



CABINET

MINUTES OF THE REMOTE MEETING HELD VIA MICROSOFT TEAMS ON WEDNESDAY, 1ST JULY 2020 AT 10.30 A.M.

PRESENT:

Councillor P. Marsden (Leader) - Chair

Councillors:

C. Cuss (Social Care and Wellbeing), N. George (Environment and Neighbourhood Services), C.J. Gordon (Corporate Services), B. Jones (Education and Achievement), S. Morgan (Regeneration, Transportation and Sustainability), L. Phipps (Homes, Places and Tourism), and E. Stenner (Finance, Performance and Planning).

Together with:

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

Also in Attendance:

S. Harris (Acting S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer) and C. Evans (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

D. Street (Corporate Director – Social Services and Housing).

2. DECLARATIONS OF INTEREST

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

3. CABINET FORWARD WORK PROGRAMME – TO NOTE

Cabinet were provided with the Cabinet Forward Work Programme, which detailed the scheduled reports from 1st July 2020 to 30th July 2020. Members were reminded that the Cabinet Forward Work Programme is a working document and therefore subject to change.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

RESOLVED that the Cabinet Forward Work Programme be noted.

MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED

4. MUTUAL INVESTMENT MODEL 21ST CENTURY SCHOOLS WELSH EDUCATION PARTNERSHIP – STRATEGIC PARTNERSHIP AGREEMENT.

The report provided Cabinet with an update on the Welsh Government Scheme linked to the Mutual Investment Model (MIM) 21st Century Schools and Colleges Band B programme and sought approval from Cabinet for the Council to enter into a Strategic Partnering Agreement with the Welsh Education Partnership Co (WEPCo). It was noted that this would enable the use of the Strategic Partnering Framework in the future if required, in order to facilitate the delivery of education and community facilities.

Cabinet noted that Welsh Government has been procuring a Private Sector Delivery Partner to work with it on the delivery of education and community facilities throughout Wales, under a strategic partnering framework.

The successful private sector partner and a subsidiary of the Development Bank of Wales (known as WGCo) will be required to form WEPCo, which will deliver infrastructure services to the Participants in Wales. The Participants to the arrangements will be a number of Local Authorities and Further Education Institutions. The Participants and WEPCo will enter into a Strategic Partnering Agreement.

It was noted that the aim of the Strategic Partnering Agreement is to provide a process for efficient and effective planning, procurement, design, build and/or finance and maintenance of education and community-based facilities in Wales. The Strategic Partnering Agreement is a mechanism by which this can be achieved and will be signed by the Council in September 2020.

It was outlined that as part of the Council's 21st Century Schools and Colleges Band B programme, Welsh Government has agreed in principle to a Municipal Investment Model (MIM) delivered within Caerphilly Borough with an equivalent build value in the range £28m – £32m. The size and nature of this project is yet to be determined and would be subject to business case approval by the Welsh Government.

The report explained the process and sought approval to enter into a Strategic Partnering Agreement with Welsh Education Partnership Co to facilitate the delivery of education and community facilities. Members were asked to note that there will be a nominated 'Participant Representative' who will be Sue Richards, Head of Education Planning and Strategy who will sit on the Strategic Partnering Board on behalf of the Council.

It was noted that by signing into this agreement it would ensure the Council has the option to access this framework should this be required in line with the 21st Century Schools Strategic Planning.

Cabinet thanked the Officer for the report and discussion ensued.

A Member, in recognising the benefits of the programme, sought further information on the level of control the Local Authority will have over buildings for public use. The Officer explained that a number of the schools are now operating a Community Use Agreement, which is key for Welsh Government, therefore there is an assurance that the community access will continue. In addition, it was noted that this provides an excellent opportunity, as work will be conducted with key developers and contractors, taking part in schemes all across Wales and there will be an opportunity for the Authority to have an input on the scheme programme as a member of the board, thus further ensuring to maintain the community access links.

A Member sought further information on the Intervention rate, which has been allocated at 75% and queried the length of time this would take to repay before the site is fully owned by

the Local Authority. Officers were pleased to update that the intervention rate has increased to an 81% contribution and advised that it is anticipated that the repayment period would be 25 years.

A Cabinet Member queried the timelines for implementation of the programme. Officers explained that progress was dependant on the school organisation code and consultation process associated with the scheme. The project would commence following the development of proposals and acceptance of a business case. Officers expressed that whilst this is an exciting opportunity that they are keen to progress as soon as possible, the recommendations of the report do not require a commitment to take part in the scheme at this stage, only to be involved in the initial process, and further reports will be brought as things progress.

Following consideration and discussion, it was moved and seconded that 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 information in the report be noted;
- ii) the execution, delivery and performance be approved of the Strategic Partnering Agreement with the Welsh Education Partnership Co. in September 2020 to facilitate the delivery of a range of infrastructure services and the delivery of education and community facilities;
- iii) the Strategic Partnering Agreement at Appendix 1 of the report and summarised at Appendix 2 be approved, so as to give effect to recommendation (ii), subject recommendation (iv) below;
- iv) the Director of Corporate Services and Education be delegated authority, after consultation with the Monitoring Officer and the Cabinet:
 - a) to approve the final terms of the Strategic Partnering Agreement
 - b) Approve any further deeds and documents which are ancillary to the Strategic Partnering Agreement approved here
- v) the nomination of Sue Richards, Head of Education Planning and Strategy, and Andrea West, 21st Century Schools Manager, to be the Council's 'Participant Representative' to sit on the Strategic Partnering Board (SPB) be approved;
- vi) it be noted that in agreeing to enter into the Strategic Partnering Agreement, the Council is not being asked to decide to proceed with any Project, and that nothing within the Strategic Partnering Agreement commits the Council to make any such commitment. Any decision to proceed with a Project will be reported back to Members in future report(s) for decision as there will be funding implications for the Council.

