



CABINET

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 14TH NOVEMBER 2018 AT 10.30 A.M.

PRESENT:

Councillor D. Poole – Chair

Councillors:

C. Cuss (Social Care and Wellbeing), N. George (Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B.A. Jones (Finance, Performance and Governance), P. Marsden (Education and Achievement), S. Morgan (Economy, Infrastructure and Sustainability), L. Phipps (Homes and Places) and E. Stenner (Environment and Public Protection).

Together with:

C. Harry (Interim Chief Executive), M. S. Williams (Interim Corporate Director - Communities), R. Edmunds (Corporate Director – Education and Corporate Services), J. Williams (Assistant Director – Adult Services).

Also in Attendance:

R. Hartshorn (Head of Public Protection, Community and Leisure Services), R. Tranter (Head of Legal Services and Monitoring Officer), N. Scammell (Head of Corporate Finance and Section 151 Officer), J. Reynolds (Sports and Leisure Facilities Manager), J. Lougher (Sport and Leisure Development Manager) and A. Dredge (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from D. Street (Corporate Director - Social Services and Housing) due to a bereavement of a close family Member and the Chair requested that a letter of condolence be sent to the Director on behalf of Cabinet and Officers.

2. DECLARATIONS OF INTEREST

Councillor C. Gordon declared a personal and prejudicial interest in relation to agenda item 6 - Draft Sport and Active Recreation Strategy 2019-29 at the commencement of the meeting. Details of which are recorded with the respective item.

3. CABINET - 31ST OCTOBER 2018

RESOLVED that the minutes of the meeting held on 31st October 2018 (minute nos. 1 - 6) be approved and signed as a correct record.

MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED

4. DRAFT BUDGET PROPOSALS FOR 2019/20

The Head of Corporate Finance and Section 151 Officer presented the report that provided Cabinet with details of the draft budget proposals for the 2019/20 financial year and to allow for a period of consultation prior to a final decision by Full Council. The proposals are based on the Welsh Government (WG) Provisional 2019/20 Local Government Financial Settlement and a higher than forecast council tax rise to cover a savings target of £15.6m to enable the Authority to set a balanced budget. The timeline following this meeting was set out that includes a consultation in respect of the proposals running from the 19th November 2018 to the 11th January 2019. The final report will then be presented to Cabinet on the 13th February 2019 and full Council on the 21st February 2019. A Members' Seminar has also been arranged on the 15th November 2018 to consider the proposals.

Cabinet were referred to paragraph 4.2.1. in the report that sets out the proposals that will deliver a balanced budget for 2019/20, along with some savings in advance and on the basis that Council Tax is increased by 6.95%. This will increase the Caerphilly County Borough Council Band D precept from £1,057.70 to £1131.21 i.e. an annual increase of £73.51 or weekly increase of £1.41. The increase in council tax to 6.95% compared to the original anticipated increase of 4.52% will save £1 million of the savings proposed. Council Tax supports 20% of the Local Authority's spend and the further 80% is allocated by WG. It was noted that this is the highest savings target Caerphilly has ever faced and further significant savings will have to be made over the next 4 to 5 years.

The Officer emphasised that the Authority is entering unprecedented times and there will be difficult decisions to be made in moving forward. She referred to the key points of the WG Provisional 2019/20 Local Government Financial Settlement that was published on the 9th October 2018. There is an overall net cash decrease of 0.3% in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) on an all-Wales basis compared to 2018/19. This includes additional funding for Free School Meals of £7m, Social Care of £20m and Teachers Pay of £13.7m. These are all cost pressures that need to be funded. For Caerphilly there is a cash decrease of £560k which is a 0.21% reduction in the AEF compared to the 2018/19 financial year. WG have not provided an all-Wales indicative percentage reduction/increase in AEF for the 2020/21 financial year. The Capital allocations available to Caerphilly in the RSG and from the General Capital Grant have decreased by £23k from the 2018/19 financial year. As in previous years there is still uncertainty in respect of WG grant funding for 2019/20 and it is anticipated that grant funding will reduce. WG will release its final settlement on the 19th December 2018 and confirm if any further funding is available.

