been addressed. The Council's late, partial response to our queries (received very close to the closing date for comments) has not been helpful. We are therefore unable to come to a proper conclusion and are unable to confirm our support at this time, in the very short timeframe set by the local authority.

As noted in this response, if the local authority does go ahead with this proposal, there is still much work to do. We hope that the local authority will provide full support to ensure that the transition to the new arrangements is without any adverse impact to our pupils, teachers and staff, as well as the much valued staff of the current provider.

**CCBC Officers Response:**

*The Council acknowledges the comments made. To ensure openness and transparency, this document will be included as an annex to the main report going forward to Members to enable conscientious consideration.*

*Officers will continue to keep the school informed of the process and provide support to the school in determining the ongoing provision of services, subject to approval of the proposal as no formal decision has been taken to proceed at this stage*

Gadewir y dudalen hon yn wag yn fwriadol

**Response by Governing Body of Lewis School Pengam regarding the potential termination of the Caerphilly CBC School PFI Contract.**

The governors of Lewis School Pengam met last night to discuss the proposals set out in the business case. The governors expressed concern as to the pace with which the process has been undertaken and felt that it would have been beneficial if more time had been available for the consideration of the proposal. There was a concern that some factors highlighted in the business case lacked detail and that ultimately there may be some future detriment to the experiences of the pupils, particularly as a result of the ending of lifecycle arrangements.

Governors understood that a more equitable arrangement in the way secondary schools are funded would be of benefit to the LEI but wished to stress that there would likely be a period of transition to the new working arrangements and new workload requirements, they expressed a hope that the LEI would support the school during that transition period.

Ultimately, governors recognised that there may well be opportunities in the new arrangement proposed by the LEI, particularly in regard to the community use of the school, more flexibility in response to budgetary pressures, or in addressing the concerns governors have had in regard to catering provision. They also believe that new arrangements may help remove some barriers to the process of sixth form/surplus places reform that have been considered in recent years.

Governors expressed a hope that the LEI and Lewis School Pengam would continue to work in close partnership moving forward and together address any unforeseen problems that emerge as this process reaches a resolution. They recognise the support the school has historically enjoyed from the LEI and would wish that to continue in the future.

**CCBC Officers Response:**

*The Council acknowledges the comments made by the Governors of Lewis School Pengam. In relation to timescales and detail, it is important to be clear on what level of engagement is appropriate in this particular circumstance, as per the guidance in the Council's Consultation and Engagement Framework.*

*This proposal relates to a voluntary termination of a contractual agreement between the Authority and the PFI Contractor only through which the provision of building maintenance, catering facilities, cleaning facilities and caretaking facilities are provided. As such, there is a clear contractual mechanism to follow in this instance.*

*This proposal seeks to secure equality of investment across all the schools in Caerphilly County Borough dependant on need based on a number of factors e.g. condition surveys and Health and Safety. Currently the level of investment into the two PFI schools is disproportionate at present and is significantly higher when compared to all other schools. The school has been engaged with to advise them of the publication of the Report and provide information to assist them in understanding the opportunities and/or solutions which are anticipated to result from the withdrawal from the PFI arrangement with the contractor.*

*Officers will continue to keep the school informed of the process and provide support to the school in determining the ongoing provision of services, subject to approval of the proposal as no formal decision has been taken to proceed at this stage.*

*To ensure openness and transparency, this document will be included as an annex to the main report going forward to Members to enable conscientious consideration.*



Dear Cllrs Morgan, Andrews and Stenner,

We write to you regarding the Council's proposal to voluntarily terminate the current PFI agreement in place for Ysgol Gyfun Cwm Rhymni (Gellihaf site), as well as Lewis School Pengam.

As Governing Body, we have found the timescale involved in order to meaningfully contribute to this consultation challenging, at best, and at worst unachievable. Although we do not speak for Lewis School Pengam, we note that they have raised the same concerns - specifically:

*"The governors expressed concern as to the pace with which the process has been undertaken and felt that it would have been beneficial if more time had been available for the consideration of the proposal. There was a concern that some factors highlighted in the business case lacked detail and that ultimately there may be some future detriment to the experiences of the pupils, particularly as a result of the ending of lifecycle arrangements."*

As set out in our initial response to the consultation, as the Council has chosen to consult, the consultation must be adequate and fair. We are firmly of the opinion that has not been the case in this instance and as such do not believe that we have had the opportunity to adequately assess any impact on the school. As such, as I am sure that you will appreciate, we are extremely concerned that we are not able to appropriately fulfil our role as Governing Body for the school in relation to this matter.

We would like to emphasise once again that we are not absolutely opposed to the proposed voluntary termination, but have concerns which have not been addressed. The Council's late, partial response to our queries (received very close to the closing date for comments) has not been helpful. We are therefore unable to come to a proper conclusion and are unable to confirm our support at this time, in the very short timeframe set by the Council.

We would add that to date, we have not been provided with any version of the PFI agreement (redacted or otherwise). We have also not been provided with a copy of the contract (which is separate to the overarching PFI agreement) to which the school is a signatory. We kindly request once again that we are provided with a copy of the contract which was signed on behalf of the school. We see no reason to withhold this from us and believe the Council is acting unreasonably in withholding a copy of a contract from the signatory of that contract. We have not been given any adequate response as to why the contract we have signed cannot be provided.

We note the contributions from Council officers during the recent Joint Scrutiny Committee (Policy and Resources and Education Scrutiny Committees) meeting on 28 February 2023, specifically that:

1. Although an officer stated that officers met with the school about the proposals "*prior to the information being circulated*", we would note that those conversations have taken place over a period of weeks and not prior to that - this should be contrasted with the years during which the Council has been exploring these options. It is noted that although the officer refers to "*commercially sensitive information*", there have been several media reports on possible termination for over 2 years.
2. Although an officer gave their "*personal assurances*" that the school would be "*supported throughout*", that support has not been forthcoming so far. In order to properly consider this matter as a Governing Body, we have sought information that any reasonable person would

wish to have before responding to a consultation. As per our previous response, this lack of response means that it is difficult for us to provide an effective response.

3. We note that an officer said that “if the termination slips to the October half term, or indeed Christmas, it won’t materially affect the figures included in the business case” and that if the timeframe does slip, it “shouldn’t have a significant impact on the final savings”.

In view of these points we request that the current rate of progress is paused and that the Council meaningfully engage with the Governing Body regarding this matter. This will provide us with the necessary time in order for us to assess any impact on the school whilst also providing elected members with the appropriate information in order to make informed decisions.

We are aware that this proposal will be discussed at today’s (8th March 2023) Cabinet meeting and kindly request that the concerns and views of the Governing Body outlined in this letter are considered as part of this meeting. We note that our previous concerns (many of which remain unanswered) have been shared as part of the papers for the meeting. Although we would have preferred to have given you notice of our ongoing concerns before the day of the meeting, the speed at which this matter is being progressed by the Council means we have not had the ability to raise these points sooner.

We look forward to working collaboratively with the Council as we attempt to secure the very best for pupils that currently attend Ysgol Gyfun Cwm Rhymni, and also for pupils that will attend the school in the future.

Kind Regards,

Phil Bevan

(Chair of Governors on behalf of the Governing Body of Ysgol Gyfun Cwm Rhymni)





## COUNCIL – 15<sup>TH</sup> MARCH 2023

**SUBJECT: PUBLICATION OF THE PAY POLICY STATEMENT 2023/24**

**REPORT BY: HEAD OF PEOPLE SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to seek approval from Council for the publication of the Authority's Pay Policy Statement 2023/24.

### **2. SUMMARY**

- 2.1 The Pay Policy Statement attached at Appendix 1 contains the full details of the remuneration position for the Council for 2023 / 24. It is a statement of fact.
- 2.2 It is a legislative requirement that this information is published on an annual basis by 31<sup>st</sup> March each year, once agreed by Council.
- 2.2 The Pay Policy Statement will be published on the Council's Website and will be available for access by members of the public.

### **3. RECOMMENDATIONS**

- 3.1 Council is asked to agree:-
- 3.1.1 The attached Pay Policy Statement 2023/24 (Version 12) for publication on the Council's website.
- 3.1.2 The amendments to Grades 1–3 on the National Joint Council (NJC) for Local Government Services Pay Structure at Appendix A of the Pay Policy 2023 / 24.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 The recommendations ensure that the Council complies with legislative requirements by the publication of the Pay Policy 2023 / 24 and also that the Council's NJC Pay Spine is in line with the 2022 pay award for National Joint Council (NJC) for Local Government Services.

## **5. THE REPORT**

- 5.1 Since 2012, Local Authorities in England and Wales have been required to publish an annual pay policy statement in accordance with the Localism Act 2011 detailing:
- a) The Council's policies towards all aspects and elements of the remuneration of Chief Officers (Chief Officers are as defined in para 5.1 of this policy);
  - b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
  - c) The Council's policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
  - d) The relationship between the remuneration of its Chief Officers and other employees.
- 5.2 Further guidance has been issued since this date and in December 2016, the Staff Commission published "Advice and guidance on the Welsh Government Framework on 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector'". This guidance replaced any previous guidance issued under section 40 of the Localism Act 2011.
- 5.3 The provisions which relate to Pay Policy Statement only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by schools are, therefore, not required to be included within the scope of Pay Policy Statement. This reflects the unique employment legislation position whereby all schools' employees are employed by the Local Authority, but decisions about the appointment and management of such employees are mostly discharged by Head Teachers / Governing Bodies, as appropriate.
- 5.4 The Pay Policy Statement attached at Appendix 1 contains the full details of the remuneration position for the Council for 2023 / 24 that are required to be published under legislation. It is a statement of fact.
- 5.5 There is a legislative requirement that the Pay Policy Statement is published on an annual basis by 31<sup>st</sup> March each year, once agreed by Council.
- 5.6 The Pay Policy Statement will be published on the Council's Website, and will be available for access by members of the public.
- 5.7 The Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton "Review of Fair Pay in the Public Sector" (2010). The Pay Policy Statement publishes these relativities at paragraph 7.5 and CCBC is well within the advisory guidelines provided.
- 5.8 **Conclusion**  
The Council has a legal requirement to publish a Pay Policy Statement by 31<sup>st</sup> March each year. The Pay Policy statement attached at Appendix 1 is a statement of fact of remuneration at the time of agreement by Council.
- 5.9 As part of the Local Government Services national pay award for 2022, the NJC agreed that with effect from 1<sup>st</sup> April 2023, Spinal Column Point (SCP) 1 will be permanently deleted from the NJC pay spine.

5.10 The agreed NJC pay structure for the Council is Grade 1 through to Grade 12 using SCPs 1 - 43 (inclusive) of the NJC pay spine.