5. PROVISIONAL OUTTURN FOR 2019/20

The report provided Cabinet with details of the provisional outturn for the 2019/20 financial year prior to the annual audit by the Authority's External Auditor, Grant Thornton.

It was noted that in advance of the 2019/20 Financial Statements being audited and presented to Council on the 10th September 2020, the report provided an overview of the Council's performance against the budget for the 2019/20 financial year. Members receive detailed budget monitoring reports as part of the Scrutiny process throughout the financial year.

Cabinet were referred to Appendix A, which summarised the provisional revenue outturn position, which has a net underspend of £13.222m. This included an overspend of £1.251m for schools and an underspend of £6.701m on the Housing Revenue Account, which will be carried forward into the 20/21 financial year to support the WHQS programme. It was noted that during the year Officers continued to be mindful of the continuing programme of austerity and therefore, expenditure has been curtailed in a number of areas to support the Medium-Term Financial Plan (MTFP). This prudent approach has resulted in a number of savings being achieved in advance, and underspends therefore being higher than would normally be the case. Further details of more significant variations against budget were provided in the report for each directorate.

Members were referred to Appendix B of the report, which shows the movement on the general fund balance from 1st April 2019 to 31st March 2020, along with the current agreed commitments for 2020/21. The forecast general fund balance as reported to Council on 20th February 2020 was £13.261m, which has reduced to £10.684m following Council approval to transfer £2.577m into capital earmarked reserves to support investments in the Place Shaping Agenda. The updated position is a projected balance of £13.972m, an increase of £3.288m and the table in paragraph 5.5 of the report provided further details of this increase.

The report recommended that the general fund balance be maintained at £10.684, as approved by Council 20th February 2021. It is further recommended that the surplus balance of £3.288 be allocated across budgets with £575k to fund the current deficit on Communities directorate reserve and £2.713m to be transferred into an earmarked reserve to meet the potentially underfunded additional costs arising as a result of COVID-19 pandemic.

In reference to Social Services reserves, the table in paragraph 5.49 of the report provided a summary of the reserves arising from cumulative directorate underspend, along with projected balances, after taking account of the approved use of the reserves in 2019/20 and the current approved use of reserves for 2020/21, as a direct consequence of the underspends reported for the 2019/20 the report included specific new proposals for one off expenditure of £446k from Corporate Services reserves and £2.788m from social services reserves.

In terms of capital expenditure, total spend on the HRA Capital programme for 2019/20 was £49.5m resulting in total targeted spend to date of £254m. The general fund capital programme for 2019/20 resulted in total targeted spend of £52.7m including all in year grant allocations and Section 106 agreement monies, and an amount of £27.2m remained and spends at the financial year end, the majority of which represents slippage that has been carried forward to 2020/21 financial year.

Cabinet thanked the officer for report and noted the prudent measures undertaken to deliver the budget and discussion ensued.

A Cabinet Member, in noting the underspends, and utilisation of grant funding in service areas, sought further information on the work undertaken as part of the WHQS programme and whether there are any slippage in the programme as a result of Covid-19. Officers outlined that as a result of the lockdown, only essential works have been undertaken inside properties, which has resulted in some slippage to the programme. It was anticipated that the original Programme would be completed by June 2020, with a Welsh Government deadline of December 2020. However, as a consequence of Covid-19 completion has not been achieved and further information is not yet available from WG as to whether these deadlines will be extended as a result of the Pandemic.

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 provisional 2019/20 outturn position be noted;

- ii) It be supported that the Acting S151 Officer maintain the General Fund balance at £10.684m as previously agreed by Council on the 20 February 2020;
- iii) It be supported that the Acting S151 Officer that the surplus General Fund balance of £3.288m be allocated as follows: -
 - £575k to fund the current deficit on the Communities Directorate Reserve (see paragraph 5.5)
 - £2.713m be transferred into an earmarked reserve to meet potential unfunded additional costs arising from the Covid-19 pandemic.
- iv) The following proposed use of service reserves be approved from the projected balance of £1.742m for Corporate Services:
 - £236k for the rollout of cashless catering in primary schools
 - £110k for Secondary Schools (excluding FI and new builds) to create “the perfect” learning environment to support pupil achievement and attainment;
 - £100k for the expansion of a Leadership Development Programme across Caerphilly schools;
- v) The proposed use of service reserves totalling £2.788 be approved for the Directorate of Social Services as detailed in Appendix C.

6. EXEMPT MATTER

Members considered the public interest test certificate from the Proper Officer and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as identified in paragraphs 12 and 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

7. EXTENSION TO FLEXIBLE RETIREMENT DUE TO EXCEPTIONAL CIRCUMSTANCES – CAERPHILLY HOMES

The report sought Cabinet agreement for the extension to the Council’s Flexible Retirement Scheme in relation to a month to month extension, for a maximum of up to 6 months for a member of staff within Caerphilly Homes.

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 recommendations at paragraphs 3.1, be endorsed.

The meeting closed at 11.16am.

Approved and signed as a correct record subject to any corrections made at the meeting held on 22nd July 2020.

CHAIR