Cabinet noted that the draft budget proposals include growth for Schools in 2019/20 to cover all pay related, non-pay and demographic growth pressures. There is no requirement in the Provisional Settlement to protect Schools. Appendix 2 proposes a savings target for schools of £2.1m. This in effect equates to a real terms cut of circa 2%. However, this needs to be considered alongside the need to deliver savings of £15.6m for 2019/20. Schools spend is approximately 30% of net available budgetary spend. Hence the £2.1m savings proposal i.e. 13% of the total savings required does provide relative protection to schools from the full extent of savings required to deliver a balanced budget.

Members were referred to appendix 2 and 3 of the report that set out the savings proposals that are split into 2 categories, those that are permanent and those that are temporary (i.e. not sustainable in the short to medium term and will reappear in 2021). The temporary savings are not ideal, but have been unavoidable due to the uncertainties around funding particularly in respect of the Teachers and Fire service increased employer pension contributions. The Officer explained that using this approach rather than reserves is considered best practice by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Officer explained that the 2019/20 Draft Budget proposals assume no additional funding compared to the Provisional Settlement, because at this stage nothing has been confirmed. If extra funds are made available prior to the final budget decision in 2019, further reports will be updated to reflect this additional funding. Members were reminded of the significant savings that are required in the MTFP and the need to ensure a prudent approach in respect of budget setting. Cabinet were advised to make savings in advance, where possible. In looking forward proposals will be developed to address the significant financial challenges going forward and it is widely accepted that the Council cannot continue as it is. The WG settlement and the increase in Council Tax will not be sufficient to balance the budget, which is a legal requirement. There is a need to examine the way in which resources are used to deliver services required by the communities across the county borough.

All Cabinet Members expressed their frustration at the proposed reduction in funding and spoke passionately about the potential impact on the Service areas within their portfolios. The Cabinet Member for Finance, Performance and Governance thanked the Officers for the extensive report and said that the shape of the Council must change as it simply cannot continue to deliver services as it has done previously. WG have not given 'fair play' to Local Government in terms of its funding allocation. She advised that there are ongoing discussions with the Leader and Ministers at WG regarding this issue and urged Cabinet to support the recommendations in the report.

With regard to employer pension contributions for Teachers and Fire Service personnel it was noted that a significant additional growth pressure in respect of these superannuation schemes had emerged. The Chair advised that the Authority had no choice but to pay the increase in accordance with the rate determined by Central Government as these are unfunded schemes. The Officer confirmed that a 'one off' payment may be made by HM Treasury to cover these costs for 2019/20 but there is much uncertainty around this one off funding and future funding which would make this a significant on-going growth pressure. The Chair advised that as Leader he, along with other Council Leaders across Wales have written to the Treasury expressing serious concerns regarding funding.

The Chair sought clarification as to why there was no reference to the use of reserves in the report. The Officer advised that there are a number of reasons why reserves should not be used. Primarily due to the fact that reserves could only be used once against what is an annually recurring saving requirement, their use would in effect simply 'bridge' the problem until the following year. By 'earmarking' reserves for one-off capital projects additional match funding can be drawn down, vastly increasing the funding pool. For example the 21st Century Schools Band B programme would utilise those earmarked reserves to apply for WG match funding doubling the money available for the schemes proposals. The Head of Corporate Finance and Section 151 Officer referred to (CIPFA) advice in relation to this. The Officer then went on to explain that she has to give a view to the external auditors in respect of Caerphilly CBC's viability as a going concern. As of 2017, her opinion, which was based on factual evidence, was that Caerphilly is a going concern. A strong balance sheet, delivery of savings along with difficult decisions being made by members are all good indicators of an Authority's ability to demonstrate that they are a going concern. Clarification was then sought as to the legality of submitting a deficit budget. The Officer advised that it is a legal requirement to set a balanced budget and that if Members did not then in a worst case scenario Section 114 powers could be used that in effect took decision making away from Members. The Officer went on to state that she had confidence in the Members to make the difficult decisions they had to moving forward. The Head of Legal services and Monitoring officer reinforced the legal requirement of members to set a balanced budget.

Councillor P. Marsden expressed her disappointment and that proposals may also impact on Teaching staff in future. She said with great sadness that there will need to be fundamental changes in the way in which the Council delivers its services. Councillor C. Cuss stated that as Cabinet Members for Social Services the last few months have been painful in the knowledge that that these cuts will affect the most vulnerable people in society. Local Government have not been allocated fair funding, from this portfolio perspective, social care

provides the preventative interventions that help reduce NHS pressures. He added, that the NHS have been allocated a 7% increase whilst funding has been reduced in Social Care and questioned how these services can continue to be delivered. He stressed that WG should provide funding that will allow flexibility in Services. The Cabinet Member for Homes and Places commented that when Local Authorities are given the right resources they do the job well as evidenced in the WHQS programme.