5.11 The removal of SCP 1 from the NJC pay spine will have an impact on Grades 1 to 3 in the Council's pay structure as below:

5.11.1 Current Grades 1 – 3

<b>Grade</b>	<b>SCP April 22</b>
Grade 1	1
Grade 2	2
Grade 3	3
	4

5.11.2 Proposed Grades 1 – 3 with effect from 1<sup>st</sup> April 2023

<b>Grade</b>	<b>SCP April 22</b>
Grade 1	2
Grade 2	3
Grade 3	4

5.12 The impact of the proposals on the grading structure are detailed below:

- The minimum SCP is removed from Grade 3.
- Employees who are currently on SCPs 1, 2 and 3 each receive a one point incremental increase on 1<sup>st</sup> April 2023.
- In advance of any collective agreement being reached for the 2023 Pay Award, the employees on SCPs 1, 2 and 3 are currently those who are in receipt of the Foundation Living Wage rate of £10.90 per hour and receive the supplement payment to reflect this, as the rate is higher than the hourly rate attached to their annual salary.
- Employees on SCP4 are currently being paid above the Foundation Living Wage.
- This proposed amendment to the NJC pay and grading structure maintains the principles of the 2009 and 2019 collective agreements in relation to the NJC Pay Structure. Grades 1 through to 12 are maintained with no overlap in Grade.
- Staff in Grades 1 to 3 are affected positively with no detriment to any employee.

5.13 Each year the election fees detailed in Appendix F are uplifted by the percentage NJC pay award. However, last year's award was a flat rate payment. The fees have therefore been uplifted by the average percentage of 6.86%.

## **6. ASSUMPTIONS**

6.1 There are no assumptions made within this report.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 The Pay Policy 2023/24 is a statement of fact. An integrated impact assessment has not been completed for this Pay Policy, but all the policies referred to in the Pay

Policy have been subject to an impact assessment.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Salaries are accounted for within core service revenue budgets. The national pay award for Soulbury for 2022 / 23 is still subject to agreement. The national pay awards for 2022 / 23 are subject to negotiation. Any increase in salaries will need to be funded from the Council's Revenue Budget.
- 8.2 Any increase in costs as a result of the deletions of SCP in the NJC pay structure will be met by service areas.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 The personnel implications are included in the report.

## **10. CONSULTATIONS**

- 10.1 The consultation responses have been incorporated in the report.
- 10.2 With regard to recommendation 3.1.2 '*The amendments to Grades 1 – 3 on the National Joint Council (NJC) for Local Government Services Pay Structure at Appendix A of the Pay Policy 2023 / 24.*', the responses from GMB and UNISON are provided below for Members information:

*GMB – 'after considering the information that has been provided to us, I can advise that the GMB have no objection to the proposal as it is positive for those staff who fall into the grades outlined above and no members will suffer any detriment as a result of the adjustments.'*

*Unison – 'UNISON are happy with the proposal presented.'*

## **11. STATUTORY POWER**

- 11.1 Local Government Act 1972  
Localism Act 2011  
Local Government (Wales) Measure 2011  
Local Government (Wales) Act 2015  
The Council's Constitution

Author: Lynne Donovan, Head of People Services

Consultees: Christina Harray, Chief Executive  
Richard Edmunds, Corporate Director Education and Corporate Services  
David Street, Corporate Director Social Services and Housing  
Mark Williams, Corporate Director Economy and Environment  
Cllr Nigel George, Cabinet Member for Corporate Services  
Stephen Harris, Head of Financial Services and S151 Officer  
Robert Tranter, Head of Legal Services and Monitoring Officer  
Nicola Chapman, HR Service Manager

Lisa Downey, HR Service Manager  
Trade Unions – GMB, UNISON, Unite

Appendices:

Appendix 1 Pay Policy Statement 2023/24 (Version 12)

Gadewir y dudalen hon yn wag yn fwriadol

## **Pay Policy Statement 2023 / 24**

<b>Version:</b>	<b>Version 12</b>
<b>Policy Ratified by:</b>	<b>Council</b>
<b>Date:</b>	<b>15<sup>th</sup> March 2023</b>
<b>Area Applicable:</b>	<b>All Caerphilly employees (including Agency Workers) except School contracted employees.</b>
<b>Review Year</b>	<b>Financial Year 2023 - 2024</b>



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## **1. Introduction & Purpose**

- 1.1 Under Section 112 of the Local Government Act 1972 the Council has the power 'to appoint officers on such reasonable terms and conditions as the Authority thinks fit'. This Pay Policy statement sets out Caerphilly CBC's approach to Pay Policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011. This requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for 2012 / 2013 and for each financial year after that, detailing:
- a) The Council's policies towards all aspects and elements of the remuneration of Chief Officers (Chief Officers are as defined in para 5.1 of this policy);
  - b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
  - c) The Council's policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
  - d) The relationship between the remuneration of its Chief Officers and other employees.
- 1.2 Guidance regarding these matters was issued by Welsh Government and, in accordance with section 40 (2) of the Act, Local Authorities in Wales were required to have regard to this Guidance when performing their functions in preparing and approving Pay Policy statements. In December 2015, Welsh Government also published a framework document that set out a common set of high level principles and minimum standards for reporting arrangements of senior remuneration within the Welsh public sector (including local authorities).
- 1.3 In December 2016, the Staff Commission published "Advice and guidance on the Welsh Government Framework on 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector". This guidance replaced any previous guidance issued under section 40 of the Localism Act 2011.
- 1.4 Welsh Government also issued further guidance in December 2020 entitled "Pay Accountability in local government. What to include in local authority annual pay policy statements".
- 1.5 This is an update to the previous Pay Policy statement first issued in June 2012, and last updated with Council approval on 16<sup>th</sup> March 2022. This statement will come into immediate effect once fully endorsed by Council at its meeting on the 15<sup>th</sup> March 2023.
- 1.6 This pay policy statement needs to be placed in context. Caerphilly County Borough Council is a large complex organisation with a multi-million pound budget. CCBC has a workforce of just over 8,500 employees and a combined revenue and capital budget for 2021/2022 of over £662.1 million. We are in addition the largest single employer based in the County Borough.
- 1.7 As an employer we have a very wide range of functions and are responsible for the provision of many essential services at a local level. The general approach to employee remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. The approach also needs to be flexible when required to address a variety of changing circumstances, whether foreseeable or not.

## **2. Legislative Framework**

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2 With regard to the Equal Pay requirements contained within the Equality Act 2010, the Council aims to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

### **3. Scope of the Pay Policy**

- 3.1 The Localism Act 2011 requires local authorities to develop and make public their Pay Policy on all aspects of Chief Officer remuneration (including on ceasing to hold office), and also in relation to the “lowest paid” in the Council, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.
- 3.2 The provisions in the Localism Act 2011 which relate to Pay Policy statements only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by school Head Teachers/Governing Bodies are, therefore, not required to be included within the scope of Pay Policy statements. This reflects the unique employment legislation position whereby all schools employees are employed by the Local Authority but decisions about the appointment and management of such employees are mostly discharged by Head Teachers/Governing Bodies, as appropriate.

### **4. Pay Structure and Arrangements**

- 4.1 The Council employs staff under the National Joint Council (NJC) for Local Government Services terms and conditions which are incorporated in their contracts. Caerphilly uses the NJC nationally negotiated pay spine, as the basis for its local grading structure. Our localised Pay & Grading structure was achieved through a collective agreement with the Trade Unions, and implemented with effect from the 1<sup>st</sup> of April 2009. The Council’s NJC Pay & Grading structure was updated, through a collective agreement with the Trade Unions as a result of the NJC pay agreement for 2018-2020, which included the introduction of a new NJC for Local Government Services Pay Spine. The Pay & Grading structure has been updated to remove SCP 1 with effect from 1<sup>st</sup> April 2023, in accordance with the NJC pay award for 2022.
- 4.2 The Council employs Chief Officers under Joint Negotiating Committee (JNC) terms and conditions which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual requirements.
- 4.3 The terms and conditions for Chief Executives are agreed by a separate body i.e. the Joint Negotiating Committee (JNC) for Chief Executives, which also negotiates on a national basis. Council, at the meeting held on 19<sup>th</sup> November 2019, agreed that all future nationally agreed pay awards for the Chief Executive would be approved automatically.
- 4.4 Caerphilly utilises the Greater London Provincial Council (GLPC) Job Evaluation process for NJC staff. In terms of Chief Officers, including the Chief Executive, the Council uses the Hay Job Evaluation process which allows the posts to be effectively benchmarked against the internal and external markets, as approved by Cabinet in 2004. These processes determine the salaries of the large majority of the non Teaching workforce, together with the use of other nationally defined rates where relevant.
- 4.5 In addition to the NJC and JNC arrangements referred to above, the Council recognises other nationally negotiated arrangements including National Pay Grades under the Soulbury Agreement and the National Pay Grades under the JNC for Youth & Community Workers. The details of these scales are contained in Appendices A – D.
- 4.6 The Council also has in place local agreements achieved via collective agreements with the Trade Unions for these staff groups.
- 4.7 New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary, subject to the approval of Head of Service. From time to time it may be necessary to take account of the external pay market in order to attract and retain

employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector and is incorporated in the Market Supplements Policy.

### **Pay Supplements**

- 4.8 All other pay related allowances are subject to either nationally or locally negotiated rates, that are determined in accordance with collective bargaining machinery and/or Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money against the ability to recruit and retain appropriately skilled and experienced employees that can deliver high quality services to the public.
- 4.9 The Council has committed itself to being a Living Wage Employer. The previous Living Wage rate was £9.90 per hour. With effect from 22<sup>nd</sup> September 2022 this rate was increased to £10.90 per hour. The Council will therefore continue to pay the difference between the relevant Spinal Column Point (NJC SCP's 2 and 3 are affected) as a supplement. This supplement is included in the hourly rate as pensionable pay. This is demonstrated in the Council's NJC pay scales as provided in Appendix A.

### **Honoraria/ Acting Up arrangements**

- 4.10 Periodically individuals may be assigned temporary duties or responsibilities over and above their normal role. The Council operates its Acting Up and Honoraria Schemes to ensure that individuals are appropriately remunerated in accordance with the evaluation policy that applies to their terms and conditions.

### **Early Retirement, Voluntary Severance & Redundancy**

- 4.11 The Council has agreed policies in relation to Early Retirement by Mutual Consent, Redundancy and Voluntary Severance. Any cost to the Council for employees to leave its employment with unreduced access to pension (except for compulsory redundancy) must be agreed by the Pensions Compensation Committee i.e. the group of Elected Members with delegated powers to approve such payments. The schemes are in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. All these Policies (except compulsory redundancy) are underpinned by the requirement for a robust business case which balances service delivery with cost and with Head of Service, Director, Section 151 Officer and Head of People Services approval. The Policies are all available on the HR Portal via the following links:

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Early-Retirement-By-Mutual-Consent-On-The-Grounds.aspx>

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Redundancy-Scheme.aspx>

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Voluntary-Severance-Scheme.aspx>

- 4.12 The Council is the major employer in the area. Indeed, a majority of the employees who work for the Council live within Caerphilly County Borough. As such, the Council must have regard to its role in improving the economic well-being of the people of the County Borough.
- 4.13 The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local

economy. The Council also has a role in setting a benchmark on pay and conditions for other employers in the area for the same reasons.

