



## **CABINET**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY 27TH JULY 2016 AT 2.00 P.M.**

---

PRESENT:

Councillor K. V. Reynolds – Chair

Councillors:

C. Forehead (Human Resources and Governance/Business Manager), N. George (Community and Leisure Services), D. Havard (Education and Lifelong Learning), K. James (Regeneration, Planning and Sustainable Development), D.V. Poole (Housing), T. Williams (Highways, Transportation and Engineering) and R. Woodyatt (Social Services).

Together with:

C. Burns (Interim Chief Executive), N. Scammell (Acting Director of Corporate Services & S151) and C. Harry (Corporate Director Communities).

Also in Attendance:

S. Harris (Interim Head of Corporate Finance), M.S. Williams (Head of Community & Leisure Services), J. Reynolds (Sports & Leisure Facilities Manager), K. Cole (Chief Education Officer), L. Donovan (Acting Head of Human Resources and Organisational Development), S. Couzens (Chief Housing Officer), P. Smythe (Housing Repair Operation Manager) and C. Evans (Committee Services Officer).

S.J. Byrne (Wales Audit Office (WAO)) and A. Rees (Wales Audit Office (WAO))

#### **1. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor D.T. Hardacre, Mrs B. Jones and D. Street.

#### **2. DECLARATIONS OF INTEREST**

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

#### **3. CABINET – 13TH JULY 2016**

RESOLVED that the minutes of the meeting held on 13th July 2016 (minute nos. 1 - 5) be approved and signed as a correct record.

#### **4. PROVISIONAL OUTTURN FOR 2015/16**

The report provided Cabinet with details of the provisional outturn for the 2015/16 financial year prior to the annual audit by the Authority's External Auditors Grant Thornton.

In advance of the Statement of Accounts being audited and presented to Council on the 28th September 2016, the report provided an overview of the Council's performance against the budget for the 2015/16 financial year.

The report detailed the Service Directorates underspends, which have been achieved as a result of Officers mindfulness of the continuing programme of austerity and expenditure has been curtailed in a number of areas in order to support the Medium-Term Financial Plan (MTFP). This prudent approach has resulted in a number of savings being achieved in advance and underspends being higher than would normally be the case.

It was noted that, after adjusting the earmarked reserves, 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas. The remaining balance is transferred to the General Fund.

Members were reminded that the forecast General Fund balance was reported to Council on 24th February 2016 at £10.105m, however, as a result of prudent planning, the projected balance as at 31st March 2017 is anticipated to be £11.155m. In order to prepare for the significant financial challenges that lie ahead, it would be prudent to maintain the minimum General Fund balance at £11.155m, ensuring a small buffer to support the delivery of the MTFP in future years.

Members thanked the Officer for the report and extended their gratitude to all staff on their efforts during the past year to ensure a more secure position for the Authority during unprecedented financial times.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report Cabinet note the provisional 2015/16 outturn position and the forecast balance on the General Fund as set out in Appendix B.

#### **5. RESERVES STRATEGY**

The report, which was considered by Policy and Resources Scrutiny Committee on 12th July 2016, outlined details of the Council's draft reserves strategy document and sought the approval of Cabinet.

Members noted that the creation of use of both general and earmarked reserves are key tools to assist Authorities in delivering services over a period of longer than one financial year. They are an essential part of good financial management and help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending.

Usable reserves held by Local Authorities have been subject to increased scrutiny in recent years, and in February 2015, after reviewing details of reserves held by all Councils in Wales, the Minister for Public Services referred to a lack of consistency in applying protocols for the establishment, review and discharge of reserves. He also expressed a particular concern over the apparent lack of opportunity for Elected Members to engage in and scrutinise the use of reserves held by their Authorities. In April 2015 the Wales Audit Office (WAO) published a report on the financial resilience of Councils in Wales, which recommended that "Councils should ensure that they have a comprehensive reserves strategy that outlines the specific purpose of accumulated usable reserves as part of their Medium-Term Financial Plan".

It was explained that the draft reserves strategy (detailed at Appendix 1 of the Scrutiny Committee report) consolidates existing arrangements for the establishment and subsequent management and the use of reserves within the Authority. One significant change to existing arrangements is a proposed 3% cap on the amount Directorates can hold in reserve from accumulated revenue budget underspends. Full details were outlined in the report, together with the reporting procedure to be followed in cases where the 3% limit is exceeded. It was noted that as part of the reserves strategy, an annual report on usable reserves will be prepared for the Policy and Resources Scrutiny Committee, which will contain detailed information and ensure there is effective scrutiny of the balances held and their intended purpose.

Members were asked to note that one key change to existing arrangements is a proposed cap on the amount Directorates can hold in reserve from revenue budget underspends. Directorates are currently permitted to hold 50% of revenue budget underspends in their own general reserves with the balance being transferred to the General Fund Reserve, however it is now proposed that the cumulative balance should not exceed 3% of the net revenue budget for each Directorate.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report the draft Reserves Strategy, as appended to the report be approved.