The Cabinet Member for the Environment and Public Protection expressed her concerns as to loss of Community Safety Wardens and the Meals on Wheels service. The Cabinet Member for Neighbourhood Services expressed his concerns regarding the proposals, as his portfolio provides non-statutory services they have gone beyond reducing services and are now being forced to look at closures. He referenced for the closure of 2 amenity sites, 4 Community Centres and the loss of mechanical sweepers. The Cabinet Member for Corporate Services referred to the budget consultation process and urged 'everyone to get involved'. The Cabinet Member for Economy, Infrastructure and Sustainability sought clarification in relation to the Highways budget. The Officer referred to appendix 3 and confirmed that temporary proposals are not ideal or sustainable. She advised that Members need to think carefully about where the Council will be in the next 4 – 5 years and Members will need to consider what services will be provided and what services will cease. It was noted that further reports will be brought to Cabinet over the next 6 – 12 months where difficult decisions will have to be made regarding reducing expenditure that would impact on staff and services.

The Cabinet Member for Finance, Performance and Governance voiced her respect for the views of her Cabinet colleagues, none of which would choose to be in this position and once again urged Members to support the recommendations in the report. The Chair advised that the reduction in funding is a national pressure. He gave an overview of the services to be affected and stated that he felt 'repugnant' at the position that this and other authorities were being placed in and that however reluctant Cabinet have no option but to support the recommendations. He said that he feared for the future of Local Government and would continue to lobby along with all other Local Authorities across Wales for increased funding to allow Authorities to continue providing services. The Interim Chief Executive advised that the Local Authority has previously achieved £89 million with the majority through efficiency savings but this cannot be maintained. She confirmed that Officers are also lobbying with the Welsh Local Government Association (WLGA) regarding the funding position. In looking forward she advised that the Council has to make savings of £60 million in the next 4 to 5 years which is approximately 20% of the budget. The Corporate Management Team will work with Cabinet and wider Members in defining the shape of the Local Authority for the future.

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 Officer's report: -

- (i) the draft 2019/20 budget proposals including the proposed savings totalling £14.66m, be endorsed;
- (ii) the proposal to increase Council Tax by 6.95% for the 2019/20 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1131.21), be supported;
- (iii) the draft budget proposals be subject to consultation prior to final 2019/20 budget proposals being presented to Cabinet and Council in February 2019, be agreed.

5. NOTICE OF MOTION – SPORT AND ACTIVE RECREATION STRATEGY (SARS) 2019-2029

The Interim Corporate Director for Communities introduced the report that provided details of the Notice of Motion that was presented to the Regeneration and Environment Scrutiny Committee on 30th October 2018, by Councillor K. Etheridge. The Notice of Motion requested that the Scrutiny Committee make a recommendation to Cabinet which would be discussed on 14th November 2018 that the whole strategy is referred to Full Council for debate and voted on by all elected members in the interests of openness and transparency. The Scrutiny Committee unanimously agreed that the Notice of Motion be supported, and that it be recommended to Cabinet that the Draft Sport and Active Recreation Strategy 2019-29 being considered on 14th November 2018 be referred to Council for approval.

The Chair agreed for Councillor Etheridge to speak at Cabinet regarding the Notice of Motion. Councillor Etheridge thanked the Chair for the opportunity and considered the Notice of Motion to be non-political and is regarded as a 'people's' motion signed by cross party representatives. He felt that the time has come for the Council's 73 elected Members to stand up and be counted and referred to the petition submitted with over 5000 signatures from wide ranging areas across the borough. He stated the Sport and Active Recreation Strategy affects the whole county borough and expressed his concerns that if the Notice of Motion is not referred to Full Council then he would fear for the role of Scrutiny regarding openness and transparency. The Scrutiny Committee would only have between 15 – 20 Members voting. Councillor Etheridge asked Cabinet to consider the merits of the Notice of Motion and for the matter to be referred to Full Council so that all Members could have a full debate. He referenced the way in which this issue has brought communities together. In concluding, Councillor Etheridge requested Cabinet's support for the local communities and for the children who attend Cefn Fforest and Pontllanfriath Schools.