- 4.14 The Council is committed to working in partnership with its recognised Trade Unions in relation to all pay and conditions of service matters. The 2009 and 2019 Collective Agreements to achieve our Pay & Grading Structures were achieved with the support of our Trade Union partners. We continue to review the impacts of the Medium Term Financial Plan on our workforce.

### **Mileage**

- 4.15 The mileage rate is currently 45p per mile in accordance with the HMRC approved exempt amount.

## **5. Chief Officer Remuneration**

### **5.1 Definitions of Chief Officer / Pay Levels**

- 5.1.1 For the purposes of this Pay Policy statement, "Chief Officers" are as defined within Section 43 of the Localism Act. The table below details the current numbers of Leadership Team:

<b>Post Title</b>	<b>Number of posts</b>
Chief Executive	1
Director	3
Head of Service	13 (12 x Grade A 1 x Grade B)

N.B. There are also 4 Hay Grade B posts that are not designated as Heads of Service.

- 5.1.2 The gender make up of the Chief Officers is 7 females and 10 males.
- 5.1.3 At the meeting held on 19<sup>th</sup> November 2019, Council agreed the recruitment to the post of Chief Executive on a permanent basis on a spot salary of £140,000 per annum. This has now been subject to national pay awards and is £147,933.
- 5.1.4 At the meeting held on 24<sup>th</sup> November 2022, Council agreed to create an additional post of Deputy Chief Executive on a spot salary of £139,044. As agreed at the meeting, this spot salary has been adjusted following the agreement of the national pay awards and is £140,969.
- 5.1.5 The pay structure for the other Chief Officers is as follows:-
- Corporate Directors - The salary of the post falls within a range of four incremental points between £120,797 rising to a maximum of £134,005 per annum;
  - Heads of Service (Band A) - The salary of the post fall within a range of four incremental points between £92,657 rising to a maximum of £102,738 per annum
  - Heads of Service (Band B) - The salary of the post fall within a range of four incremental points between £72,032 rising to a maximum of £79,823 per annum
  - No bonus or performance-related pay mechanism is applicable to any Chief Officers' pay.
- 5.1.6 As per the decision at Council on 17<sup>th</sup> January 2013, the higher band A+ as shown in Appendix D was not used during the period of the previous administration and neither was the issue of

Chief Officer pay revisited. It has not been reviewed since that administration period has passed and any future proposals in relation to Chief Officer pay would require a decision by Full Council.

## **5.2 Recruitment of Chief Officers**

- 5.2.1 The Council's Policy and Procedures with regard to the recruitment of Chief Officers is contained within the Officer Employment Procedure Rules as set out in Part 4 of the Council's Constitution.
- 5.2.2 The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant Council policies in place at the time of recruitment.
- 5.2.3 Where the Council is unable to recruit a Chief Officer under a contract of service, or there is a need for support for a specific project or to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under "contracts for service". These will be sourced through a relevant procurement process (in accordance with standing orders and financial regulations), ensuring the Council is able to demonstrate value for money from competition in securing the relevant service. There are however no current examples of this arrangement.
- 5.2.4 Welsh Government recommends in addition to agreeing the parameters for setting the pay of Chief Officers, full Council should be offered the opportunity to vote on large salary packages that are to be offered in respect of new appointments in accordance with their agreed pay policy statements. The Welsh Ministers consider £100,000 is the right level for that threshold.
- 5.2.5 For this purpose, salary packages should be consistent with the categories defined for remuneration in the Accounts and Audit (Wales) Regulations 2014. This will include salary, bonuses, fees, allowances routinely payable, any expenses allowance chargeable to UK income tax, the relevant authorities' contribution to the officer's pension and any other benefits in kind to which the officer is entitled as a result of their employment.
- 5.2.6 There is a requirement to specifically consult the Independent Remuneration Panel on any intention to change the salary of the Head of Paid Service (in our case the Chief Executive) or Chief Officers that are not in keeping with changes applied to other officers of the authority. The Council is then required to give due regard to their recommendations on the salary of the Head of Paid Service or Chief Officer prior to considering any changes.

## **5.3 Additions to Salary of Chief Officers**

- 5.3.1 In addition to basic salary, set out below are details of other elements of Chief Officer remuneration:
- The Council pays a standard mileage rate of 45p pence per mile to Chief Officers (consistent with all other employees) with effect from the 1<sup>st</sup> July 2015, where the Chief Officer uses their private vehicle on Council business. The Council also reimburses any other reasonable expenses, incurred by the Chief Officer on behalf of the Council whilst on Council business, on production of receipts and in accordance with JNC conditions and other local conditions.
  - The cost of registration with a regulatory body if there is a requirement to be registered in order to practice and undertake their specific job role. This currently only applies to the post of Head of Legal Services & Monitoring Officer.
- 5.3.2 The Council has a statutory duty to appoint a Returning Officer for specified Elections and Referenda. The post of Chief Executive holds responsibility to be the Returning Officer for the Council for all Elections held within the County Borough. The Returning Officer is personally responsible for a wide range of functions in relation to the conduct of Elections and Referenda and is paid for discharging these functions in accordance with prescribed fees. The prescribed

fees for Caerphilly County Borough Elections are attached in Appendix F. Fees for other organisation's elections are not determined by or paid for by the Council, e.g. Welsh Government set the fees for their election etc. All the Returning Officer's payments in any election are publicised as part of the council accounts on an annual basis.

#### **5.4 Payments on Termination**

- 5.4.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 [and if adopted] Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. For clarity the Authority does not provide any augmentation ("added years") of pension, in its payments on termination.
- 5.4.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the Scheme of Delegation as contained within the Council's Constitution.
- 5.4.3 Full Council will be required to approve any severance package in excess of the current threshold determined by Welsh Ministers at £100,000. Members will be advised of any contractual or statutory elements of the severance package, along with the consequences of withholding these from an employment law context.

#### **6. Publication**

- 6.1 This is an update of the Pay Policy Statement. This statement will come into effect, once fully endorsed by Council in March 2023.
- 6.2 In addition, the Accounts and Audit (Wales) Regulations 2014 require the Authority to disclose the following information in respect of remuneration in its annual Statement of Accounts:
- The number of employees whose remuneration, excluding pension contributions, was greater than £60,000
  - The remuneration and the components of remuneration for statutory chief officers and designated head of paid service who have responsibility for the management of the Authority
  - The total number and cost of exit packages
  - The remuneration ratio between the Chief Executive and the median remuneration of all employees.

#### **7. Pay Relativities within the Council**

- 7.1 The "lowest paid" persons employed under a contract of employment with the Council are employed at the new Living Wage (Foundation) rate of £10.90 per hour. All roles within our grading structure paid in accordance with the spinal column points 2 and 3 of the NJC pay spine for Local Government Services employees, receive a supplement to make the rate £10.90 per hour. As at 22<sup>nd</sup> September 2022, this is £21,030 (Full Time Equivalent Earnings) per annum for a 37 hour standard working week.
- 7.2 The relationship between the rate of pay for the "lowest paid" employees and the Council's Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay Policy Statement.

- 7.3 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton “Review of Fair Pay in the Public Sector” (2010).
- 7.4 Will Hutton was asked by the UK Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organization. Hutton concluded that the relationship to median earnings was a more relevant measure and the Government’s Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest rate of pay and the median average pay of the whole of the Council’s workforce (but excluding teachers and other employees appointed and managed by schools, in the case of local authorities).
- 7.5 The salary utilised for the Chief Executive calculations of all the pay multiple data is £147,933, i.e. the salary of the Chief Executive.

### **Pay Multiple Data**

The data for the Authority is contained in the table below:

<b>Salary Multiple</b>	<b>Ratio</b>
the multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio	1:7.03
the multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio	1:4.89
the multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio	1:6.15
the multiple between median earning of Council employees and the average Chief Officer (fulltime equivalent basis) as a ratio	1:4.27

- 7.6 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available salary benchmarking information as appropriate.

## **8. Accountability and Decision Making**

- 8.1 In accordance with the Constitution of the Council, the Chief Executive is responsible for decision-making in relation to the recruitment, pay (apart from those detailed in 8.2), conditions of service and severance arrangements for all employees of the Council, except Teachers, as their main pay and conditions of service are determined on a legislative basis by Welsh Government.
- 8.2 The Council will set remuneration for the Chief Executive and Chief Officers (as defined in paragraphs 5.1.3, 5.1.4 and 5.1.5).
- 8.3 The Council has established a delegated Sub Committee i.e. the Pensions Compensation Committee, to consider any requests by employees to leave the employment of the Council with unreduced access to pension with a cost to the Council (except compulsory redundancy), that are supported by the agreed business case process.

## **9. Re-Employment**

- 9.1 No Chief Officer, or any other employee, who leaves the employment of the Council on the grounds of early retirement, severance or voluntary redundancy will be later re-employed as an employee of the Council or contracted under a “contract of service” (as per 5.2.3), without the express permission of the Chief Executive in consultation with the Cabinet Member for Corporate

Services. Where the re-employment is regarding the post of the Chief Executive or a Chief Officer (as defined in paragraph 5.1.1), this decision will require full Council approval.

- 9.2 An exception to this occurs where an employee leaves under an agreed Flexible Retirement arrangement, where their ongoing employment is approved as part of the business case for release of accrued pension benefits.

## **10. Reviewing the Policy**

- 10.1 This Pay Policy outlines the current position in respect of remuneration within the Council and it will be reviewed at least annually and reported to full Council, to ensure that it meets the principles of fairness, equality, accountability and value for money for the authority and its residents.



**Appendix A NJC Pay Structure 2022 / 23**

<b>Grade</b>	<b>SCP</b>	<b>1 April 2022</b>	<b>Foundation Living Wage 22 Sept 22</b>
<b>Grade 1</b>	2	£20,441	£21,030
<b>Grade 2</b>	3	£20,812	£21,030
<b>Grade 3</b>	4	£21,189	
<b>Grade 4</b>	5	£21,575	
	6	£21,968	
<b>Grade 5</b>	7	£22,369	
	8	£22,777	
	9	£23,194	
	10	£23,620	
	11	£24,054	
<b>Grade 6</b>	12	£24,496	
	13	£24,948	
	14	£25,409	
	15	£25,878	
	16	£26,357	
	17	£26,845	
<b>Grade 7</b>	18	£27,344	
	19	£27,852	
	20	£28,371	
	21	£28,900	
	22	£29,439	
	23	£30,151	
<b>Grade 8</b>	24	£31,099	
	25	£32,020	
	26	£32,909	
	27	£33,820	
<b>Grade 9</b>	28	£34,723	
	29	£35,411	
	30	£36,298	
	31	£37,261	
<b>Grade 10</b>	32	£38,296	
	33	£39,493	
	34	£40,478	
	35	£41,496	
<b>Grade 11</b>	36	£42,503	
	37	£43,516	
	38	£44,539	
	39	£45,495	
<b>Grade 12</b>	40	£46,549	
	41	£47,573	
	42	£48,587	
	43	£49,590	

**Notes:** The Foundation Living Wage rate applies from 22<sup>nd</sup> September 2022.  
 SCP 1 has been removed from the NJC Pay Spine with effect from 1<sup>st</sup> April 2023 in accordance with the NJC pay award for 2022.