## **6. FINANCIAL RESILIENCE REPORT**

The report, which was presented by S.J. Byrnes (WAO), provided Cabinet with the Wales Audit Office (WAO) report on its financial resilience assessment of Caerphilly CBC.

Members noted the detailed report, which outlined that “The Council has effective financial control arrangements and a track record of achieving savings in advance. However, it does not have a comprehensive medium term financial plan, and monitoring progress of savings is fragmented”.

The Proposals for improvement were outlined, which recommended that “The Council should strengthen its financial resilience by:

- Developing more explicit links between the Medium Term Financial Plan (MTFP) and its corporate priorities;
- Developing a longer term MTFP with comprehensive multi-year savings plans to cover the period of the MTFP;
- Continuing to develop a more strategic asset management plan which is aligned to its MTFP;
- Reporting a ‘Whole Council’ financial and savings progress reports to Members on a regular basis; and
- Developing income generation/charging policies.

In response, S. Harris, Interim Head of Corporate Finance provided Cabinet with details of the Officers response. It was noted that The Acting Director of Corporate Services and Section 151 Officer will maintain a dialogue with the WAO regarding the most effective way to demonstrate a link between the MTFP and corporate priorities. Members were reminded that in February 2016; Council approved an updated Medium-Term Financial Plan covering the five-year period 2016/17 to 2020/21. In addition, Members noted that Asset Management will continue to be dealt with through the Strategic Asset Management Group and an Asset Management Strategy will be presented to the Policy and Resources Scrutiny Committee on 4th October 2016. A 2016/17 ‘Whole Authority’ mid-year budget monitoring report will be

presented to Cabinet outlining projected expenditure for the year and details of progress in achieving savings targets, which will be in addition to the budget monitoring reports that are already prepared for individual Scrutiny Committees and the 'Whole Authority' budget monitoring report that is currently prepared in January each year for the Policy and Resources Scrutiny Committee. Finally, a Corporate Policy on income generation/charging will be progressed once the WAO produces a final report on its "All Wales Local Government Improvement Study: Strategic approach to income generation and charging".

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report:

- (i) the content of the Wales Audit Office (WAO) report be noted;
- (ii) the Officer response to the WAO proposal for improvement, as detailed in paragraph 4.5 of this report be noted.

## **7. WALES AUDIT OFFICE REVIEW OF THE DEVELOPMENT OF A SPORT AND LEISURE STRATEGY**

The report, which was presented to Regeneration and Environment Scrutiny Committee on 28th June 2016, updated Cabinet on the outcome of a recent Wales Audit Office (WAO) review of the development of a Sports and Leisure Strategy and the next steps to be taken by the Council in addressing the recommendations made by the WAO.

A. Rees and S.J. Byrne (WAO) introduced the report. Members noted the two reports previously considered at Scrutiny Committee: Strategic Review of Leisure Facilities (28th October 2014) and Strategic Review of Outdoor Recreation Facilities (31st March 2015). Both of which summarised work that had been completed in undertaking a robust assessment of the facilities across the Authority and setting a strategic vision for the provision of facilities in the future. The latter review also progressed to Cabinet where the review recommendations were agreed.

The final quarter of 2015/16, the WAO held discussions with Caerphilly County Borough Council and included a review of Sports and Leisure Services in its 2015/16 programme of work with the Council. The scope of the review was limited to "the development of a Sport and Leisure Strategy" and consequently did not examine the wider aspects of Sports and Leisure Services such as regional working, National Exercise Referral, outdoor adventures/education and sports development. A final report was published by the WAO in May 2016 (attached at Appendix 1 of the Scrutiny Committee report) which sets out the recommendations in the WAO Report and the Authority's next steps.

To build on the substantial review work already undertaken and in response to the WAO findings, the development of the Sport and Leisure Strategy has been designated as one of the 13 Improving Services Programmes which are subject to formal project management arrangements and regular reporting to the new Improving Services Programme (ISP) Board. The Board has agreed to the appointment of a Consultant to review all existing plans, strategies, policies and other documents and to work with key Authority personnel in developing an over-arching Sport and Leisure Strategy for the Council. In addition, the ISP Project Team has developed a brief for the ISP Board (draft timescales are detailed in Appendix 2 of the Scrutiny Committee Report). Developments are at an early stage and future updates will be provided to the ISP Board and Scrutiny Committee upon completion of the consultancy work.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report, the outcome of the Wales Audit Office Review be noted and the Authority's adopted approach be endorsed.

## **8. ISLWYN HIGH SCHOOL – INSTRUMENT OF GOVERNMENT**

The report sought Cabinet approval on the Instrument of Government for Islwyn High School, the process to appoint the Governing Body and to confirm the name as Islwyn High School.