The Monitoring Officer advised that in accordance with the Local Government Act 2000, the decision in relation to the Sport and Active Recreation Strategy is an executive function. He summarised the various executive functions and confirmed that Cabinet make the vast majority of Council decisions as is the case in all Local Authorities across Wales.

Following consideration and discussion, it was moved and seconded that the Notice of Motion not be supported. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons discussed at the meeting, it was unanimously agreed that the Notice of Motion not be supported.

6. DRAFT SPORT AND ACTIVE RECREATION STRATEGY 2019-29

Councillor C. Gordon declared a personal and prejudicial interest in relation to this item at the commencement of the meeting as he is a service user of Pontllanfraith Leisure Centre. He left the room when the report was presented and did not take part in the debate or vote.

The Head of Public Protection, Community and Leisure Services along with the Sports and Leisure Facilities Manager and Sport and Leisure Development Manager presented the report. The report advised Cabinet of the outcome of the public consultation exercise and provided an updated draft Caerphilly Sport and Active Recreation Strategy 2019-29 for approval. The document sets out the future purpose and direction for the provision of sport and active recreation in Caerphilly County Borough. The Head of Public Protection confirmed that the draft strategy (appended to the report) supports the Wellbeing Objectives within the Council's Corporate Plan 2018-23 and is in accordance with the sustainable development principles within the Wellbeing of Future Generations (Wales) Act 2015.

For the purposes of the draft strategy sport and active recreation is defined as the range of sport and physical activity opportunities provides by Caerphilly County Borough Councils in

conjunction with key partners. It was noted that a ten week consultation period had been undertaken to obtain the views of residents, existing users and a broad range of stakeholders. Views were sought via a questionnaire and 11 drop-in sessions that were held across the County Borough. The Officer confirmed that 711 questionnaire responses were received with a further 20 written responses also received. The profile of respondents was confirmed with 94% of those received from Local Authority residents with a 50/50 male/female split.

Officers explained that there was broad support for the strategy's vision and the proposed actions to support those visions. Similarly there was support for the 3 key outcomes supporting actions identified in the draft strategy. Members were referred to section 4.9 of the report which detailed the responses in relation to the 'What Needs To Be Done' section and were reminded of the timeframe within which the strategy would operate and the importance of remembering that any decisions arising from it would be taken over a ten year period and would therefore be subject to further and specific reports to Cabinet. Officers advised that current provision cannot continue in its present form as it not sustainable. The strategy focuses on a fair and equitable service provision. Officers then referred to paragraph 4.10 of the report which noted that 58% of responders agreed with adopting the Welsh Government and Sport Wales Facilities Blueprint for Sport and Active Recreation. 50% agreed with adopting a decision making matrix for determining the provision of strategic leisure facilities that are directly managed by the Sport and Leisure Service, 17% disagreed with this and 33% responded 'don't know'. There was strong agreement that outreach intervention programmes should continue.

Officers referred to paragraph 4.13 in the report where it was highlighted that a number of responses centred specifically on concerns relating to the potential closure of two facilities, Pontllanfraith Leisure Centre and Cefn Fforest Leisure Centre, and with 52% of the respondents stating that any closure of facilities would have a negative impact. In terms of Leisure Centre provision Officers confirmed that any proposals for the closure of facilities would be the subject of further reports which would be presented to Members for consideration. The draft strategy focuses on the potential for 4 high class strategic multi-functional facilities which would be geographically sited within the borough in order to ensure access via public transport along with purpose built disabled access. Officers also advised that the strategy also looked at broader opportunities for sport and active recreation such as the abundance of great open spaces throughout the borough and highlighted the benefits that these can have in respect of health and wellbeing.

The Cabinet Member for Neighbourhood Services thanked the Officers for developing such a comprehensive strategy. Its holistic 10 year approach will encourage the public to take advantage of all the facilities available, including outdoor play areas, cycle and walking paths and open green spaces. In the long term high level facilities will be developed with specific decisions to be taken during that 10 year period.

With the permission of the Chair Councillor Kevin Etheridge was invited to address Cabinet. Councillor Etheridge acknowledged the 10 year strategy and the benefits of focusing on health and wellbeing and referred to the 52% of the responses received that felt that the impact of rationalising leisure facilities would be negative. He agreed with these concerns and referred to leisure centres at Pontllanfraith, Cefn Fforest and New Tredegar and how essential these were to their respective communities. The Councillor would have liked to have seen draft financial implications or an estimate provided to Scrutiny or Cabinet in advance and expressed major concerns in respect of the public's health and wellbeing as a result of any leisure centre closures. Officers referred to paragraph 7 in the report that sets out an overview of net costs of each of the services identified and provides financial information commensurate with this being a 10 year strategy document. Officers reaffirmed that any individual decisions would be subject to further reports.