## Appendix B Soulbury Pay Structure 2021 / 22 (2022 / 23 pay award pending)

### EDUCATIONAL PSYCHOLOGISTS – SCALE A

Spine Point	Salary (from 1 Sep 2021)
1	£38,865
2	£40,838
3	£42,811
4	£44,782
5	£46,755
6	£48,727
7	£50,584
8	£52,440
9	£54,179*
10	£55,921*
11	£57,544*

#### Notes:

1. Pay scales to consist of 6 consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.
2. \* Extension to scale to accommodate structured professional assessment points.

### SENIOR / PRINCIPAL EDUCATIONAL PSYCHOLOGISTS – SCALE B

Spine Point	Salary (from 1 Sep 2021)
1	£48,727
2	£50,584
3	£52,440*
4	£54,179
5	£55,921
6	£57,544
7	£58,210
8	£59,456
9	£60,690
10	£61,945
11	£63,177
12	£64,431
13	£65,707
14	£66,941**
15	£68,235**
16	£69,514**
17	£70,803**
18	£72,090**

#### Notes:

1. Pay scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.
2. \* Normal minimum point for the Principal Educational Psychologist undertaking the full range of duties at this level.
3. \*\* Extension to range to accommodate discretionary scale points and structured professional assessments
4. Principals are paid on a 4 point scale 8 - 14 (this includes 3 spa points)

## TRAINEE EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary (from 1 Sep 2021)
1	£24,970
2	£26,798
3	£28,623
4	£30,453
5	£32,279
6	£34,107

## ASSISTANT EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary (from 1 Sep 2021)
1	£30,694
2	£31,948
3	£33,201
4	£34,448

## EDUCATION IMPROVEMENT PROFESSIONALS

Spine Point	Salary (from 1 Sep 2021)
1	£37,056
2	£38,383
3	£39,637
4	£40,907
5	£42,168
6	£43,431
7	£44,758
8	£46,035*
9	£47,552
10	£48,849
11	£50,158
12	£51,425
13	£52,860**
14	£54,140
15	£55,553
16	£56,831
17	£58,113
18	£59,371
19	£60,668
20	£61,338***
21	£62,626
22	£63,749
23	£64,985
24	£66,093
25	£67,278
26	£68,434
27	£69,616
28	£70,815
29	£72,016
30	£73,215
31	£74,404
32	£75,611
33	£76,819

34	£79,056
35	£79,291
36	£80,560
37	£81,809
38	£83,071
39	£84,316
40	£85,561
41	£86,811
42	£88,061
43	£89,309
44	£90,564
45	£91,815
46	£93,069
47	£94,327
48	£95,574****
49	£96,825****
50	£98,079****

\*normal minimum point for EIP undertaking the full range of duties at this level.

\*\*normal minimum point for senior EIP undertaking the full range of duties at this level.

\*\*\*normal minimum point for leading EIP undertaking the full range of duties at this level.

\*\*\*\* extension to range to accommodate structured professional assessments.

## Appendix C JNC Youth and Community Workers Pay Structure 2022 / 23

### YOUTH AND COMMUNITY SUPPORT WORKER

Spine Point	Salary (from 1 Sep 2022)
3	£20,865
4	£21,194
5	£21,571
6	£21,900
7	£22,196
8	£22,874
9	£23,739
10	£24,416
11	£25,509
12	£26,576
13	£27,681
14	£28,825
15	£29,603
16	£30,416
17	£31,216

### YOUTH AND COMMUNITY SUPPORT WORKER (SENIOR)

Spine Point	Salary (from 1 Sep 2022)
13	£27,681
14	£28,825
15	£29,603
16	£30,416
17	£31,216
18	£32,021
19	£32,820
20	£33,622
21	£33,961
22	£35,542
23	£36,536
24	£37,534
25	£38,540
26	£39,545
27	£40,550
28	£41,568
29	£42,577
30	£43,588
31	£44,270*
32	£45,391*

\*Discretionary Points

## Appendix D JNC Senior Management Pay Structure with effect from 1 April 2022

All of the levels in the grading structure are linked to their evaluation under the Job Evaluation deployed for Senior roles i.e. Hay. This currently comprises of the Chief Executive, Deputy Chief Executive & Directors posts, and 6 further bands from A+ to E. Band A & B are Heads of Service and band C - E covers all other senior posts in the JNC arrangements.

	Increment 1	Increment 2	Increment 3	Increment 4
Chief Executive	£147,993	N/A	N/A	N/A
Deputy Chief Executive	£140,969	N/A	N/A	N/A
Director	£120,797	£125,196	£129,592	£134,005
Band A+ Heads Of Service	£103,186	£106,932	£110,680	£114,438
Band A Heads Of Service	£92,657	£96,014	£99,371	£102,738
Band B	£72,032	£74,626	£77,221	£79,823
Band C	£56,868	£58,699	£60,529	£62,364
Band D	£50,656	£52,282	£53,908	£55,520
Band E	£45,348	£46,344	£47,332	£48,306

In accordance with the decision of Council on 19<sup>th</sup> November 2019:

- The post of Chief Executive has a spot salary.

In accordance with the decision of Council on 22<sup>nd</sup> November 2022:

- The post of Deputy Chief Executive has a spot salary.

In accordance with the decision of Council on 17 January 2013:

- There are no Officers employed currently in the Band A+.

## Appendix E All Employee Groups - Main Conditions of Service

<b>ANNUAL LEAVE</b>	
<ul style="list-style-type: none"> <li>• Chief Executive &amp; Directors (JNC)</li> </ul>	39 days pa (No access to flexi leave)
<ul style="list-style-type: none"> <li>• Chief Officers (JNC)</li> <li>• NJC</li> <li>• Soulbury</li> <li>• Youth &amp; Community Workers</li> </ul>	<p>30 days per annum for up to 5 years' continuous local government service.</p> <p>34 days per annum for 5 years or more continuous local government service.</p> <p>Where relevant individual employees are members of the flexible working hours scheme, they can benefit from 12 days flexi leave per calendar year.</p>
<ul style="list-style-type: none"> <li>•</li> </ul>	
<b>HOURS OF WORK</b>	
<ul style="list-style-type: none"> <li>• Chief Executive (JNC)</li> <li>• Chief Officers (JNC)</li> <li>• NJC</li> <li>• Soulbury</li> <li>• Youth &amp; Community Workers</li> </ul>	Standard working week is 37 hours, unless contractually employed on set hours.
<b>OVERTIME PAYMENTS</b>	
<ul style="list-style-type: none"> <li>• Chief Executive (JNC)</li> <li>• Chief Officers (JNC)</li> </ul>	None
<ul style="list-style-type: none"> <li>• NJC</li> <li>• Soulbury</li> <li>• Youth and Community Workers</li> </ul>	<p>All employees who are required to work additional hours beyond the 37 hour working week (or beyond their contracted working pattern that averages a 37 hour working week (e.g. rota/annualized hours) are entitled to receive enhancements at the rate of basic pay at time and a half except for Public and Extra Statutory holidays where basic pay at double time will be paid.</p> <p>Part-time employees are entitled to these enhancements only at times and in circumstances in which full-time employees would qualify. Otherwise a part-time employee shall work a full working week (i.e. 37 hours) before these enhancements apply.</p> <p>Employees required to work on an a Public and / or extra bank holiday as part of their normal working week shall, in addition to the normal pay for that day, be paid at plain time for all hours worked and will, in addition, receive a day's leave in lieu on each day.</p>

	Employees required to work on a Public or extra bank holiday on their rest day shall be paid at double time for all hours worked and will, in addition, receive a day's leave in lieu on each day.
<b>SICK PAY SCHEME</b>	
<ul style="list-style-type: none"> <li>• Chief Executive (JNC)</li> <li>• Chief Officers (JNC)</li> <li>• NJC</li> <li>• Soulbury</li> <li>• Youth &amp; Community Workers</li> </ul>	<p>During 1<sup>st</sup> year of service – 1 month's full pay and (after completing 4 months service), 2 months half pay.</p> <p>During 2<sup>nd</sup> year of service – 2 months full pay and 2 months half pay.</p> <p>During 3<sup>rd</sup> year of service – 4 months full pay and 4 months half pay.</p> <p>During 4<sup>th</sup> and 5<sup>th</sup> year of service – 5 months full pay and 5 months half pay.</p> <p>After 5 years' service – 6 months full pay and 6 months half pay.</p>
<b>PENSION PAYMENTS</b>	
<ul style="list-style-type: none"> <li>• Chief Executive (JNC)</li> <li>• Chief Officers (JNC)</li> <li>• NJC</li> <li>• Soulbury</li> <li>• Youth &amp; Community Workers</li> </ul>	All employees are eligible to pay into the Local Government Pension Scheme (LGPS). The rate of contributions employees and employers contribute is based on pensionable earnings. The scheme administrator confirms the pay bands and contribution rates on an annual basis.



Appendix F

**CAERPHILLY COUNTY BOROUGH COUNCIL - LOCAL ELECTION FEES**

**A) RETURNING OFFICERS FEE**

For conducting the Election(s) giving the prescribed Notices, preparing and supplying Nomination papers, deciding on validity, appointing and remunerating staff, arranging and / or conducting the Poll, conducting the Count, declaring the result(s), making all necessary returns and generally performing all the duties which a Returning Officer is required to do under the Representation of the People Acts and Regulations – including all payments, disbursements and expenses as may be necessary.

<b>1) <u>CONTESTED ELECTIONS</u></b>	<b>1/4/2023</b>
For each Electoral Division / Community Ward	£
For each 1000 Electors (or part)	92.94
For next 1000 Electors (or part)	52.86
For every subsequent 250 Electors (or part)	17.86
<b>2) <u>UNCONTESTED ELECTIONS</u></b>	
For each uncontested Division / Ward	83.82
<b>3) <u>POSTAL VOTES – (Supervision)*</u> to be paid to DRO and or Asst. DRO's</b>	
<b>*NB – in this event no fee should be claimed by the DRO or Asst. DRO's from the clerical fund for these duties.</b>	
Issue (for each paper)	0.37p
<i>(minimum per Division / Ward)</i>	<i>(28.09)</i>
<i>(minimum per casual vacancy)</i>	<i>(81.37)</i>
Receipt (for each paper)	0.37p
<i>(minimum per Division / Ward)</i>	<i>(28.09)</i>
<i>(minimum per casual vacancy)</i>	<i>(81.37)</i>
<b>4) <u>POLL CARDS (Supervision)*</u> to be paid to DRO and or Asst. DRO as above</b>	
Per 1000 or part issued	34.05
<i>(minimum per casual vacancy)</i>	<i>48.61</i>

Gadewir y dudalen hon yn wag yn fwriadol



## COUNCIL – 15<sup>TH</sup> MARCH 2023

**SUBJECT:** GWENT PUBLIC SERVICES BOARD – WELL-BEING PLAN 2023 - 2028

**REPORT BY:** CHIEF EXECUTIVE

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### 1. PURPOSE OF REPORT

- 1.1 To inform Council that the Gwent Public Services Board has finalised its draft Well-being Plan 2023 - 2028 and to request that Council approve the Plan under Section 43(5) of the Well-being of Future Generations (Wales) Act 2015.