All proposals are made, having regard to the statutory Instruments 2005 No 2912 (W209) Education, Wales, The New Maintained Schools (Wales) Regulations 2005.

Members noted that the size of the Governing Body and those persons responsible for making the appointment is specified within legislation and the constitution of the Governing Body has been based upon a Community Secondary School with 600 or more pupils. It was proposed that the composition of the Governing Body consist of 6 Parents, 5 Local Authority Representatives, 2 Teachers, 1 Staff, 5 Community Governors and the Headteacher, which will provide a total of 20 Governors. Members noted that there would not be automatic transfer of governors from the temporary to permanent Governing Body, all appointments would be made in accordance with the regulations, as outlined in 4.3 of the report.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report the Governing Body is constituted in line with the proposals contained in the report.

## **9. PROPOSED NEW FEE STRUCTURE FOR ADDITIONAL SERVICES**

The report, which was presented to Regeneration and Environment Scrutiny Committee on 28th June 2016, sought the approval on the introduction of a new scale of charges for additional service provision across the Community and Leisure Service division.

The report set out new fee structures for additional services provided across the Parks and Bereavement Service and Fleet Management. The report proposed that new pre-cast burial vaults for the interment of cremated remains at Bedwellty and Rhymney Cemeteries be offered for sale for a period of 50 years at an initial cost of £1498.00 per unit. The report also proposed that Class 5 (minibus) MOT tests be offered by Fleet Management at a cost of £50.00 per vehicle. These proposed charges for additional services will ensure the divisional services will ensure the division has the adequate resources to deliver services and meet specific priorities in light of the Council's Medium Term Financial Plan.

Members noted that the Scrutiny Committee sought clarification on the £505.00 interment fee for the interment of cremated remains in re-opened graves, together with the 50-year period for the Grant of Exclusive Right of Burial. Subsequently a further information report was circulated to the Scrutiny Committee following the meeting, however a Member has requested that Officers bring forward a review report relating to the charges for interment of cremated remains in plots where an initial interment has been carried out (i.e. interment of cremated remains in re-opened plots). However, this report and subsequent debate has no effect on the fees relating to the sale of new cremated remains vaults.

Cabinet thanked the Officer for the report and sought clarification on the Cremated Remains Vaults. The Officer confirmed that the vaults will be in addition to what is currently available at the cemeteries.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report, the proposed new charges for additional services as detailed in the report be endorsed.

## **10. HR STRATEGY DOCUMENT**

The Report, which was considered at Policy and Resources Scrutiny Committee on 12th July, sought the approval of Cabinet for the draft HR Strategy 2016-20.

Following a review of the Council's Human Resources (HR) arrangements in 2012, Wales Audit Office (WAO) raised the need for the improvements in strategic HR and Workforce Planning, and subsequently made the statutory recommendation that the Council 'ensures that the actions identified to improve the HR function and workforce planning are implemented'. The WAO follow-up of the Special Inspection report of January 2015 concluded that a number of improvements were awaiting completion but noted the significant progress made by the Council in developing HR-related policies to facilitate the implementation of the Council's medium-term financial plan. The HR strategy document has been developed to address an outstanding proposal for improvement from WAO, which stated that the Council should prioritise the development of a HR Strategy and workforce plan to form key elements of the Councils strategic planning framework.

Members were advised that this will be the first HR Strategy for Caerphilly CBC, and in view of the potential future challenges and changes faced by the Authority, it was proposed that the HR Strategy (attached in draft form at Appendix 1 of the Scrutiny Committee report) be reviewed 12 months after implementation and updated if considered necessary.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report: -

- (i) the HR Strategy, as appended to the report, be approved;
- (ii) the HR Strategy be reviewed 12 months after implementation to ensure it is current and fit for purpose.

## **11. HOUSING REPAIR OPERATIONS ANNUAL PERFORMANCE UPDATE**

The report provided Cabinet with an update on the annual performance of the Housing Response Repair Service undertaken by Housing Repairs Operations (HRO) Team and sought approval of the integrated approach between housing repairs and WHQS and that this approach should be developed further.

Members noted the information on the performance achieved against each of the Response Repair categories in order to deliver the housing repairs service and the levels of customer satisfaction obtained following telephone and face to face customer satisfaction surveys.

The report also highlighted some of the other achievements, including working in close partnership with the Repairs & Improvement Group, the integrated approach adopted to support the delivery of the WHQS programme and where HRO were finalists in the Association of Public Services Excellent (APSE) UK, Best performing Authority for Building Maintenance, 2015 Awards.

Members thanked Officers for the report and congratulated the department of the level of excellence provided to tenants across the borough.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report the contents of the report be noted and the integral approach between housing repairs and WHQS be approved and that this approach be developed further.

The meeting closed at 3.22pm

Approved and signed as a correct record subject to any corrections made at the meeting held on 7th September 2016.

---

CHAIR