The Chair then read out a number of questions received from Councillor Andrew Farina-Childs that referenced figures relating to the usage at both Pontllanfraith Leisure Centre, the 3G pitch and Cefn Fforest Leisure Centre and the provision of swimming facilities. He

expressed concerns on any potential closure of these sites and considered that this would have a detrimental impact on the residents of both communities. In terms of public transport and the 'strategy facility' he questioned the safety of children catching up to two busses to access facilities in other parts of the borough. In addition he referred to shared facilities with schools and the close proximity of some leisure centres to schools. He queried if the option for schools to take on leisure provision had been explored.

Officers confirmed that no decisions had been made in respect of any particular sites at this stage and any proposals would be subject to further reports to Members. Over 40% of users of Pontllanfraith Leisure Centre are users of the 3G pitch rather than the other facilities and a combination of the additional 3G pitch infrastructure at Blackwood Comprehensive and Islwyn High Schools could accommodate this usage moving forward. Officers clarified that the figures referenced within the email related to number of visits and not people visiting. They confirmed that providing swimming lessons for children is and would continue to be a priority to achieve the WG target in the longer term. It was noted that Caerphilly has more facilities in terms of local provision than any other local authority in Wales. Officers referred to the fact that some facilities were now 30-40 years old and as of 2012 had a maintenance liability cost of £3m.

The Chair then read out a number of questions received from a local resident who asked that Cabinet take into consideration the rise in coronary heart disease in Caerphilly and the need to ensure leisure access to support not only for the rehabilitation process but also for the long term wellbeing. This included the continuing provision at Pontllanfraith and Cefn Fforest. The resident referred to the regional hubs and questioned if they would accommodate all residents and why more money hadn't been invested in existing facilities. Officers provided details on the National Exercise Referral Scheme (NERS). This is a Public Health Wales (PHW) funded scheme which had been in development since 2007. The Scheme targets clients aged 16 or over who have, or are at risk of developing a chronic disease and has secured funding until the 31st March 2019. In terms of schools and leisure provision, Officers confirmed that Caerphilly leisure centre is the largest in the borough and is not linked to a school. They also referenced the increase in private leisure provision with a growth in the number of gyms operating throughout the county borough. Reference was then made to Islwyn High School and the facilities available to the public and it was confirmed that this was match funded by Welsh Government which meant that the Council in effect paid 50% of the overall cost.

The Cabinet Member for Economy, Infrastructure and Sustainability sought clarification on how the strategy fits in with the Wellbeing of Future Generation Act. Officers explained that the strategy reflects the wider and holistic approach to an active lifestyle and confirmed that financial sustainability must be taken into account. It sets out what the local authority can do for communities and provides an inspirational environment for children as well as forming a platform that will encourage people to change and make positive lifestyle choices and to promote sustainability. Officers also confirmed that the Public Services Board (PSB) had endorsed the strategy as it complies with their own wellbeing goals. The Cabinet Member for Education and Achievement advised that the strategy would also offer technical support for partnership in schools. Officers emphasised the importance of collaboration and the coming together of resources in order to get children as physically active as possible as young as possible so that this carries on into their adult life. The Cabinet Member for the Environment and Public Protection sought clarification as to whether the strategy had taken the housing land supply into account as it must be able to support growth. The Officer confirmed that they had worked with colleagues in Regeneration and Planning and were aware of new housing development in the pipeline and had taken them into account.

Due to the extensive debate Councillor P. Marsden, the Interim Chief Executive and the Corporate Director of Education and Corporate Services left the room at this point in order to attend a further meeting and as such Councillor Marsden was not present for the vote.

The Chair expressed his disappointment that public perception had chosen to incorrectly focus on the closure of leisure centres rather than the actual content of the document. He

referred to the previous report on the draft budget proposals for 2019/20 and drew attention to the fact that not a single budgetary heading within that document referenced the closure of leisure centres.

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 Officer's report, the draft Sport and Active Recreation Strategy 2019-29, be approved and formally adopted.

The meeting closed at 1.20 pm.

Approved and signed as a correct record subject to any corrections made at the meeting held on the 28th November 2018.

CHAIR