### 2. SUMMARY

- 2.1 In September 2021 the five existing Public Services Boards in the Gwent region merged to form the Gwent Public Services Board. Since then, this Board has been working together to develop the Gwent Well-being Assessment, published in May 2022, and this first Gwent Well-being Plan.
- 2.2 The draft Gwent Well-being Plan has been developed through collaborative partnership activity based on the Gwent Well-being Assessment and informed by stakeholder and community consultation.
- 2.3 The statutory consultation period ended on 31<sup>st</sup> December 2022. The final draft plan reflects the responses received.
- 2.4 The Plan must be approved by the Gwent Public Services Board's statutory partners: the five local authorities, Natural Resources Wales, Aneurin Bevan University Health Board, and South Wales Fire and Rescue Service. In the case of the local authority the Plan must be agreed by full Council. The Plan must be published within one year of a local government election. Subject to statutory partner approval, the Plan will be ratified by the Gwent Public Services Board at its meeting of the 27<sup>th</sup> April 2023.
- 2.5 A similar report is going to all statutory partner organisations.

### 3. RECOMMENDATIONS

- 3.1 That Council notes that the Gwent Public Services Board has produced its final draft Well-being Plan and approves the Plan so that it can progress to final publication before the 5<sup>th</sup> May 2023.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To allow Caerphilly County Borough Council to meet its duty under the Well-being of Future Generations (Wales) Act 2015 to develop a local Well-being Plan for the area, in conjunction with partners.

#### **5. THE REPORT**

- 5.1 The Gwent Public Services Board (PSB) has developed its Well-being Plan 2023 – 2028 (appended to this report). Following public and stakeholder consultation, and the feedback of Public Services Board partner members, the plan has been further refined and amended to reflect consultation responses and is now in a position to progress to final statutory partner approval.
- 5.2 The Gwent Well-being Plan includes two high level Well-being Objectives which address the key finding of the Gwent Well-being Assessment 2022:
- We want to create a fairer, more equitable and inclusive Gwent for all.
  - We want a climate-ready Gwent, where our environment is valued and protected, benefitting our well-being now and for future generations.
- 5.3 The Well-being of Future Generations (Wales) Act 2015, requires PSBs to set out the steps that will be taken to achieve the objectives. The Steps chosen were those which would help to meet the Objectives and addressed the areas highlighted by the majority of the different channels (survey, stakeholders, community events, statutory responses and written responses) during the consultation. The draft plan contains five, collaborative steps:
- Take action to reduce the cost of living crisis in the longer term.
  - Provide and enable the supply of good quality, affordable, appropriate homes.
  - Taking action to reduce our carbon emissions, help Gwent adapt to climate change, and protect and restore our natural environment.
  - Take action to address inequities, particularly in relation to health, through the framework of the Marmot Principles.
  - Enable and support people, neighbourhoods, and communities to be resilient, connected, thriving and safe.
- The cost of living crisis and housing were seen as the most important aspects of well-being, especially by communities.
- 5.4 The Gwent PSB has agreed to work together to become a Marmot Region. This is an evidence based approach to addressing the social determinants of health inequalities. The eight Marmot Principles are a framework for developing collaborative activity to tackle the inequity that exists in our communities. The Marmot Principles are:
1. Give every child the best start in life
  2. Enable all children, young people, and adults to maximise their capabilities and have control over their lives
  3. Create fair employment and good work for all
  4. Ensure a healthy standard of living for all
  5. Create and develop healthy and sustainable places and communities
  6. Strengthen the role and impact of ill-health prevention
  7. Tackle racism, discrimination, and their outcomes
  8. Pursue environmental sustainability and health equity together
- 5.5 Each of the steps will have regional and local activities that will contribute to their achievement. The enlargement of the PSB to a Gwent footprint has enabled a more

regional understanding of the issues affecting well-being across the region. However, it also requires a clear understanding of where best to focus activity, at a regional or local level. The collaborative development of regional and local delivery plans will ensure that action takes place at the appropriate level, duplication is minimised, for example where the Council's Corporate Plan is directing resources, and gaps in provision are plugged.

- 5.6 The regional and local delivery plans will include programmes for the short, medium, and long-term as well as performance indicators, and will be completed before the first annual reporting cycle in July 2024. This extended timeframe is to allow for proper consideration of what the PSB can add to existing initiatives taking place across the region.
- 5.7 The Caerphilly Local Delivery Group (LDG) will develop the local delivery plans which will complement the regional ones. Membership of the LDG reflects that of the PSB partners at a senior officer level and is chaired by the Deputy Leader.
- 5.8 To promote the new regional way of working for the Gwent PSB the draft Well-being Plan describes four Overarching Principles explaining how the PSB will work together. These are:
- Effectively working together
  - Communication and engagement
  - Welsh language and culture
  - Performance management
- 5.9 Once approved the Gwent Well-being Plan will be published by 5<sup>th</sup> May 2023, in accordance with Section 39(6) of the Act.
- 5.10 Section 43(5) of the Act defines that the function of approving the local well-being plan rests with full Council.
- 5.11 The appendices listed will either be available by the publication date or shortly after, in the case of the Marmot Report from the Institute of Health Equity, which is anticipated in June 2023.
- 5.12 **Conclusion**

The Gwent Public Services Board has prepared this draft Well-being Plan to respond to the issues affecting well-being identified in the Gwent Well-being Assessment. The collaborative, regional approach, with more local activity when appropriate, looks to improve well-being across the region and in the county borough for the long-term.

## **6. ASSUMPTIONS**

- 6.1 It is assumed that all PSB statutory partners will formally approve this draft Well-being Plan and continue to commit time and resources to its delivery at a local and regional level.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 This is a regional, strategic Plan developed by the Gwent PSB, of which Caerphilly County Borough Council is a member. It sets out what the PSB wants to achieve but not how that will be done. The delivery plans will provide this detail and will be impact

assessed. An assessment process for the region is being developed so that there is consistency across the regional delivery plans.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications related to this report. Public Services Board Partners have committed to providing support in kind in delivering the Well-being Plan.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no direct personnel implications, however officers from the Council are actively engaged, alongside partners, in the development and delivery of both the local and regional delivery plans.

## **10. CONSULTATIONS**

- 10.1 This report has been sent to all consultees and all comments received are reflected in the body of the report.

## **11. STATUTORY POWER**

- 11.1 Well-being of Future Generations (Wales) Act 2015 Section 43(5).

Author: Heather Delonnette, Senior Policy Officer, delonh@caerphilly.gov.uk

Consultees: Councillor Sean Morgan, Leader of the Council  
Christina Harrhy, Chief Executive  
Councillor Jamie Pritchard, Deputy Leader and Chair of the Local Delivery Group  
Richard Edmunds, Corporate Director, Education and Corporate Services  
Mark Williams, Corporate Director, Economy and Environment  
Dave Street, Corporate Director, Social Services and Housing  
Sue Richards, Head of Education Planning and Strategy  
Kathryn Peters, Corporate Policy Manager  
Stephen Harris, Head of Financial Services and Section 151 Officer  
Rob Tranter, Head of legal Services and Monitoring Officer

Background Papers:

Well-being of Future Generations (Wales) Act 2015 [The Well-being of Future Generations | GOV.WALES](#)

Gwent Marmot Region [Gwent Marmot Region - Gwent Public Services Board Gwent Public Services Board \(gwentpsb.org\)](#)

Gwent Well-being Plan 2023- 2028

Findings from the Well-being Plan consultation – ranked

Appendices:

Appendix 1 Gwent Well-being Plan 2023-2028

Gadewir y dudalen hon yn wag yn fwriadol



## APPENDIX 1



# Well-being Plan for Gwent 17/02/2023



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## Introduction

Welcome to the first Well-being Plan for Gwent, setting out how we are working together to respond to some of the key issues identified in our most recent Well-being Assessment. As part of planning for the next 25 years, and beyond, this five year plan sets out what we will be doing to improve well-being across the region, now and for future generations. Many of the issues we know that affect the well-being of a region will take more than a few months or even years to solve, so the plan has tried to look for longer term solutions which may take a bit longer to show results. There will, of course, be things we can do in the short term, but those will need to help deliver benefits in the years to come.

The Well-being of Future Generations (Wales) Act established Public Services Boards, more commonly known as PSBs, for each local authority area to work together to improve well-being in their area. PSBs are made up of senior leaders from the Local Authority, the Health Board, the Fire and Rescue Service and Natural Resources Wales. A number of other organisations are also invited to join the PSB, such as the Police Service, the Police and Crime Commissioner and the voluntary sector.

In September 2021 the five PSBs in Blaenau Gwent, Caerphilly, Newport, Monmouthshire, and Torfaen came together to form the Gwent PSB, working across the region, and locally. This decision was made to simplify and strengthen the existing partnership arrangements by bringing all the public services together. The move to a regional PSB, with collective responsibility for improving well-being, makes it easier for partners to actively get involved, to add value and avoid doing the same thing several times.

The Well-being Assessment for Gwent, published last year, showed that inequality and deprivation in our communities and the need to take action on the climate and nature emergencies were having an impact on well-being. This Well-being Plan outlines how we, the PSB, will work together to tackle the social, economic, environmental and cultural issues which can affect well-being in Gwent.

## Public Services Board Membership



WPEB

## How our plan was developed

We used the new Well-being Assessment to identify the issues which had the most effect on well-being, and where we could achieve more by working together than working alone and making better use of the resources we have. This is often known as 'added value'. We identified these issues:

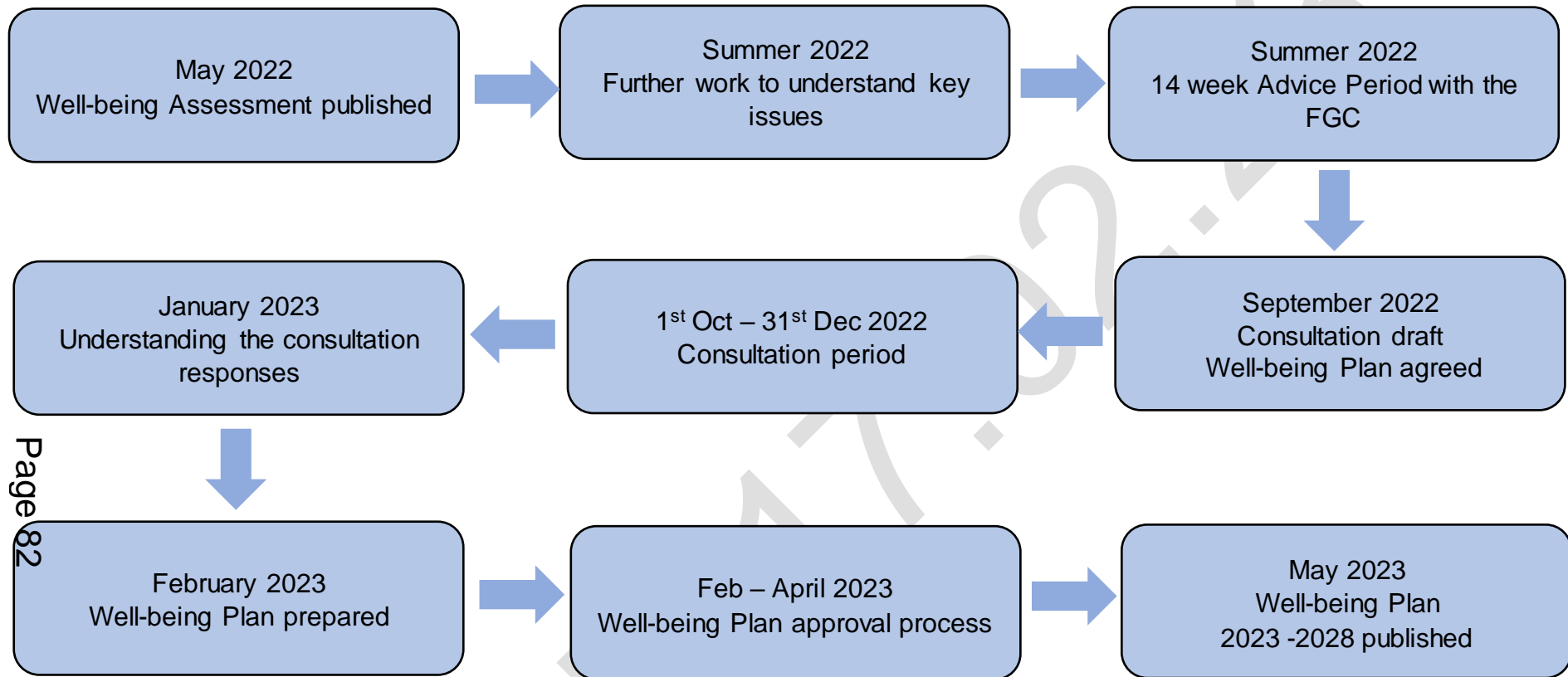
- Health inequalities and well-being (including housing)
- Community cohesion (including community safety and substance misuse)
- Environment (including climate and nature emergencies)

Over the summer of 2022 more work was done to get a better understanding of these issues and how they affected our communities. This involved pulling on a wide range of knowledge and experience, including from the Future Generations Commissioner's office, learning from others and examples of good practice from across Wales and beyond. The Future Generations Report was another source of information about what the future might mean for things like jobs or flooding.

The draft Well-being Plan for Gwent went out for consultation in October 2022. It had three objectives, each with several supporting steps. Full details of the consultation process can be found in Appendix 1. (To come)

Following the consultation the responses were assessed and analysed. The responses came from five sources: the survey, community events, stakeholder events, statutory consultee responses and individual written responses. To understand what the most important issues were for people the issues raised in the consultation were then ranked according to how many of the response sources commented on each one. These became the objectives and steps in this Well-being Plan. We will continue to use the information from the consultation as we develop each step's delivery plan in the Plan as well as continuing to engage communities and groups in our work going forward.

## Timeline



## Five Ways of Working

Just as when we were preparing the Well-being Assessment, we have used the five ways of working, collaboration, integration, involvement, long-term, and prevention, to guide our work. This means that while considering how to improve well-being in our communities now, we've also looked at how well-being could be affected in the future and how we can prevent issues becoming worse. We will need to work together to see what we're each doing in a community and how this affects what we do, individually and in partnership. Finally, but most importantly, we want our communities, professionals, businesses, and others to identify the issues which are most important to them. As we develop how we will be delivering the Objectives and Steps (regional and local delivery plans) we will continue to use these principles to guide our work.



Figure 1: The 5 ways of working from the Well-being of Future Generations Act

## Seven Well-being Goals

The actions in this Well-being Plan must contribute to the Well-being Goals for Wales. Together they show the Wales we'd like for the future and cover all aspects of well-being. Each of the goals are as important as each other, although this plan may do more for one goal than for another.

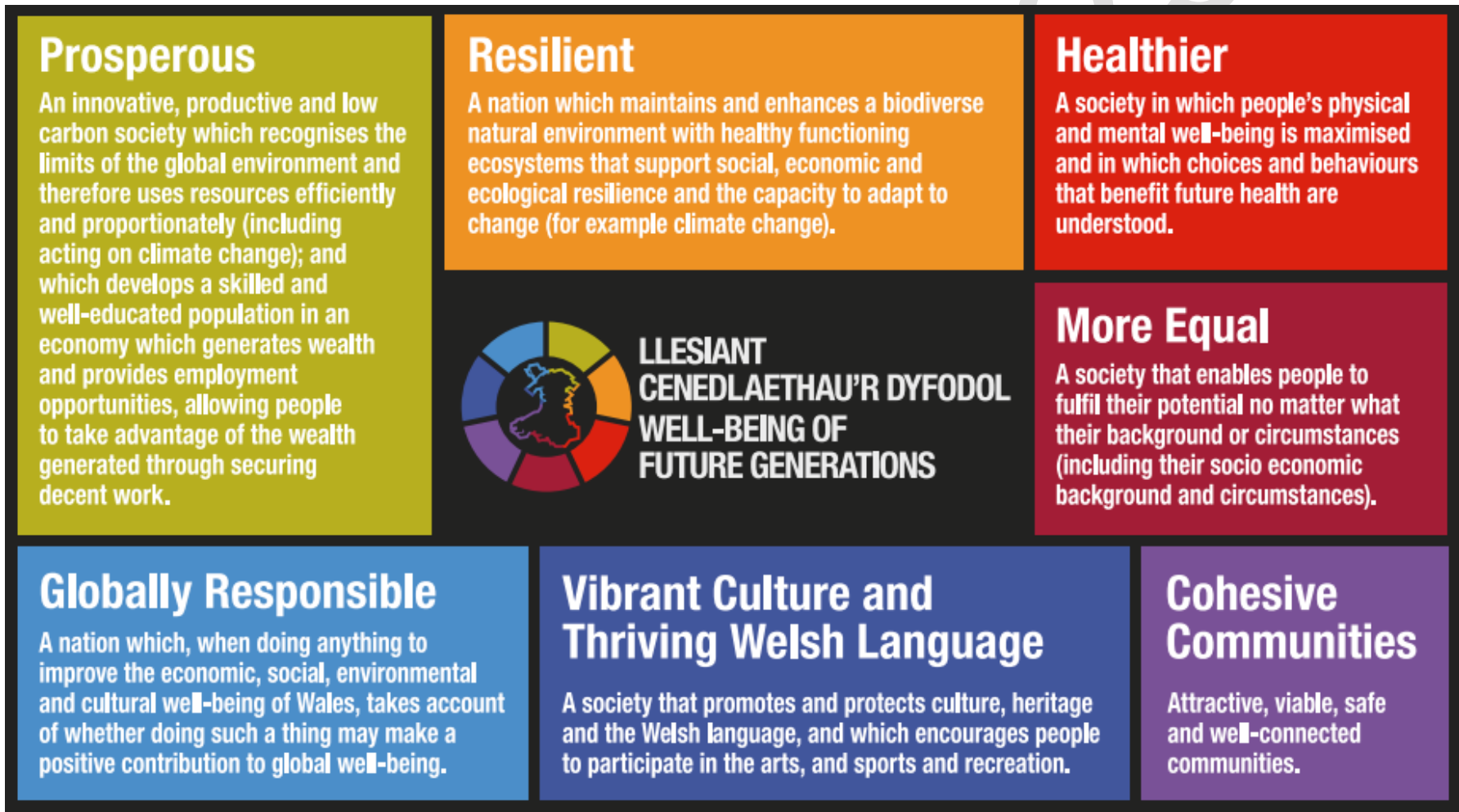


Figure 2: The 7 Well-being Goals from the Well-being of Future Generations Act



## The Marmot Principles – Building a Fairer Gwent

Recognising the inequality that exists in our communities, identified in the Well-being Assessment, the Gwent Public Services Board has agreed to become a 'Marmot region' using this collaborative approach to undertake evidence-based action to reduce inequalities in Gwent.

The Marmot Principles provide a framework to inform the actions to respond to the challenges faced across Gwent. This will re-focus and accelerate progress towards reducing the root causes of health and related inequalities across Gwent. As part of this, the PSB will use the eight Marmot Principles, alongside the Objectives and Steps, to shape the delivery of this Well-being Plan.

### Eight Marmot Principles

1. Give every child the best start in life
2. Enable all children, young people, and adults to maximise their capabilities and have control over their lives
3. Create fair employment and good work for all
4. Ensure a healthy standard of living for all
5. Create and develop healthy and sustainable places and communities
6. Strengthen the role and impact of ill-health prevention
7. Tackle racism, discrimination, and their outcomes
8. Pursue environmental sustainability and health equity together

The Institute of Health Equity is producing a report for the PSB detailing the actions needed to tackle inequity across Gwent. As the delivery plans are developed this report will help to guide our work. The report, Appendix 2, is due to be published in June 2023.



## Overarching principles

As a new PSB we have agreed that there are some things that we would all want to sign up to. These aren't Objectives or Steps but they are the things that will make us work more effectively together and make the positive changes we want for Gwent. They are our Overarching Principles, our ways of working, and reflect the five ways of working in the Well-being of Future Generations Act.

### Effectively working together

Public Services Boards were established to promote better joined up working and a better understanding of how the different organisations contribute to the well-being of an area. We must make sure that what we do isn't making it more difficult for others to do what they need to. We should be sharing knowledge, expertise, and resources whenever possible and avoid doing the same thing many times over. There will be things that are best done by one or two partners, but where working together is the best option, we will do this. This Well-being Plan is about the things we can do better together, the 'added value'.

### Communication and Engagement

While we have been developing the Well-being Assessment and Plan we have tried to engage with people and communities. We know we haven't always been as successful as we would have liked to be, and the Covid-19 restrictions have made it even harder to meet you. As we continue to develop and deliver this plan we want to keep talking with you, to understand your concerns and ideas. We also want to work with our communities, when we can, to create local solutions that contribute to the regional ones.

A full report about the Plan's consultation is available here [\[hyperlink\]](#). If you'd like to be involved in the future, either just to be kept informed, or to be more involved where possible, please contact: [GwentPSB@caerphilly.gov.uk](mailto:GwentPSB@caerphilly.gov.uk)

### Welsh language and culture

*A Wales of Vibrant Culture and Thriving Welsh Language* is one of the goals in the Well-being of Future Generations Act. Each of the seven well-being goals describes an aspect of the Wales we want for the future, and they are all interlinked. The Welsh language forms a part of, and plays a part in all aspects of employment, education, culture, health and social care, community cohesion, the economy and more.

Being able to use the Welsh language is a valuable skill in all parts of life across Wales. It is also a key part of Wales' cultural heritage. Each of the PSB members have a statutory duty to promote the Welsh language, but together we will encourage the increase in the use Welsh by; using it more with each other, consulting more in Welsh and producing more of our information bilingually, rather than just our main documents.

The PSB organisations are major employers and together we can promote opportunities for our staff and workforce to learn and use the language. Schemes like 'Helo Blod,' can be used by the PSB to promote the Welsh language together as members. The Welsh language is also a central part of the community services such as health, social and primary care. 'More than Just Words' aims to improve the service for social services, health, and social care. The PSB will continue to use media and social media through both languages and look at how else it can encourage the use of the Welsh language in all its activities.

### Performance management

We need to know whether what we're doing is making a difference. We have agreed to have a single 'performance management' process, which will show us how well-being is improving. The indicators will be included in the Step Delivery Plans to make sure that we're looking at the right things. The annual reports will include how much progress we've made against these key measures. The PSB will need to take responsibility for ensuring that we're making the progress we've agreed we need to make.

Because the PSB is all about partnership working, we will also need to share the information we each have around issues. Each of our organisations is collecting data all the time, and there's also research and information coming from universities, Government agencies, the Census and a range of other places. All this information will be useful to the PSB, and the individual member organisations and we need to find a way of being able to share that safely and efficiently.

## Our Well-being Objectives

Using the evidence in the Well-being Assessment, the PSB has identified two interconnecting objectives (what we want to achieve). These will set the direction for our work for the next five years and beyond.

### **We want to create a fairer, more equitable and inclusive Gwent for all.**

The latest Well-being Assessment showed that although our communities are strong with many people feeling connected to their neighbourhoods and proud of their surroundings, the inequalities that exist in our communities have the potential to impact on all aspects of well-being both at a personal and community level. There are also a range of challenges that could potentially widen these inequalities in the future and impact negatively on well-being. People who live in more deprived communities have fewer years of life that are free from ill health and are more likely to have shorter lives. Children from deprived households get poorer school results; limiting their opportunities and increasing the risk that poverty will be passed from one generation to the next. Some people in our communities are experiencing in-work poverty with the amount of spare money they have after paying their bills making it difficult to afford food, transport, energy and to be digitally connected – especially as costs increase.

Many people still feel unsafe, lonely or alone. Widening economic, health, well-being and other inequalities have affected community cohesion, safety and empowerment. The assessment tells us that home ownership is already unaffordable for many low-income households, and as house prices rise more pressure is put on our social housing stock. Future Gwent will also need more housing stock that meets the needs of an ageing population and changing family structures and is resilient to a changing climate.

The Covid-19 pandemic, the cost of living crisis, the UK's exit from the EU, the war in Ukraine, and the increasing impacts of climate change, make the lives, livelihoods, health, safety and well-being of the people of Gwent even more challenging. If action isn't taken, this will lead to poorer health and well-being because of increased deprivation, substance misuse, mental health problems, civil disorder and crime, and antisocial behaviour. Evidence is already showing this will impact the health and well-being of already disadvantaged people and communities the most, who will need additional focus and support.

**We want a climate-ready Gwent, where our environment is valued and protected, benefitting our well-being now and for future generations.**

The latest Well-being Assessment showed that Gwent's countryside, coastline, rivers and urban greenspaces are not all in good condition, Many of our plants and animals are in decline. This drop is, in turn, making it more difficult to deal with challenges such as climate change, poverty and inequality. The 'green economy' could provide jobs in the industries of the future such as renewables, energy efficiency and decarbonisation and supporting good health. Many of the unsustainable approaches that are putting pressure on our natural resources are also causing the climate to change. We need Gwent's natural resources to be resilient to the impacts of a changing climate including more extreme weather events. There will also be challenges associated with transitioning to a low carbon future, and we will need to consider the whole energy system – heat, power and transport. Whilst projections of milder winters associated with a changing climate may help to reduce fuel poverty, we know that much of our housing stock has poor thermal efficiency and will be challenging to retrofit.

For us to enjoy the benefits that nature can provide, our natural areas must be healthy and able to withstand threats and disturbance, such as climate change, urban development and pollution. This will require us all to work differently and really understand how we interact with our environment and the impacts we're having.

To do this we need to change our food, energy and transport systems so they work better for nature and for us, reducing climate change and protecting the resources our future generations will rely on. Developing the 'green economy' could provide local jobs in the industries of the future such as renewables, energy efficient housing and decarbonisation. Increasing the supply of locally grown food is better for nature, our health and reduces pollution. If we change how we travel around Gwent we can reduce carbon emissions, benefit local wildlife and our well-being.

## Steps

We have identified five steps that will help us to achieve our two well-being objectives. Delivery plans for each step explaining what will be done in the short, medium and longer term, who will do it and by when, will be developed during the first year of the plan using the five ways of working as a framework. These will be published as part of the first annual report. Work may begin on delivering some steps before the delivery plans are completed if it can be, especially if we already have the information we need to take action. The delivery plans will be complemented by local action plans at a county level. These will be written by Local Delivery Groups, which mirror the membership of the PSB but at a more local level.

### Take action to reduce the cost of living crisis in the longer term

Although the cost of living crisis began after the Well-being Assessment was completed, we know that it is likely to make the poverty, deprivation and inequity in our communities worse and can increase crime and antisocial behaviour. Voluntary and community groups, councils and others are already providing support to many and will continue to do what they can.

While dealing with the immediate issues we must make sure that what we do now doesn't make things even harder in the future. The right training and skills will enable people to get decent work with pay that helps them to provide for their families. The growth in local renewable energy production and use, could provide better jobs, a cleaner environment and potentially cheaper energy for everyone. The need to make our homes and businesses more energy efficient and better insulated, will offer opportunities for local social enterprises and traditional businesses.

Technological changes will mean that services can be provided differently, as we saw during the pandemic, with services provided virtually or closer to home, offering alternative travel options and reducing pollution. We will need to make sure that any changes in the way people access services is designed around their needs and uses new technology to support those. Local food production will help people be able to eat healthy, more affordable food as well as providing opportunities to share their knowledge, and failures, with others. More local food production also helps to reduce the impact on the environment and is less prone to supply disruption.

Links to the other steps



Homes



Environment



Health



Communities

Contribution to the national Well-being Goals

Prosperous	Resilient	Healthier	Equal	Cohesive	Culture & Language	Global

## Provide and enable the supply of good quality, affordable, appropriate homes

Having a home is central to a person's well-being. It means they can get a job, an education, the help and support they may need and allows them to feel part of a community or neighbourhood. Homes can be owned by the person living in them, rented from the council, a housing association, or a private landlord. How many homes are rented or owned is different across the region, as are the costs of buying or renting a home. The Well-being Assessment showed that the average house price in Monmouthshire is around three times that in Blaenau Gwent. Being able to afford to pay the rent or mortgage is only part of the story.

The cost of living in that home has also been increasing and many homes could be much more energy efficient, tackling both climate change and fuel poverty. As Wales moves towards being carbon neutral the need to make homes more energy efficient and better insulated is becoming more important. Insulating homes should help people to stay healthier for longer, help to reduce energy use and therefore costs, provide good quality local jobs as well as helping to protect the natural environment around the world.

Homes need to be in the right place to support individuals and the community, with access to local shops, workplaces, schools, health care, cultural and leisure activities, and transport. We know that as the climate changes there are likely to be more floods, storms, heatwaves and other weather events and homes need to be able to cope with those. Communities are changing, with more blended families, older people and people living alone, so housing needs to be adaptable and suitable for those changes.

The consultation showed that having good quality, affordable housing was an important issue for our communities. How housing is provided is very different across the region. The PSB wants to work together to improve the quality of homes in Gwent, but it will take some time to identify work we can do together because of the different rules and funding available to the different organisations.

### Links to other steps



Cost of living



Environment



Health



Communities

### Contribution to the national Well-being Goals

Prosperous	Resilient	Healthier	Equal	Cohesive	Culture & Language	Global

[Taking action to reduce our carbon emissions, help Gwent adapt to climate change, and protect and restore our natural environment](#)

Protecting the environment for future generations is one of the greatest challenges of our time. The land, air, water, trees, plants, animals, and insects provide us with everything we need to live. However, our need for new homes and workplaces, renewable energy, recreation, and food production are putting nature under pressure. Without a healthy environment across Gwent there can be no well-being benefits for our communities.

The effects of climate change are being felt in our communities through flooding and heat waves. The Welsh public sector is committed to become carbon neutral by 2030. We must reduce Gwent’s carbon emissions by increasing our use of renewable and sustainable energy sources, increasing availability of local food, reducing waste, and changing how we travel around Gwent. We want to support our communities to adapt to the impacts of climate change, recognising that some communities are more exposed to floods, heatwaves, air pollution and other climate risks to health.

We need to better manage the demands on Gwent’s natural environment and protect, connect and restore nature. We’ll support community green/blue space initiatives which bring communities together, especially in areas of Gwent which have least access to local, quality outdoor spaces for health and well-being. Whilst focusing on the immediate needs across Gwent, we’ll also ensure our decisions consider future trends, and don’t make things even harder for future generations.

Links to other steps



Cost of living



Health



Homes



Communities

Contribution to the national Well-being Goals

Prosperous	Resilient	Healthier	Equal	Cohesive	Culture & Language	Global



Take action to address inequities, particularly in relation to health, through the framework of the Marmot Principles

People’s health and well-being is affected by many things, clean air, water, and food, being able to get decent work, a suitable home, having local shops, access to culture and leisure activities, a quality education, good transport and social networks as well as health information and care. Where someone lives and how much money they have impacts on their health and happiness, it can lead to poorer health and less opportunity to thrive in life.

The Gwent PSB has agreed to use the framework of the eight Marmot Principles, developed by Prof. Sir Michael Marmot and his team at the Institute of Health Equity, which focus on the central issues that affect fairness, health and well-being. This approach will help to identify how to address the root causes of poor health and inequity across Gwent. The Institute of Health Equity is writing a report, using the evidence from the Well-being Assessment, the consultation responses, and their experience of working in other areas across the UK, to make recommendations for how the Gwent PSB and other regional partnerships, can take action to reduce inequities across Gwent. This report will form the basis of the action plan for this step.

Links to other steps



Contribution to the national Well-being Goals

Prosperous	Resilient	Healthier	Equal	Cohesive	Culture & Language	Global

## Enable and support people, neighbourhoods, and communities to be resilient, connected, thriving and safe

During the Covid-19 pandemic, communities across Gwent pulled together to support each other in times of need. But the cost of living crisis and the war in Ukraine have made existing inequities and poverty worse, with crime and antisocial behaviour increasing as people find life harder. We also know that there are some people, or communities, living in the region that don't feel as welcome, safe, or supported as they should. This could be because they are old, sick, at risk from flooding, domestic violence, drug misuse or racism. Many of these issues have been there for decades, with poor housing, health, and jobs, making it harder for people to improve their well-being.

Thriving communities need safe, affordable, suitable homes, access to sports, leisure, and cultural activities, with opportunities to get involved through paid work or volunteering, and in the language of their choice. There are historical buildings and areas across Gwent that could be used as community resources for local arts programmes and other activities, providing an opportunity to promote and share knowledge about the local heritage, history, and culture.

Communities need decent, reliable transport that enables people to access services, get to decent work, attend events, or visit family and friends, safely, cheaply and in a low carbon way. The beautiful countryside provides the space for exercise and recreation for people of all ages, benefiting their physical and mental health and providing opportunities to reduce the effects of extreme weather events, caused by a changing climate.

Links to other steps



Cost of living



Environment



Health



Homes

Contribution to the national Well-being Goals

Prosperous	Resilient	Healthier	Equal	Cohesive	Culture & Language	Global

## What happens next?

During the first year of this Plan we will be preparing detailed delivery plans at a regional and local level. Working with our Local Delivery Groups, other partnerships, communities, Community Councils, voluntary groups, and others, we will get a better understanding of what needs to be done and how best to do it. These delivery plans will form the basis of the first annual report, along with updates. There may be things we can do in the short term, such as finding out more about how something similar has been done before or declaring a nature emergency or promoting fair pay within our organisations. But we must make sure that these support our long-term objectives and the steps we have identified.

## How the Marmot Principles link to the steps

	Cost of living	Housing	Environment	Health equity	Community
Give every child the best start in life	✓	✓	✓	✓	✓
Enable all children, young people, and adults to maximise their capabilities and have control over their lives	✓			✓	✓
Create fair employment and good work for all	✓	✓	✓	✓	✓
Ensure a healthy standard of living for all	✓	✓	✓	✓	
Create and develop healthy and sustainable places and communities	✓	✓	✓	✓	✓
Strengthen the role and impact of ill-health prevention	✓	✓		✓	✓
Tackle racism, discrimination, and their outcomes					✓
Pursue environmental sustainability and health equity together	✓	✓	✓		

## Connections with other Partnerships and Plans

Across the Gwent region, and beyond, there are a number of other partnerships and initiatives which will make a difference to people and rather than repeat what these groups are doing, the Gwent PSB will look to work with them to deliver its objectives for Gwent.

### Local Delivery Groups

In each of the local authority areas which make up the Gwent region, Local Delivery Groups (LDGs) have been set up to deliver the PSB's objectives at the local level. Their membership is similar to that of the PSB, with additional local representation. Activity to deliver the objectives may look different in different areas and the LDGs will be able to better connect with and draw on local expertise and groups to provide a local flavour. In time these groups may want to deliver their own action plans creating a link between local and regional priorities and action.

### Regional Partnership Board (RPB)

The Gwent RPB brings together the health board, local authorities and the voluntary sector to ensure effective services, and care and support is in place to best meet the needs of the people of Gwent. The priority areas they need to work on are services for: older people with complex needs and long-term conditions, including dementia; people with learning disabilities; carers, including young carers; Integrated Family Support Services; children with complex needs due to disability or illness. The RPB must write a Population Needs Assessment and an Area Plan. These complement the Well-being Assessment and this Well-being Plan. The PSB will support the work of the RPB, and they will support our work, but we will make sure that we're not duplicating each other's work.

### Building a Fairer Gwent – a Marmot Region

A Marmot Region is a network of local stakeholders committed to tackling inequity through action on the social determinants of health – the social and economic conditions which shape our health with action framed within eight principles. Becoming a Marmot Region demonstrates that we want to work together at a senior level to improve equity across Gwent, and improve the lives of all our communities.

### Safer Gwent - Community Safety Partnership

Safer Gwent, is a regional multi-agency Community Safety Partnership (CSP), made up of statutory bodies under the Crime & Disorder Act, and wider partners who have a key role in addressing the community safety portfolio. Safer Gwent aims to carry out, on behalf of the Gwent PSB, the oversight of regional community safety issues and quality assure the coordination of regional activity to support local CSP delivery. In addition, Safer Gwent is uniquely positioned to take forward the Gwent PSB community safety & cohesion priorities, whilst ensuring that the PSB is fully cited on and able to respond to issues identified within the annual community safety strategic assessment.

## Cardiff Capital Region

The Cardiff Capital Region (CCR) is a collaborative partnership comprising the ten Local Authorities that make up South East Wales and represents almost half the population of Wales. The CCR delivers a wide range of regeneration and investment projects, managed by a dedicated team and a ring-fenced £1.2bn investment fund, through the Cardiff Capital Region City Deal, which aims to deliver 25,000 new jobs and generate an additional £4bn of private sector investment by 2036. The CCR's high-profile projects include: the £50m Innovation Investment Capital fund, supporting business to scale up; the £50m Sites and Premises Fund, developing new sites to support the delivery of their Industrial and Economic Plan; the £10m Challenge Fund, supporting Local Authority innovation to accelerate decarbonisation and transform communities; the Homes for the Region programme to deliver 2,800 new homes; and several Metro projects transforming public transport infrastructure across the region.

## Strategic Corporate Plans

These are the plans each of the organisations that make up the PSB have for what they are going to do over the next 3 – 5 years. These have different names in different organisations but they all set the high level direction for that organisation including their own Well-being Objectives which need to align to those of the PSB.

## Area Statements

The South East Wales Area Statement (SEAS) informs internal and external planning across Gwent and helps stakeholders (including the PSB) consider different ways of working together.

The Area Statement process helps explore and shape aspirational ways of working. It has 4 themes: Linking Our Landscapes, Climate Ready Gwent, Healthy Active Connected and Ways of Working. The collaborative actions identified under each theme are underpinned by best available evidence, local knowledge and understanding gathered throughout the development of the SEAS. The outcomes under each of the four strategic themes will deliver the Area Statement vision for South East. This vision has been developed collaboratively over the course of the Area Statement process and is underpinned by what specialists and wider stakeholders want to see in Gwent.

## Greater Gwent Nature Recovery Action Plan (GGNRAP)

The GGNRAP is a strategic framework, aiming to halt and reverse negative biodiversity trends, aligning national policy and legislation, informed by evidence including the Greater Gwent State of Nature Report 2020 Greater-Gwent-State-of-Nature-4-002.pdf (monlife.co.uk), the South East Wales Area Statement and Gwent Well-being Assessments. It is intended to be used by public bodies and organisations which operate at a regional level across the Greater Gwent area, including those on the Gwent PSB, to support better involvement that drives positive change and collaborative action together, long term. It is also a guide for the Local Nature Recovery Action Plans which focus more on local action to promote biodiversity in each Local Nature Partnership area found within Gwent.

### Third Sector Partnership Agreement

The Third Sector Partnership Agreement between the Gwent PSB and the wider third sector recognises the mutual benefits that can be gained from close co-operation between the statutory partners and third sector across the Gwent PSB landscape. It builds on previous local versions and sets out guidelines for how all parties should work together. Partnership Agreements with the third sector have been identified by Welsh Government as good practice.

### Participatory budgeting

Funding has been made available to the five Gwent Local Authorities to lead participatory budgeting programmes in their areas. The authorities are currently at different stages of development and with differing levels of investment. Some local authorities have now completed one or more programmes. Initial feedback has suggested participatory budgeting is effective in distributing funding to community groups, can help achieve wellbeing objectives, can generate high levels of participation and is well received. Public Health Wales are leading a review of participatory budgeting undertaken across Gwent, to inform and improve future use of this approach.

## Appendices

**Appendix 1** Consultation and engagement – chapter

**Appendix 2** Marmot Report

**Appendix 3** RPB Area Plan

**Appendix 4** PSBs in Gwent's Well-being Objectives 2018 – 2023

WFPB 17.02.23



## Appendix 4

### PSBs in Gwent's Well-being Objectives 2018 – 2023

Blaenau Gwent PSB	Caerphilly PSB	Newport PSB	Monmouthshire PSB	Torfaen PSB
Blaenau Gwent wants to forge new pathways to prosperity	Positive Change -a shared commitment to improving the way we work together	People feel part of their community and have a sense of belonging	Respond to the challenges associated with demographic change.	Develop a functional, connected network of natural areas that support the current and future well-being needs of local populations
Blaenau Gwent wants everyone to have the best start to life.	Positive Start- giving our future generations the best start in life	Provide children and young people with the best possible start in life	Provide Children and young people with the best start in life.	Provide children and young people with the best possible start in life.
Blaenau Gwent wants safe and friendly communities.	Positive People-empowering and enabling all our residents to achieve their own potential.	Ensuring people feel safe in their communities.		Create safe, confident communities and promote community cohesion
Blaenau Gwent wants to encourage and enable people to make healthy lifestyle choices in places that they live, learn, work and play.	Positive Places-enabling our communities to be resilient and sustainable	Long and healthy lives for all		Support healthy lifestyles and enable people to age well.
Blaenau Gwent wants to look after and protect its natural environment.		Newport has a clean and safe environment for people to use and enjoy.	Protect and enhance resilience of our natural environment whilst mitigating and adapting to the impact of climate change.	Develop mitigation and adaptation responses to the impacts of climate change
		Improve the perceptions of Newport		Tackle the intergenerational patterns

		as a place to live, work, visit and invest		of poverty and develop economic resilience.
		Drive up skill levels for economic and social well-being.	Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.	Improve local skills through work-force planning, training, apprenticeships, and volunteering opportunities.
		People feel part of their community and have a sense of belonging		
		Participation in arts, heritage and history is important for people's well-being		
		Improve air quality across the city		
		Communities are resilient to climate change		
		Participation in sports and physical activity is important for people's well-being		
		People have access to stable homes in a sustainable supportive community		



## COUNCIL – 15<sup>TH</sup> MARCH 2023

### PUBLIC INTEREST TEST – EXEMPTION FROM DISCLOSURE OF DOCUMENTS PARAGRAPH 14 OF SCHEDULE 12A LOCAL GOVERNMENT ACT 1972

**SUBJECT: BEDWAS RUGBY FOOTBALL CLUB**

**REPORT BY: HEAD OF LEGAL SERVICES AND MONITORING OFFICER**

I have considered grounds for exemption of information contained in the report referred to above and make the following recommendations to the Proper Officer:-

**EXEMPTIONS APPLYING TO THE REPORT:**

Paragraph 14 - Information relating to the financial or business affairs of any particular person.

**FACTORS IN FAVOUR OF DISCLOSURE:**

There is public interest in the way that a council uses its money.

**PREJUDICE WHICH WOULD RESULT IF THE INFORMATION WERE DISCLOSED:**

The report contains detailed financial information of the rugby club.

**MY VIEW ON THE PUBLIC INTEREST TEST IS AS FOLLOWS:**

That paragraph 14 should apply.

On the basis I feel that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider these factors when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

**RECOMMENDED DECISION ON EXEMPTION FROM DISCLOSURE:**

On the basis set out above I feel that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and that the report should be exempt.

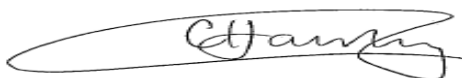
Signed: 

Dated: 7<sup>th</sup> March, 2023

Post: Head of Legal Services and Monitoring Officer

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I accept the recommendation made above.



Signed: \_\_\_\_\_  
Proper Officer

Date: 7<sup>th</sup> March 2023

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